

Twenty Sixth Annual Report
2014-2015

Inspired

growth



Indbank
Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)



B Raj Kumar
(Upto 31.05.2015)



TM Nagarajan



PM Venkatasubramanian



G R Sundaravadivel



Chitra Murali



Banabihari Panda
President & Wholetime Director



K Udaya Bhaskara Reddy
(Upto 23.05.2015)



S Krishnan
(From 13.08.2015)



V Gopal
(From 13.08.2015)

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Board of Directors

B Raj Kumar

(upto 31.05.2015)

P M Venkatasubramanian

T M Nagarajan

G R Sundaravadivel

Chitra Murali

K Udaya Bhaskara Reddy

(upto 23.05.2015)

S Krishnan

(from 13.08.2015)

V Gopal

(from 13.08.2015)

Banabihari Panda

President and Whole Time Director

Committees of the Board

Audit Committee

T M Nagarajan

P M Venkatasubramanian

G R Sundaravadivel

Chitra Murali

K Udaya Bhaskara Reddy (upto 23.05.2015)

V Gopal (from 13.08.2015)

Nomination & Remuneration Committee

P M Venkatasubramanian

G R Sundaravadivel

K Udaya Bhaskara Reddy (upto 23.05.2015)

V Gopal (from 13.08.2015)

Banabihari Panda

Stakeholders Relationship Committee

Chitra Murali

K Udaya Bhaskara Reddy (upto 23.05.2015)

V Gopal (from 13.08.2015)

Banabihari Panda

Management

President and Whole Time Director

Banabihari Panda

Vice President & Company Secretary

V S Srinivasan

(upto 30.06.2015)

M S Vaidyanathan

(from 15.07.2015)

Auditors

M/s A V Deven & Co

Chartered Accountants

"NU-TECH JANAKI", Flat E Third Floor

No.9, (Old No.1), 27th Street

Ashok Nagar, Chennai 600083

Bankers

Indian Bank

Registrar & Transfer Agents

Cameo Corporate Services Ltd

'Subramanian Buildings'

No.1, Club House Road

Chennai 600002

Registered Office

First Floor, Khivraj Complex 1

No. 480, Anna Salai, Nandanam, Chennai 600035

Terminals

Chennai-Nandanam, Harbour, Anna Nagar, Mylapore, CMDA-Egmore,

Purasawalkam, Ashok Nagar, Nanganallur, Adyar

Mumbai – Mumbai, Matunga Bazaar

New Delhi – New Delhi, Shantiniketan

Coimbatore- Coimbatore, R S Puram, Tiruppur, Udumalpet

Ahmedabad – Ashram Road

Tirunelveli – Tirunelveli, Sivakasi, Tuticorin, Rajapalayam

Madurai – Madurai, K K Nagar-Madurai

Hyderabad – Hyderabad, Secunderabad, Srinagar Colony

Trichy – Trichy Cantonment, Srirangam

Vijayawada – Vijayawada, Guntur

Bangalore, Erode, Visakhapatnam, Ernakulam, Calicut, Thrissur,

Salem, Mangalore, Vellore, Puducherry, Kumbakonam, Thanjavur,

Pune, Kolkata, Chandigarh

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on **Saturday the 26th September 2015** at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence (IMAGE), MRC Nagar, Raja Annamalaipuram, Chennai 600 028 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report and the Audited Balance Sheet as at 31.03.2015 and Profit and Loss Account for the year ended 31.03.2015 and the Auditors' Report thereon.

SPECIAL BUSINESS

- 2) To appoint Shri S Krishnan (DIN 07261965) as a Director whose period of office shall be liable to determination by retirement of Directors by rotation and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri S Krishnan (DIN 07261965) who was appointed as an Additional Director of the company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from 13.08.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director whose period of office shall be liable to determination by retirement of Directors by rotation".

- 3) To appoint Shri V Gopal (DIN 07258431) as a Director whose period of office shall be liable to determination by retirement of Directors by rotation and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

"Resolved that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri V Gopal (DIN 07258431) who was appointed as an Additional Director of the company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from 13.08.2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director whose period of office shall be liable to determination by retirement of Directors by rotation".

By Order of the Board
For Indbank Merchant Banking Services Ltd.

Place: Chennai
Date: 13.08.2015

M S Vaidyanathan
Vice President & Company Secretary

NOTES

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
- 2) Proxies should be lodged at the Corporate Office of the Company at 'Khivraj Complex – I, 480 Anna Salai, Nandanam, Chennai – 600035 at least 48 hours before the commencement of the meeting.
- 3) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting. Members are requested to communicate the change of address, if any, to enable us to register the same in our records.
- 4) The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses, as set out in the Notice, is annexed hereto.

- 5) The Register of Members and Share Transfer Books of the company will remain closed from **20.09.2015 to 26.09.2015** (both days inclusive).
- 6) Members desirous of availing nomination facility for their shareholdings, may file Nomination Forms in respect of their shareholdings. Any member willing to avail of this facility may submit the prescribed form to the Registrars & Transfer Agent of the company M/s Cameo Corporate Services Ltd. Chennai 600 002.
- 7) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- 8) Pursuant to the provisions of Section 205A of the erstwhile Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government and the members would not be able to make any claims as to the amount of dividend so transferred to the Fund. Accordingly, the due date of transfer of unclaimed dividend pertaining to the Financial Year 2008-2009 is 8th September 2016. Members who have not yet encashed their dividend warrants for the above year are requested to make their claims to the Company immediately.
- 9) Electronic Copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form are being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above document are being sent in the permitted mode.
- 10) Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in Demat form are requested to advise change of addresses to their Depository Participants.
- 11) As a measure of economy, copies of the Annual Report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
- 12) Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
- 13) Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website **www.indbankonline.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form; upon making a request for the same, by post free of cost.
- 14) Voting through electronic means:
 - a. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically.
 - b. As consented to act as a scrutiniser, the Board of Directors has appointed Sri. P. Sriram, Practicing Company Secretary (Membership No. FCS 4862) as the Scrutiniser for conducting the remote e-voting process and voting in accordance with the law and in a fair and transparent manner.
 - c. The members, who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
 - d. The facility for voting (e-voting or ballot or polling) shall be made available at meeting. Members attending the meeting, who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting.
 - e. The remote e-voting period shall commence from 23rd September, 2015 at 10.00 a.m. and shall close on 25th September 2015 at 5 p.m. During this period of remote e-voting, the Members of the Company, holding shares either in physical form or in dematerialized form may cast their vote electronically. The remote e-voting module will be disabled for voting as on the cut-off date of 19.09.2015, thereafter and the Members will not be able to cast their vote electronically beyond the date and time mentioned above (25th September 2015 at 5 p.m.)
 - i. Shareholders should Log on to the e-voting website: www.evotingindia.com
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Image verification as displayed and Click on Login.

- v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

For Members 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)
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in capital Letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter the DOB or Bank Details in order to login. In case 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 (iv)

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. 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.
- xi. Click on the "Resolutions File Link" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. Any person who acquires shares of the company and becomes a member after dispatch of the notice, but holding shares as on the cut off date for remote evoting ie. 19.09.2015 may obtain the login ID and password by sending a request to our RTA at the address mentioned elsewhere in this notice.
- xvii. Note for Non-Individual Shareholders & Custodians:
- ◆ Non-Individual Shareholders/Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ◆ A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ 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 depository account(s)/folio numbers on which they wish to vote .
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ 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.

- xviii. 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 under help section or write an email to helpdesk.evoting@cdslindia.com or call on 18002005533.
- xix. The Scrutiniser would be able to view the names and number of shareholders who have casted the vote by way of e-voting on Friday, September 25, 2015 after 5 p.m. in the presence of at least two witnesses, who are not in employment of the Company and can unblock the voting pattern after the conclusion of AGM September 26, 2015 and report on the results of voting.

Ordinary Business

Item No.1 – Adoption of accounts for the year ended 31.03.2015.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“the Act”).

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 2

Shri S Krishnan, aged 53 years is M.Com, ICWA, CAIIB and currently working as General Manager, Indian Bank was co-opted as a Director on **13.08.2015** on the Board. He has more than 30 years of experience in various positions in Indian Bank. He holds office up to the date of this Annual General Meeting. It is proposed to appoint Shri S Krishnan as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri S Krishnan is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act 2013 proposing the candidature of Shri S Krishnan for the office of Director of the Company.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Ltd.	Director	Nil

Item No. 3

Shri V Gopal, aged 55 years is B.Sc., and currently working as General Manager, Indian Bank, was co-opted as a Director on 13.08.2015 on the Board. He has more than 35 years of experience in various positions in Indian Bank. He holds office up to the date of this Annual General Meeting. It is proposed to appoint Shri V Gopal as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri V Gopal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act 2013 proposing the candidature of Shri V Gopal for the office of Director of the Company.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Ltd.	Director	Audit Committee Stakeholders Relationship Committee Nomination & Remuneration Committee

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participants concerned.

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting before you the Twenty Sixth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2015.

Operations

During the year your company has earned a gross income of Rs. 1047.78 lakhs as against Rs. 744.62 lakhs in the previous year. Under Stock Broking your company has a mix of institutional and individual clients and has achieved a turnover of Rs. 6082.73 crore during the year. Your company also provides Depository services to institutions and retail customers and has 43928 accounts under DP operations and 21293 accounts under broking operations.

Your company reported a net profit of Rs.498.80 lakhs during the year 2014-15 as against a net profit of Rs.30.02 lakhs in the previous year as under:

Rs. In lakhs

	Particulars	2014-15	2013-14
I	Revenue from Operations	859.89	608.26
II	Other Income	186.73	136.36
	Interest on Income tax refund due	1.16	0.00
III	Total Revenue	1047.78	744.62
IV	EXPENSES		
	Employee Benefit expenses	352.59	321.18
	Depreciation & Amortization expenses	69.29	67.11
	Finance Cost	3.27	4.39
	Interest on Income tax refund - Excess int reversed	0.00	9.42
	Interest on excess IT refund	25.76	0.00
	Other Expenses	216.94	221.83
	Bad debts written off	14.93	3.89
	Total expenses	682.78	627.82
	Profit Before Provisions , prior period adjustments and Tax	365.00	116.80
	Provisions made	56.50	12.66
	Reversal of Provisions	(55.30)	(6.82)
V	Profit Before prior period adjustments and Tax	363.80	110.96
VI	Prior Period adjustments	0.00	0.83
VII	Profit Before Tax	363.80	110.13
VIII	Tax Expenses - Current	0.00	0.00
	- Deferred	98.47	1.37
	- Prior years	(6.84)	0.00
IX	PROFIT/(LOSS) for the period from continuing operations	272.17	108.76
X	PROFIT/(LOSS) for the period from discontinuing operations	226.63	(78.74)
XI	Tax expenses of discontinuing operations	0.00	0.00
XII	PROFIT/(LOSS) from discontinuing operations after tax	226.63	(78.74)
XIII	PROFIT/(LOSS) for the period	498.80	30.02
XIV	Add: Balance brought forward from Previous Year	(268.49)	(298.51)
	Addl. Depreciation to comply with Companies Act, 2013	(39.02)	0.00
XV	Balance carried to Balance Sheet	191.29	(268.49)
XVI	Earnings Per Share - Basic & Diluted	1.12	0.07

Dividend

After adjusting the profits of the year against the brought forward loss and additional depreciation to comply with the requirements of the Companies Act, 2013, your company is left with Rs.191.29 lakhs which need to be ploughed back to improve the net worth. Hence your Directors do not recommend any dividend for the year 2014-15.

Board Meetings

The Board of Directors met five times during the year on 23.04.2014, 09.08.2014, 20.10.2014, 07.02.2015 & 28.03.2015.

Directors and Key Managerial Personnel:

Shri G. Rajeevan Pillai has resigned from the Board on his retirement from the services of Indian Bank consequent to his attaining superannuation on 31.05.2014. His resignation was taken on record by the Board at the meeting held on 09.08.2014. In his place Indian Bank has nominated Shri K Udaya Baskara Reddy, General Manager, Indian Bank and he was co-opted as additional Director at the meeting held on 09.08.2014 and appointed as Director at the annual general meeting held on 27.09. 2014 as Director liable to retire by rotation. Shri. K Udaya Bhaskara Reddy has resigned from the Board, consequent to his transfer to Kolkata as Zonal Manager, on 23.05.2015. Shri.B Raj Kumar has resigned from the Board consequent to completion of his term of appointment in Indian Bank as Executive Director on 31.05.2015. Indian Bank has nominated Shri. S Krishnan, General Manager, Indian Bank and Shri. V Gopal, General Manager Indian Bank. They were inducted on the Board as Additional Directors at its meeting held on 13.08.2015.

At the annual general meeting held on 27.09.2014 the existing Independent Directors i.e. Shri T M Nagarajan, Shri P M Venkatasubramanian, Shri G R Sundaravadivel & Mrs. Chitra Murali were appointed as Independent Directors under the provisions of the Companies Act, 2013 for a fixed term of five years and they will hold the office till the conclusion of 30th Annual General Meeting. They are not liable to retire by rotation. In the opinion of the Board the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the rules made there under and are independent of the management.

Your Directors place on record their appreciation for the valuable contributions made by Shri.B Raj Kumar, Executive Director, Shri. K Udaya Bhaskara Reddy, General Manager, Shri G. Rajeevan Pillai, General Manager during their tenure as Directors of the Company.

To comply with the requirements of the Companies Act, 2013, Shri K S Sujay, Officer on deputation from Indian Bank to the company was appointed as Chief Financial Officer.

Retirement of Directors by rotation:

The Company's Board consists of 4 Independent Directors who were appointed for a fixed term of 5 years, are not liable to retire by rotation as per Section 149(13) of the Companies Act, 2013. The Whole-time Director who was appointed for fixed tenure cannot retire by rotation. The other two Directors who are nominees of Indian Bank are appointed as Additional Directors at the Board Meeting held on 13.08.2015. They will hold office of Directorship until the ensuing Annual General Meeting and their appointment as Directors is placed before the ensuing Annual General Meeting. None of the Directors are retiring by rotation.

Declaration from Independent Directors on Annual Basis:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

Composition of Audit Committee:

The Audit Committee of the Board consists of the following Directors as its members:

Name of the Director	Category	Position
Shri T M Nagarajan	Independent Director	Chairman of the committee
Shri P M Venkatasubramanian	Independent Director	Member
Shri G R Sundaravadivel	Independent Director	Member
Smt Chitra Murali	Independent Director	Member
Shri K Udaya Bhaskara Reddy*	Nominee of Indian Bank	Member
Shri V Gopal #	Nominee of Indian Bank	Member

* upto 23.05.2015

from 13.08.2015

The Board has accepted all the recommendations of the Audit Committee.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Vigil Mechanism:

The Company has established a vigil mechanism called Whistle-blower Policy for its directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement. The details of the Whistle-blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company

Director's Responsibility Statement:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had 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;
- c) the Directors had 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;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

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 form MGT 9 is annexed herewith.

Auditors:

The Auditors, M/s A V Deven & Co., Chartered Accountants, Chennai were appointed by the Office of the Comptroller and Auditor General of India, New Delhi in exercise of the powers conferred on them by section 139 of the Companies Act, 2013 as statutory auditors of the company for the financial year 2014-15.

Auditors Observations in the Audit Report:

There is nil observation from the Auditors.

Secretarial Audit:

Secretarial audit report in Form MR 3 as given by M/s. P Sriram & Associates, Practising Company Secretary is annexed to this Report.

Information as per Section 134 (3) (m) of the Companies Act, 2013

- a) The company has no activity relating to conservation of energy or technology absorption.
- b) The company did not have any foreign exchange earnings as well as expenses.

Significant & Material orders passed by the Regulators:

There is no significant and material order passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

Details of adequacy of Internal Financial Controls:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Risk Management Policy:

The company has put in place Risk Management Policy compatible with the type and size of operations and risk perception. The said policy is drawn up based on the guidelines of SEBI and stock exchanges issued in this regard.

Corporate Social Responsibility Policy:

The company does not fall into the criteria stipulated for the applicability of Section 135 of the Companies Act, 2013. Hence the provisions of section 135 of the Companies Act 2013 are not applicable.

Related Party Transactions:

During the year under review, there was no transaction with related party that needs to be reported in Form AOC 2 under section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules 2014.

Formal Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the President & Whole Time Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process and the performance of the Board

Ratio of Remuneration to each Director:

Details / Disclosures of Ratio of Remuneration of each Director to the median employee's remuneration are enclosed as Annexure 1.

Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to NSE and BSE where the Company's Shares are listed.

Corporate Governance and Shareholders Information:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Particulars of Employees:

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, is attached with this report. None of the employees of the company received remuneration in excess of the limits prescribed Under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules of the Companies Act, 2013.

Outlook:

The cost control and monitoring measures initiated in the previous years coupled with improved performance in the broking areas due to the revival of capital market and recovery in some NPA accounts have resulted in substantial jump in net profit. Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdues and reduction of Non Performing Assets, disinvestment of quoted and unquoted investments. Your company's involved management network, satisfied clientele, quality manpower and diligent internal control and cost control measures will enable your company to continue to report better performance in the coming years.

General:

Your Directors wish to place on record their gratitude to the Ministry of Finance, Government of India, SEBI and Comptroller and Auditor General of India for their valuable guidance.

Your Directors also wish to place on record their thanks to the Bankers of the Company and their appreciation for the assistance, support and guidance received from Indian Bank and its Employees.

Your Directors express their appreciation for the contribution made by the Company's dedicated Employees.

In conclusion, your Directors thank you, the members of the company for your support and seek your continued patronage for achieving better results.

Place: Chennai
 Date: 13-08-2015

For and on behalf of the Board of Directors
 V Gopal Banabihari Panda
 Director President & Whole Time Director

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:-	L65191TN1989PLC017883
Registration Date	11th August 1989
Name of the Company	Indbank Merchant Banking Services Ltd.
Category / Sub-Category of the Company	-
Address of the Registered office and contact details	1st Floor, Khivraj Complex, 480, Anna Salai, Nandanam, Chennai – 600035
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Cameo Corporate Services Ltd, Subramanian Building, No.1 Club House Road, Chennai – 600 002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Stock broking services	803	80.54

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Indian Bank		Holding	64.84	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	--	--	--	-	--	--	--	--	
b. Central Govt	--	--	--	-	--	--	--	--	
c. State Govt	--	--	--	-	--	--	--	--	
d. Bodies Corporate	--	--	--	-	--	--	--	--	
e. Banks/FI	28773800	--	28773800	64.84	28773800	--	28773800	64.84	
f. Any other	--	--	--	-	--	--	--	--	
Sub-Total (A) (1)	28773800	--	28773800	64.84	--	--	28773800	64.84	
(2) Foreign									
a. NRIs-Individual	--	--	--	--	--	--	--	--	
b. Other-Individual	--	--	--	--	--	--	--	--	
c. Bodies Corporate	--	--	--	--	--	--	--	--	
d. Banks/FI	--	--	--	--	--	--	--	--	
e. Any other	--	--	--	--	--	--	--	--	
Sub-Total (A) (2)	--	--	--	--	--	--	--	--	
Total shareholding of Promoters (A) = A(1)+A(2)	28773800	--	28773800	64.84	28773800	--	28773800	64.84	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI		97000	97000	0.22		97000	97000	0.22	--
b) Banks/FI	43700	1300	45000	0.101	43700	1300	45000	0.101	
c) Central Govt	4900	--	4900	0.01	4900	--	4900	0.01	
d) State Govt (s)	--	--	--	--	--	--	--	--	
e) Venture Capital Funds	--	--	--	--	--	--	--	--	
f) Insurance Companies	--	--	--	--	--	--	--	--	

g) Fls	--	2700	2700	0.006	--	2700	2700	0.006	
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--		
i) Others (specify)	--	--	--	--	--	--	--		
Sub-total B (1)	48600	101000	149600	0.337	48600	101000	149600	0.337	

(2) Non-institutions									
a) Bodies Corporate									
i. Indian	2017791	145000	2162791	4.87	1972359	145000	2117359	4.77	(0.10)
ii. Overseas									
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	7375111	2907231	10282342	23.17	7125878	2870431	9996309	22.53	(0.64)
ii. Individual shareholders holding nominal share capital more than Rs. 1 lakh	2427047	--	2427047	5.47	2724625	--	2724625	6.14	0.67
c) Others (specify)									
i. Shares held by Pakistani citizens vested with the Custodian of Enemy Property	--	--	--	--	--	--	--	--	--
ii. Other Foreign Nationals		--	--	--	--	--	--	--	--
iii. Foreign Bodies									
iv. NRI/OCBs	361964	--	361964	0.82	391677	--	391677	0.88	0.06
v. HUF	192939	1	192940	0.43	200944	1	200945	0.45	0.02
vi. Clearing Members/ Clearing House	27716	--	27716	0.06	23585	--	23585	0.05	(0.01)
vii. Trusts	--	--	--	--	--	--	--	--	--
viii. Limited Liability Partnership	--	--	--	--	--	--	--	--	--
ix. Foreign Portfolio Investors (Corporate)	--	--	--	--	--	--	--	--	--
x. Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
Sub-Total (B)(2)	12402568	3052232	15454800	34.82	12439368	3015432	15454800	34.82	--
Total Public Shareholding (B)=(B)(1)+(2)	12451168	3153232	15604400	35.16	12487968	3116432	15604400	35.16	--
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	41224968	3153232	44378200	100.00	41261768	3116432	44378200	100.00	

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Indian Bank	28773800	64.84	Nil	28773800	64.84	Nil	NIL
	Total	28773800	64.84		28773800	64.84		

iii) Change in Promoters Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No change during the year			
Datewise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/ transfer/ bonus/sweat equity etc.,	No change during the year			
At the end of the year	No change during the year			

iv) Share holding Pattern of Top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sandeep Shah	365127	0.82	184275	0.42
Videocon Industries Ltd.	298557	0.67	298557	0.67
V S Dempo Holdings Pvt. Ltd.	200000	0.45	200000	0.45
Riviera Finance (India) Ltd.	132153	0.30	131637	0.30
Subhash Chand Tyagi	124984	0.28	-	--
Greenfield Appliances Private Ltd.	124500	0.28	124500	0.28
Dharm Prakash Tripathi	-	-	124060	0.28
Vaidyanathan Sundaresan	111300	0.25	111300	0.25
Haresh Babulal Shah / Jyoti Haresh Shah	99500	0.22	99500	0.22
U R Ramesan	-	-	97025	0.22
Kailash Shares & Securities Pvt. Ltd.	-	-	87306	0.20
Electroparts India Pvt. Ltd.	80100	0.18	80100	0.18
Tangent Electronics Pvt. Ltd.	80100	0.18	-	-
Waluj Components Pvt. Ltd.	80100	0.18	80100	0.18
Karvy Stock Broking Ltd.	72053	0.16	60638	0.14

v) Shareholding of Directors and Key Managerial Personnel: Nil
V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

Rs. In lakhs

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
Principal amount	0.00			0.00

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Interest due but not paid	0.00			0.00
Interest accrued but not due	0.00			0.00
Total ((I + ii + iii))	0.00			0.00
Change in indebtedness	30.22			30.22
Addition (by interest)	0.00			0.00
Reduction (repayment)	0.00			0.00
Net change	30.22			30.22
Indebtedness at the end of the year				
Principal amount	30.22			30.22
Interest due but not paid	0.00			0.00
Interest accrued but not due	0.00			0.00
Total ((I + ii + iii))	30.22			30.22

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

Sl.No	Particulars of Remuneration	Name & Designation
1.	Salary - 13.50 lakhs Contribution to PF - 0.65 lakhs	Mr. Banabihari Panda – President & Whole Time Director

B. Remuneration to other Directors:

1. Independent Directors

Sl.No	Particulars of Remuneration	Name of Directors				Total
		Shri T M Nagarajan	Shri P M Venkatasubramanian	Shri G R Sundaravadivel	Smt Chitra Murali	
Amount Rs. In lakhs						
1.	Fee for attending Board/ Committee meetings	0.40	0.44	0.44	0.42	1.70
2.	Commission	--	--	--	--	--
3.	Others, please specify					
	Total B (1)	0.40	0.44	0.44	0.42	1.70

2. Other Non Executive Directors

Sl.No	Particulars of Remuneration	Name of the Directors		
		Shri B Rajkumar	Shri Udaya Bhaskara Reddy	Total
1.	Fee for attending Board/ Committee meetings	NIL		
2.	Commission			
3.	Others, please specify			
	Total B (1)			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President & Company Secretary	CFO	Total
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the IT Act, 1961	1003714	243116	1246830

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President & Company Secretary	CFO	Total
	Value of perquisites u/s 17(2) Income-tax Act, 1961		--	--
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Options	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission	--	--	--
	As % of profit	--	--	--
	Others, specify	--	--	--
5.	Others, (specify)	--	--	--
	Total (C)	1003714	243116	1246830

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Form No.MR-3 SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

Ind Bank Merchant Banking Services Limited

480, Anna Salai

Chennai – 600 035

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ind Bank Merchant Banking Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Ind Bank Merchant Banking Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956("SCRA") and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
 - f. Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992
 - g. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 read with amendments thereto.

- 5) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- 6) Income Tax Act, 1961
- 7) Payment of Gratuity Act, 1972
- 8) Service Tax Act, 1994
- 9) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- 10) Indian Stamp Act 1999 including State Stamp Acts
- 11) Payment of Wages Act, 1936 and other applicable labour laws
- 12) Payment of Bonus Act, 1965

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. Secretarial Standards issued by The Institute of Company Secretaries of India (ICS) is yet to be notified and hence not applicable to the company during the audit period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Date: 08.05.2015

Place: Chennai

P. Sriram & Associates

FCS No. 4862

CP No: 3310

Ratio of Remuneration

ANNEXURE – 1

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; The Directors other than President & Whole Time Director are not drawing any remuneration other than sitting fees. Hence the computation relates to the remuneration of President & Whole Time Director in relation to the median remuneration of the employee.	6.17
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	President & Whole Time Director - 6.78% Vice President & Company Secretary - 10.67%. The increase is due to the increase in dearness allowance and on account of increment as per the service regulations.

(iii) the percentage increase in the median remuneration of employees in the financial year;	19.37%
(iv) the number of permanent employees on the rolls of company;	76
(v) the explanation on the relationship between average increase in remuneration and company performance;	The increase in the remuneration is driven by the company's policy and service regulations. The increase in the remuneration during the year is only due to the payment of dearness allowances and regular increments. Hence the increase in the remuneration is not linked with the companys performance.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The increase in the remuneration is driven by the company's policy and service regulations. The increase in the remuneration during the year is only due to the payment of dearness allowances and regular increments. Hence the increase in the remuneration is not linked with the companys performance.
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	In view of the improved performance during the financial year 2014-15, the market capitalisation and PE ratio have improved. There is a decrease of 58% in the market price over the last public offer made in 1994 at Rs. 25/- (Face value of Rs. 10/- plus premium of Rs. 15/-).
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase in the salaries of employees other than managerial position and that of managerial remuneration are 19.37 % and 6.78% respectively. Hence this provision is not applicable.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	All the Key Managerial Personnel are on deputation from parent Indian Bank and draw remuneration as per the service regulations of the Bank. The increase in the salary of President & Whole Time Director and Vice President & Company Secretary is 6.78% & 10.67% respectively whereas the increase in the performance of the company in terms of net profit during 2014-15 over the previous FY is 1561.56%.
(x) the key parameters for any variable component of remuneration availed by the directors;	Not applicable.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not applicable.
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the remuneration policy of the company.

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 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
	Total	82

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 accessed 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) 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

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. 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 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. 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
A	Promoters holding					
1	Promoters	1		28773800	28773800	64.84
	-Indian Promoters					
	-Foreign Promoters	--		--	--	--
2	Person acting in concert	--		--	--	--
	Sub-total	1		28773800	28773800	64.84
B	Non-Promoters holding					
	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
	Sub-total	16	101000	48600	149600	0.34
C	Others					
	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
	Sub-total	43882	3015432	12439368	15454800	34.82
	Grand Total	43899	3116432	41261768	44378200	100.00

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
Total	43899	44378200	100.00

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, "Subramaniam Building" No 1, Club House Road, Chennai – 600002. Email : cameo@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr. M S Vaidyanathan Vice President & Company Secretary and Compliance Officer Tel : 91-94457 97101 Fax : 044 24313093 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)**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Areas of Business Operations

Your company is engaged in Merchant Banking, Stock Broking, Depository Participant and allied activities. Your company is a member of NSE (Equity, Derivatives & Debt segments), BSE (Equity), MCX-SX (Equity & Derivatives) and registered with NSDL as a Depository Participant. Your company is also registered with Association of Mutual Funds of India (AMFI) for distribution of Mutual Fund products.

Operations during the year

During the year your company has earned a gross income of Rs.1047.78 lakhs as against Rs.744.62 lakhs in the previous year. Under Stock broking your company has a mix of Institutional and individual clients and has achieved a turnover of Rs. 6082.73 crores during the year. Your company also provides Depository services to Institutions and retail customers and has 43928 accounts under DP operations and 21293 accounts under broking operations.

Risk Management & Internal Control Systems

The major risks among others that your company manages include credit risk, liquidity risk, interest rate risk and operational risk. In view of the discontinuance of fund based activities the credit risks on appraisal and disbursement do not arise. The company has put in place an aggressive recovery mechanism for realisation of existing fund-based exposures.

Your company has detailed operating manuals and well laid down delegation of powers to ensure that operational controls are maintained on the business. The policies and procedures are continuously reviewed through interaction between office heads and other support functional heads. Your company has also an adequate internal audit system to ensure feedback on adherence to the defined policies and procedures and regulatory guidelines.

Human Resources

Human Resources of your company comprise a mix of 6 Officers on deputation from Indian Bank and 91 employees on direct rolls. The employees are well qualified and experienced in their field of operations.

Financial Performance

Balance Sheet items

Share Capital

The Share Capital of your company comprises 44378200 number of Equity shares of Rs.10/- each. Your company's shares are listed in BSE and National Stock Exchange. There is no change in share capital of the company during the year.

Reserves & Surplus

The accumulated losses brought forward from the previous year have been completely adjusted out of the profits for the year and the balance profit of Rs. 191.29 lakhs has been carried over to reserves.

Current Liabilities

The current liabilities have decreased from Rs. 900.09 lakhs to Rs.572.36 lakhs mainly in view of decrease in amount payable to trading clients under Broking compared to previous year. The provision for leave encashment have reduced from Rs. 61.49 lakhs to Rs.47.40 lakhs on account of reversal of provisions made for encashment of leave on actuarial valuation as at the end of the year.

Fixed Assets

Fixed assets have increased by Rs. 57.76 lakhs in view of the capital expenditure incurred for replacement of fixed assets for normal operations and a decrease of Rs. 175.99 lakhs consequent to disposal of old and unusable items.

Investments

The investments of your company comprise Quoted shares, unquoted investments acquired under Bought Out Deals (BOD) and Debentures. Gross investments have decreased from Rs.2484.04 lakhs as on 31.03.2014 to Rs.2124.48 lakhs as on 31.03.2015 due to sale under buy back offer under BOD account and some disinvestments under quoted / unquoted investments. Net investments after adjusting provisions have increased in view of improvement in the market price of quoted shares necessitating reduced provision in the value of the investments. The market value of quoted investments (cost - Rs.586.38 lakhs) of the company as on 31.03.2015 was Rs.143.01 lakhs compared to Rs.135.59 lakhs.

Deferred Tax Assets

During the year the company has provided Rs.98.47 lakhs towards deferred tax liability in the profit and loss account. Accordingly, the Net Deferred Tax Assets have reduced from Rs.531.54 lakhs in the previous year to Rs.433.07 lakhs in the current year.

Current Assets

The current assets have increased from Rs. 3669.15 lakhs as on 31.03.2014 to Rs.3938.69 lakhs as on 31.03.2015 in view of the increase in trade receivables consequent upon the corresponding decrease in current liabilities discussed above.

Revenue from Operations

Merchant Banking income has decreased from Rs.25.10 lakhs in 2013-14 to Rs.16.05 lakhs in 2014-15 in view of sluggish market conditions in the primary market and decline in brokerage income from distribution of mutual funds.

Stock Broking / DP income has increased from Rs.583.16 lakhs in 2013-14 to Rs.843.84 lakhs in 2014-15. Other income has increased in view of interest earned from fixed deposits and rental income consequent to better cash management.

Based on the orders, under section 154 of the Income Tax Act received during the year, the interest reduced by the department on the refunds due under Income Tax which were earlier allowed and booked during 2011-12 / 2012-13 for various assessment years amounting to Rs.98.10 lakhs were reversed. We have also booked Rs.99.26 lakhs as interest on refunds for which necessary orders from Income Tax Department were received during the year.

The company has earned a profit of Rs.226.63 lakhs in the current year from discontinued operations as against loss of Rs. 78.74 lakhs in the previous year mainly due to recovery from fund based discontinued operations.

Expenses

Employee benefit expenses have increased from Rs.321.18 lakhs in the previous year to Rs.352.59 lakhs in the current year mainly due to increase in DA payable and salary arrears payable to officers on deputation from Indian Bank in terms of bi-partite settlement. Depreciation and amortization expenses have marginally increased from Rs.67.11 lakhs in the previous year to Rs.69.29 lakhs in the current year. Other expenses have decreased from Rs.221.83 lakhs to Rs.216.94 lakhs due to cost control measures initiated which are yielding results. Provisions for NPAs (Net) have decreased from Rs.5.84 lakhs in the previous year to Rs.1.20 lakhs in the current year, due to better recovery in DP/Trading dues.

Financial Results

Rs.Lakhs

	Particulars	2014-15	2013-14
I	Revenue from Operations	859.89	608.26
II	Other Income	186.73	136.36
	Interest on Income tax refund due	1.16	0.00
III	Total Revenue	1047.78	744.62
IV	EXPENSES		
	Employee Benefit expenses	352.59	321.18
	Depreciation & Amortization expenses	69.29	67.11
	Finance Cost	3.27	4.39
	Interest on Income tax refund - Excess int reversed	0.00	9.42
	Interest on excess IT refund	25.76	0.00
	Other Expenses	216.94	221.83
	Bad debts written off	14.93	3.89
	Total expenses	682.78	627.82
	Profit Before Provisions , prior period adjustments and Tax	365.00	116.80
	Provisions made	56.50	12.66
	Reversal of Provisions	(55.30)	(6.82)
V	Profit Before prior period adjustments and Tax	363.80	110.96

	Particulars	2014-15	2013-14
VI	Prior Period adjustments	0.00	0.83
VII	Profit Before Tax	363.80	110.13
VIII	Tax Expenses - Current	0.00	0.00
	- Deferred	98.47	1.37
	- Prior years	(6.84)	0.00
IX	PROFIT/(LOSS) for the period from continuing operations	272.17	108.76
X	PROFIT/(LOSS) for the period from discontinued operations	226.63	(78.74)
XI	Tax expenses of discontinued operations	0.00	0.00
XII	PROFIT/(LOSS) from discontinued operations after tax	226.63	(78.74)
XIII	PROFIT/(LOSS) for the period	498.80	30.02
XIV	Add: Balance brought forward from Previous Year	(268.49)	(298.51)
	Addl. Depreciation to comply with Companies Act, 2013	(39.02)	0.00
XV	Balance carried to Balance Sheet	191.29	(268.49)
XVI	Earnings Per Share - Basic & Diluted	1.12	0.07

Outlook

The cost control and monitoring measures initiated in the previous years coupled with improved performance in the broking areas due to the revival of capital market and recovery in some NPA accounts have resulted in substantial jump in net profit. Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdues and reduction of Non Performing Assets, disinvestment of quoted and unquoted investments. Your company's involved management network, satisfied clientele, quality manpower and diligent internal control and cost control measures will enable your company to continue to report better performance in the coming years.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF INDBANK MERCHANT BANKING SERVICES LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2015

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of Act. This is stated to have been done by them vide their Audit Report dated 12.05.2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Indbank Merchant Banking Services Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report.

For and on the behalf of the
Comptroller & Auditor General of India

(G SUDHARMINI)

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD

Place: Chennai
Date: 06.07.2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INDBANK MERCHANT BANKING SERVICES LIMITED
Chennai 600 035

Report on the Financial Statements

- 1) We have audited the accompanying financial statements of **M/s. INDBANK MERCHANT BANKING SERVICES LIMITED**, which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4) We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 6) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
 - b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexe-1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(5), we have included in Annexe-2, a statement on the matters specified in the Directions issued by The Comptroller and Auditor General Of India, and in our opinion, no action is required to be taken thereon and there is no impact on the accounts and Financial Statements of the Company.

- 3) As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The Company has adequate internal financial controls system in place and the operating effectiveness of such controls is adequate.
 - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :-
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the current Financial Year.

For M/s A V DEVEN & Co.,
 Chartered Accountants,
 (Firm Reg. No.000726S)

Place: Chennai – 600 083
 Date : 12.05.2015

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

ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

With reference to the Annexure 1 referred to in paragraph 1 of the Auditors' Report of even date to the Members of the M/s. Indbank Merchant Banking Services Ltd on the accounts for the year ended 31st March 2015, we report that:

Sl. No.	Particulars	Auditors Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes, the Company has maintained proper records.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	It has been reported to us that the fixed assets have been physically verified by the management on a random basis during the year. No materials discrepancies were noticed on verification.
(ii)	(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management;	Not Applicable.
	(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Not Applicable.
	(c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	Not Applicable.

Sl. No.	Particulars	Auditors Remark														
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No, the company has not given loans to any other company, firms or other parties covered in the register.														
	(a) Whether receipt of the principal amount and interest are also regular; and	Not Applicable.														
	(b) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable.														
(iv)	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the region and nature of its business with regard to purchase of Fixed assets and payments for expenses and sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.														
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No, the company has not accepted any deposits from the public														
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	As informed to us, the Central Government has not prescribed maintenance of cost records by the Region under section 128 of the Companies Act, 2013 in respect of the business of the Region.														
(vii)	(a) Is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax and Cess to the extent applicable have been regularly deposited, ESI, Excise Duty, Customs and Cess are not applicable to this company. According to the information and explanation given to us were no outstanding statutory dues as on March 2015 for a period of more than six months from the date they become payable.														
	(b) In case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	According to the information and explanation provided by the management following are the disputed dues in respect of income tax and sales tax that have not been deposited. <table border="1" data-bbox="751 1328 1172 1567"> <thead> <tr> <th>Assessment Year</th> <th>Amount (In lakhs)</th> </tr> </thead> <tbody> <tr> <td>INCOME TAX</td> <td></td> </tr> <tr> <td>1998-99</td> <td>32.13</td> </tr> <tr> <td>2007-08</td> <td>617.47</td> </tr> <tr> <td>2008-09</td> <td>1129.05</td> </tr> <tr> <td>2009-10</td> <td>72.23</td> </tr> <tr> <td>Sales Tax</td> <td>42.78</td> </tr> </tbody> </table>	Assessment Year	Amount (In lakhs)	INCOME TAX		1998-99	32.13	2007-08	617.47	2008-09	1129.05	2009-10	72.23	Sales Tax	42.78
Assessment Year	Amount (In lakhs)															
INCOME TAX																
1998-99	32.13															
2007-08	617.47															
2008-09	1129.05															
2009-10	72.23															
Sales Tax	42.78															

Sl. No.	Particulars	Auditors Remark
	(c) Whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.	The company did not declared dividend for the past seven years.
(viii)	Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company had accumulated loss of ₹268.49 lakhs as at 31.03.2014. During the current year, the company has earned a profit of ₹191.29 lakhs, after adjusting the accumulated loss.
(ix)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Based on our audit procedures and on the explanation and information given by the management the company has not availed any loans from any financial institution or bank or debentures.
(x)	Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	The company has not given any guarantee for loans taken by others from bank or financial institutions.
(xi)	Whether term loans were applied for the purpose for which the loans were obtained;	No term loans have been availed during the financial year by the company.
(xii)	Whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M/s. A V DEVEN & CO.,
Chartered Accountants,
(FRN 000726S)

Place : Chennai - 83.
Date : 12.05.2015

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

ANNEXURE 2 REFERRED TO IN OUR REPORT OF EVEN DATE

STATUTORY AUDITOR'S REPORT FOR DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (5) OF COMPANIES ACT, 2013. RE: INDBANK MERCHANT BANKING SERVICES LIMITED, CHENNAI-35.

We are giving below replies to the following questions and information as required under Section 143 (5) of Companies Act, 2013. Our replies are based on the basis of our examination & explanations given to us during the course of Statutory Audit of **M/s INDBANK MERCHANT BANKING SERVICES LIMITED** for the financial year **2014-15**.

- 1) If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined including the mode and present stage of disinvestment process.
The Company has not been selected for Dis-Investment.
- 2) Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.

The Company has written off an amount of ₹2,48,96,175.28. Details are given in Annex 1.

- 3) Whether proper records are maintained for inventories lying with third parties and assets received as gift from government or other authorities.

Not Applicable

- 4) A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

The number of pending legal/arbitration cases are 72. The age-wise analysis is furnished in Annex 2.

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

Place : Chennai-83

Date : 14.05.2015

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

ANNEXURE 1

Waiver / Write off of Debts/loans and interest etc. during the year 14-15

I Continuing Operations:-

Sl. No	Name of the party	Amount Written-off (₹)	Amount Due (₹)	Amount Received (₹)	Reasons for Write off (as given by the Management)
1.	Laxmi Manohar Rao	114932.00	334932.00	220000.00	1. Unsecured arising out of trading loss 2. Civil suit filed against the client which, underwent over 36 adjournments over 4 years and outcome for the same was uncertain. 3. Entire outstanding has been provided for in the accounts. 4. Client is reportedly under financial stress and has offered OTS of ₹.2.20 lakhs and it was extremely difficult to realise a higher recovery than the OTS. Hence OTS was approved and balance written off
2.	Broking Dues of 591 clients which are less than Rs.500/-	67918.41	67918.41	0.00	1. These unsecured long outstanding dues were spread over a large number of small accounts which has been fully provided for in the books of account. 2. Recovery from these clients were not forth coming in spite of several efforts. 3. Cost of recovery was exceeding the amount of recovery. Hence the dues of ₹.67918.41 were written off as on 30.06.2014 against the provision held.
3.	Modern Financials Services	1204663.66	2546506.66	1341843.00	1. There was no other security to fall back upon except the mortgage of the land and building offered by the brother of the client. 2. His brother had no association with the share transactions which resulted in the overdue amount. His financial position was really weak. 3. Similarly, the client was also living on inadequate income earned from doing share trading business. 4. Civil suit filed but has not reached finality. 5. Mortgagor was not a guarantor to IBMS for the client dues. 6. The entire outstanding was provided for in our books of account.

					7. The party had come forward for an OTS of ₹.13 lakhs. As the client and mortgagor were reportedly under financial stress in the light of their low income sources and family obligations, it was extremely difficult to realize a higher recovery than the OTS offered, the OTS was approved and balance written off from the books.
4.	Vijay Kothari	32080.36	32080.36	0.00	The dues outstanding was the accumulation of DP dues of 22 demat accounts belonging to the family members of Mr. Vijay Kothari. Since the client was holding very few quantities of shares in all the demat accounts, the client was requested to convert the demat accounts BSDA accounts for avoiding further AMC charges. Since the
					client's request for the same was rejected by NSDL, the client informed that he will send closure/transfer request for the demat accounts. In light of the above, the client' OTS offer of ₹.22000 was accepted and balance amount was written off.
5.	Yesodha	73519.84	160215.20	86695.36	The outstanding due from the client is a result of trading loss incurred by the client. In spite of repeated follow up, the client was not forthcoming for settlement of the outstanding dues. After adjustment of the sale of securities available in the account of the client, the balance due of ₹.73519.84 was written off as the scope of further recovery from the client appeared bleak and recovery through legal proceedings/arbitrage will be a time consuming measure and may not be cost effective.
	Total	1493114.27	3163652.65	1670538.36	

II Discontinuing Operations:

Sl. No	Name of the party	Amount Written-off (₹)	Amount Due (₹)	Amount Received (₹)	Reasons for write-off (as given by the Management)
1.	Coimbatore Pioneer Mills Limited	1818294.90	2797294.90	979000.00	1) The original promoters of the Company have since expired. Personal guarantee of the Directors were not available. 2) The unit is closed and the Company is under BIFR. The suit filed by us, though decreed in our favour, was not enforceable against the Company pending continuation of the BIFR case. 3) The company already made a repayment of ₹.35.72 lakh as against the original disbursement of ₹.51.00 lakh. The company's financial position was weak and there was no scope for payment in the normal course. The BIFR sanctioned scheme notes that the Company will be viable by March 2016. But the scheme has not yet been operative even after 2 years of sanction. The Company was not likely to come out of BIFR in the near future. After discussion with advocates, it was opined that even after the Company comes out of BIFR, enforcing the decree may not yield anything as the company has huge statutory liabilities which have priority over our dues.
2.	Rotoflex Industries Ltd	18778387.36	20111366.36	1332979.00	1) The company is under BIFR and has been declared sick. Recovery through legal means will be time consuming. The cases filed against the company u/s138 and civil suit has also become in fructuous because of the BIFR status of the company.

					<p>2) IBMS is secured only by way of charge on the machineries purchased under HP scheme. The machineries have become obsolete and in rusted condition and can fetch scrap value only. Taking possession of the same will also involve substantial cost.</p> <p>3) The company still owes dues to secured creditors/statutory authorities and therefore make our chance of recovery uncertain.</p> <p>4) The company has already made a repayment of ₹.22.70 lakhs to us as against the original compromise sanction of ₹.34 lakhs approved by the Board on 07.05.2009. Further recovery of ₹.13.30 lakhs will make the total recovery under compromise as ₹.36 lakhs.</p>
3.	BVW Paper Industries Ltd - HP Account	588633.73	4406112.73	3817479.00	<p>1) The Company is sick and is referred to BIFR where the proceedings are going on for the last 14 years. Though, the arbitration award has been obtained in our favour, the same is not enforceable till the company is in BIFR, which is a time consuming and uncertain process. Moreover, satisfaction of the dues of the statutory authorities and those of other secured creditors will have priority over that of ours. The company already has a negative net worth. The means of the company as per the latest balance sheet and reportedly of its promoters' are not enough to satisfy all the dues fully.</p> <p>2) The OTS of ₹.75 lakhs sanctioned in 2012 which has not been honoured by the party.</p> <p>3) The financed equipments are of insignificant scrap value. Retrieval /sale of these equipments are impractical and costly.</p> <p>4) After several rounds of discussion with the company, the party has come forward to settle the dues through OTS of ₹.38.17 lakhs.</p> <p>5) The Company's financial position is so weak that there is no scope, in the normal course, for recovery of our original dues as per HP terms or the arbitral decreed amount or even the OTS of ₹.75 lakhs sanctioned in 2012. Unlike the other secured creditors, there are no personal guarantees or additional securities or second charge on the assets of the company to fall back upon to recover our dues. The only physical recourse is on the equipments financed which are of no net value. In the event of liquidation of the company, there is no chance of recovering any amount as the other secured creditors/statutory authorities will have priority.</p> <p>6) Hence the OTS was approved and the balance outstanding was written off.</p>
4.	Kongrar Textiles Ltd - Lease Account	2217745.02	2217745.02	0.00	<p>1) The company has been referred to BIFR. The company was declared sick u/s 3(1)(o) of the Sick Industrial Companies (Special provision) Act, 1985 and ICICI was appointed as Operating Agency. In the year 2004 the BIFR ordered for Winding up of the company vide its order dated 29/07/2004. With BIFR's confirmation order dt. 22.11.2007, the company is wound up with the following directions:</p>

					<p>i) ₹. 28,20,000/- shall be paid by the company to Indbank as full and final settlement of dues (₹.5,00,000/- before 06/12/2007; ₹. 22,00,000 in 11 equal installment starting from January 2008 upto November 2008 before 10th of every succeeding month and ₹.1,20,000/- in December 2008.</p>
					<p>ii) The company is liable to pay interest on the aforesaid amount at 9% p.a. from the date on the order till the full payment of the dues.</p> <p>iii) Indbank is at liberty to adopt appropriate proceedings in accordance with law for the recovery of the balance interest claimed.</p> <p>iv) On deposit of the first installment of ₹. 5,00,000/- the Official Liquidator is directed to return the plant and machinery to the company.</p> <p>2) In compliance to the above order the company made total payment of ₹.29,18,000/- (comprising ₹.28,20,000/- towards decreed amount & ₹.98,000/- as interest @ 9% as per this court order dt.22.11.2007) in various installments, the last one being ₹.3,00,000/- on 31/12/2008 .</p> <p>3) The remaining book balance has been written off after approval from the Board.</p>
TOTAL	23403061.01	29532519.01	6129458.00		

ANNEXURE 2

Number of pending legal / arbitration cases indicating the age-wise analysis and reasons for their pendency

Description	< 1 yr	1-3 yrs	3 yrs & above	Total	Reasons (as given by the Management)
Section 138			40	40	1. Delay in courts taking up the matter in view of the volume of cases with them. 2. Problems in issue of summons. 3. Adjournments taken by the parties 4. Parties not appearing.
Winding up petition			6	6	1. Referral to BIFR which keeps winding up proceedings in abeyance. 2. Adjournments taken by the companies. 3. Procedural delays for liquidator in completing the winding up process.
Civil suits			22	22	1. Delay in courts taking up the matter in view of the volume of cases with them. 2. Problems in issue of summons 3. Adjournments taken by the parties. 4. Parties not appearing.
Arbitration			2	2	1. Party not appointing their arbitrators. 2. Referral to BIFR.
Criminal Compliant			2	2	1. Party contesting. 2. The time procedure for processing.
Total			72	72	

BALANCE SHEET AS AT 31st March 2015

Particulars	Note No.	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	44,37,82,000	44,37,82,000
(b) Reserves & Surplus	2	1,91,29,018	46,29,11,018
		(2,68,49,324)	41,69,32,676
(2) Current Liabilities			
(a) Other Current Liabilities	3	5,72,36,381	9,00,08,621
(b) Short Term Provisions		47,40,493	6,19,76,874
		61,49,448	9,61,58,069
Total		52,48,87,892	51,30,90,745
II ASSETS			
Noncurrent Assets			
(1) Fixed Assets:			
(a) Fixed Assets - Tangible assets	4	4,97,83,907	5,47,46,932
(b) Fixed Assets - Intangible assets		7,89,343	18,30,992
(c) Non current Investments	5	3,47,38,523	3,40,43,927
(d) Deferred Tax Assets (Net)	6	4,33,06,891	12,86,18,664
		5,31,54,007	14,37,75,858
(2) Current Assets			
Trade Receivables	7	6,50,92,773	2,95,26,699
Cash and Cash equivalents	8	16,56,28,462	18,67,09,887
Short term Loans & Advances	9	15,05,11,064	14,33,47,141
Interest accrued on Fixed Deposits		1,24,52,753	71,34,644
Other Current Assets	10	1,84,176	39,38,69,228
		1,96,516	36,69,14,887
(3) Assets under Discontinuing Operations	11	24,00,000	24,00,000
Total		52,48,87,892	51,30,90,745

See accompanying Notes to the financial statements 1-32

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

BANABIHARI PANDA
PRESIDENT & WHOLETIME DIRECTOR

K UDAYA BHASKARA REDDY
DIRECTOR

As per our report of even date attached
For A V DEVEN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.000726S)

V S SRINIVASAN
VICE PRESIDENT & COMPANY SECRETARY

K S SUJAY
CHIEF FINANCIAL OFFICER

CA. R.RAGHURAMAN
PARTNER
(M.No:201760)

Place: Chennai
Date : 11.05.2015

STATEMENT OF PROFIT & LOSS ACCOUNT UPTO THE PERIOD ENDED 31.03.2015

Particulars	Note No.	Year ended 31-Mar-15 Rs.	Year ended 31-Mar-14 Rs.
INCOME			
I Revenue from Operations	12	8,59,88,703	6,08,26,660
II Other Income		1,86,73,401	1,36,35,858
Interest on income tax refund due	26	1,15,621	0
III Total Revenue		10,47,77,725	7,44,62,518
IV EXPENSES			
Employee Benefit expenses	13	3,52,59,144	3,21,17,554
Depreciation & Amortization expenses	4	69,28,939	67,10,958
Finance Cost	14	3,26,911	4,39,449
Other Expenses	15	2,16,93,661	2,21,83,277
Interest on income tax refund due		0	9,42,429
Interest on excess IT refund	27	25,75,793	0
Bad debts written off	16	14,93,114	3,88,657
Total expenses		6,82,77,562	6,27,82,324
V Profit Before Provisions, Exceptional and Extraordinary items and Tax		3,65,00,163	1,16,80,194
Provisions made	16	56,50,023	12,65,679
Reversal of Provisions	16	(55,29,636)	(6,81,939)
VI Profit Before Exceptional and Extraordinary items and Tax		3,63,79,776	1,10,96,454
VII Exceptional item		0	0
VIII Prior period Adjustments	17	0	83,633
IX Profit Before Extraordinary Items and Tax		3,63,79,776	1,10,12,821
X Extraordinary Items		0	0
XI PROFIT/(LOSS) BEFORE TAX		3,63,79,776	1,10,12,821
XII Tax Expenses - Current		0	0
- Deferred	18	98,47,116	1,36,976
- Prior years	18	(6,84,675)	0
XIII PROFIT/(LOSS) for the period from continuing operations		2,72,17,335	1,08,75,845
XIV PROFIT/(LOSS) for the period from discontinuing operations	19	2,26,63,082	(78,74,086)
XV Tax expenses of discontinuing operations		0	0
XVI PROFIT/(LOSS) from discontinuing operations after tax		2,26,63,082	(78,74,086)
XVII PROFIT/(LOSS) for the period		4,98,80,417	30,01,759
XVIII Add: Balance brought forward from Previous Year		(2,68,49,324)	(2,98,51,083)
XIX Less: Transferred from General Reserves		0	0
XX Balance carried to Balance Sheet		2,30,31,093	(2,68,49,324)
XXI Earnings Per Share - Basic & Diluted		1.12	0.07

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

BANABIHARI PANDA
PRESIDENT & WHOLETIME DIRECTOR

K UDAYA BHASKARA REDDY
DIRECTOR

As per our report of even date attached
For A V DEVEN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.000726S)

V S SRINIVASAN
VICE PRESIDENT & COMPANY SECRETARY

K S SUJAY
CHIEF FINANCIAL OFFICER

CA. R.RAGHURAMAN
PARTNER
(M.No:201760)

Place: Chennai
Date : 11.05.2015

Notes on Accounts forming part of Balance Sheet as at 31.03.2015 and statement of Profit & Loss account for the year ended 31.03.2015

1. Share Capital

(Amount in Rs.)

Sl.No	Details	2014-15	2013-14
(a)	Authorised Capital 10,00,00,000 Equity Shares of Rs 10 each	100,00,00,000	100,00,00,000
(b)(i)	Issued capital 4,44,10,000 equity shares of Rs. 10 each	44,41,00,000	44,41,00,000
(b)(ii)	Subscribed and fully paid 4,43,78,200 equity shares of Rs. 10 each	44,37,82,000	44,37,82,000
(c)	Par value per share	10	10
(d)	Reconciliation of No. of shares outstanding at the beginning and at the end of the year	Not Applicable	Not Applicable
(f)	Out of the above, 2,87,73,800 equity shares are held by Indian Bank, the holding bank	28,77,38,000 64.84 %	28,77,38,000 64.84 %
(g)	Shares held by each share holder holding more than 5 %	Nil	Nil
(h)	Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts	Nil	Nil
(i)(i)	Aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash in the preceding 5 years	Nil	Nil
(i)(ii)	Aggregate number of shares allotted as fully paid up by way of bonus shares in the preceding 5 years	Nil	Nil
(i)(iii)	Aggregate number of shares brought back	Nil	Nil
(j)	Terms of any Securities convertible in to equity shares / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date	Nil	Nil
(k)	Calls unpaid	Nil	Nil
(l)	Forfeited Shares	Nil	Nil

2. Reserves and Surplus

(Amount in Rs.)

Details	2014-15	2013-14
Opening Balance	0	0
Less: Transfer to Profit & Loss account	0	0
Closing Balance	0	0
Balance in Profit & Loss account	1,91,29,018*	(2,68,49,324)
Total	1,91,29,018	(2,68,49,324)

Opening Balance for 2014-15	(2,68,49,324)	
Less: Additional depreciation to comply with Companies Act, 2013	39,02,075	(3,07,51,399)
Profit for the year		4,98,80,417
Balance carried to Reserve & Surplus		1,91,29,018*

Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f April 1, 2014, depreciation has been provided on the basis of useful lives as prescribed in Schedule II. An amount of Rs.39,02,075/- has been adjusted against the opening balance of reserves & surplus for the assets where remaining useful life as per Schedule II was Nil.

3. Current Liabilities

(Amount in Rs.)

Sl.No	Details	2014-15		2013-14	
(a)	Other current liabilities				
	Sundry Creditors for Expenses	51,06,342		19,69,611	
	Unpaid Dividend(unclaimed as per contra)	38,22,523		38,22,523	
	Overdraft against Deposits from Indian Bank	30,22,036		0	
	Other current liabilities	4,52,85,480	5,72,36,381	8,42,16,487	9,00,08,621
(b)	Short Term Provisions - Provision for leave encashment		47,40,493		61,49,448

4. Fixed Assets

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 1-Apr-14	Addition during the year	Deletion	As at 31-Mar-15	As at 1-Apr-14	Addl Deprn to comply with the CO's Act 2013	Addition during the year	Deletion	As at 31-Mar-15	As at 31-Mar-14
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed Assets - Tangible assets										
Buildings*	4,84,78,385	0	0	4,84,78,385	1,50,49,314	0	7,57,085	0	3,26,71,986	3,34,29,071
Furniture & Fixtures	1,03,87,545	657	20,35,694	83,52,508	59,01,571	0	10,96,269	20,05,472	33,60,140	44,85,974
Motor Vehicle	14,45,005	8,62,533	6,26,918	16,80,620	4,41,022	0	2,38,626	1,42,069	11,43,041	10,03,983
Office equipment	99,68,992	1,97,380	31,09,594	70,56,778	46,36,656	33,39,785	9,55,627	29,13,229	60,18,839	53,32,336
Data Processing Machines	2,75,48,575	44,99,167	92,33,545	2,28,14,197	1,70,53,007	5,62,290	26,64,639	90,36,540	1,15,70,801	1,04,95,568
Total Other Assets - (A)	9,78,28,502	55,59,737	1,50,05,751	8,83,82,488	4,30,81,570	39,02,075	57,12,246	1,40,97,310	4,97,83,907	5,47,46,932
Fixed Assets - Intangible assets										
Software	80,90,614	2,16,720	25,92,961	57,14,373	62,59,622	0	12,16,693	25,51,285	7,89,343	18,30,992
Total Other Assets - (B)	80,90,614	2,16,720	25,92,961	57,14,373	62,59,622	0	12,16,693	25,51,285	7,89,343	18,30,992
Grand Total Other Assets:-(A)+(B)	10,59,19,116	57,76,457	1,75,98,712	9,40,96,861	4,93,41,192	39,02,075	69,28,939	1,66,48,595	5,05,73,250	5,65,77,924
*Includes cost of un-divided portion of land separately not identifiable										
Previous Year 31.3.14	11,25,38,633	1,91,596	68,11,113	10,59,19,116	4,77,26,317		67,10,958	50,96,083	4,93,41,192	5,65,77,924

5. Non current Investments

Description		As at 31-Mar-15 Rs		As at 31-Mar-14 Rs
Non current Investments				
Shares at cost	20,13,07,128		23,72,62,670	
Less: Provision for Diminution in value of Investments	16,65,68,605	3,47,38,523	20,32,18,743	3,40,43,927
Debentures at cost	1,11,41,400		1,11,41,400	
Less: Provision for Diminution in value of Investments	1,11,41,400	0	1,11,41,400	0
		3,47,38,523		3,40,43,927

NON CURRENT INVESTMENTS –Details
(i) INVESTMENT IN EQUITY SHARES OF LIMITED COMPANIES
a) QUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2015 Rs.	No. of Shares	Cost as on 31.03.2014 Rs.
1	Engineers India Ltd	300	5	5	1,35,000	300	1,35,000
2	NHPC Ltd	35,000	10	10	12,76,343	35,000	12,76,343
3	NTPC Ltd	5,000	10	10	10,52,250	5,000	10,52,250
4	Punj Lloyd Ltd	3,56,344	2	2	5,03,76,298	3,56,344	5,03,76,298
5	Seasons Furnishings Ltd	1,84,401	10	10	18,44,010	1,85,001	18,50,010
6	Steel Authority of India Ltd	5,000	10	10	11,15,500	5,000	11,15,500
7	Suryachakra Power Corporation Ltd	-	10	10	-	12,000	2,40,000
8	Suzlon Energy Ltd	-	2	2	-	10,000	6,55,500
9	Tulsi Extrusions Ltd	-	10	10	-	5,500	4,15,800
10	Wanbury Ltd	23,000	2	2	28,38,848	42,387	52,31,751
	Total - (A)				5,86,38,249		6,23,48,452

(Market value as on 31.03.2015 - Rs. 1,43,01,479 Previous year – Rs.1,35,59,303/-)

b) UNQUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value	Paid up Value	Cost as on 31.03.2015	No. of Shares	Cost as on 31.03.2014
1	Alan Scot Industries Ltd	18,600	10	10	2,72,942	18,600	2,72,942
2	Core Organics Ltd	3,800	10	10	38,000	3,800	38,000
3	Datar Switchgear Ltd	40,100	10	10	19,04,750	40,100	19,04,750
4	Doon Valley Rice Ltd	2,54,300	10	10	76,29,000	2,54,300	76,29,000
5	G S L (India) Ltd	12,00,000	10	10	1,20,00,000	12,00,000	1,20,00,000
6	Greenfield Corporation Ltd	84,600	10	10	8,46,000	84,600	8,46,000
7	Indo Gulf Industries Ltd	2,000	10	10	1,95,250	2,000	1,95,250
8	Karnav Leather Chemicals Ltd	1,62,416	10	10	16,24,160	1,62,416	16,24,160
9	KJ International Ltd	5,300	10	10	1,32,500	5,300	1,32,500
10	Krisons Electronic Systems Ltd	70,800	10	10	7,08,000	70,800	7,08,000
11	Malanpur Leathers Ltd	2,25,000	10	10	25,87,500	2,25,000	25,87,500
12	MSEFSL Ltd	-	10	10	-	20,445	2,45,340
13	Nonmag India Ltd	26,600	10	10	2,62,430	26,600	2,62,430

Sl. No.	Name of the Company	No. of Shares	Face Value	Paid up Value	Cost as on 31.03.2015	No. of Shares	Cost as on 31.03.2014
14	Nova Dhatu Udyog Ltd	4,69,700	10	10	46,97,000	4,69,700	46,97,000
15	Nova International Ltd	1,25,600	10	10	12,56,000	1,25,600	12,56,000
16	Pondicherry Spinners Ltd	34,500	10	10	3,47,900	34,500	3,47,900
17	Rakan Steels Ltd	1,50,876	10	10	22,63,140	1,50,876	22,63,140
18	Sagar Tourist Resorts Ltd	2,14,600	10	10	21,46,000	2,14,600	21,46,000
19	Salstar Foods Ltd	51,300	10	10	8,20,800	51,300	8,20,800
20	Saurashtra Chemicals Ltd	5,750	10	10	-	5,750	-
21	Shri Vardhaman Overseas Ltd	1,00,000	10	10	70,35,000	1,00,000	70,35,000
22	Sivananda Pipe Ltd	12,600	10	10	2,52,000	12,600	2,52,000
23	Sri Jayalakshmi Spinning Mills Ltd	57,400	10	10	5,74,000	57,400	5,74,000
24	Tebma Shipyard Ltd	41,699	10	10	17,59,747	41,699	17,59,747
25	Veekay Fibres Ltd	1,96,400	10	10	43,20,800	1,96,400	43,20,800
26	Vikram Projects Ltd	4,02,158	10	10	1,40,75,530	4,02,158	1,40,75,530
27	Xylon Liquitur Ltd	1,46,700	10	10	44,01,000	1,46,700	44,01,000
	Total - (B)				7,21,49,449		7,23,94,789

c) UNLISTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2015 Rs.	No. of Shares	Cost as on 31.03.2014 Rs.
1	Amaravathi Sri Venkatesa Paper Mills Ltd	3,52,977	10	10	1,55,31,252	3,52,977	1,55,31,252
2	Armour Pharmaceuticals Ltd	15,87,500	10	10	2,54,00,000	15,87,500	2,54,00,000
3	Arraycom India Ltd	75,000	10	10	75,00,000	75,000	75,00,000
4	Benechlor Chemicals Ltd	2,00,000	10	10	20,00,000	2,00,000	20,00,000
5	Galaxy Surfactanants Ltd (Including 4400 bonus shares received during the year 2011-12)	8,800	10	10	73,128	8,800	73,128
6	Indo Deutsche Metallo Ltd	1,14,286	10	10	2,00,00,050	1,14,286	2,00,00,050
7	Madras Stock Exchange Ltd	2,85,000	1	1	15,000	2,85,000	15,000
8	Prasanth Textiles Ltd	-	10	10	0	8,33,333	3,20,00,000
	Total - (C)				7,05,19,430		10,25,19,430
	Total cost (A)+(B)+(C)				20,13,07,128		23,72,62,670

(ii) INVESTMENT IN DEBENTURES OF LIMITED COMPANIES
UNQUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2015 Rs.	No. of Shares	Cost as on 31.03.2014 Rs.
1	14% Khaitan Hostambe Spinning Mills Ltd	1,25,000	100	100	1,11,41,400	1,25,000	1,11,41,400
	Total - (D)				1,11,41,400		1,11,41,400
	GRAND TOTAL OF INVESTMENTS (A)+(B)+(C)+(D)				21,24,48,528		24,84,04,070

6. Deferred Tax Assets (Net)

The major components of deferred tax asset/liability are as below:

	Deferred Tax (Rs)			
	As on 31.3.2015		As on 31.3.2014	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		3,57,85,016		3,87,90,042
ii) Provision for Bad debts and NPAs	7,73,71,858		8,98,19,530	
iii) Others	17,20,049		21,24,519	
Total	4,33,06,891		5,31,54,007	

7. Trade Receivables

Amount in Rs.

	As at 31.3.2015		As at 31.3.2014	
Debt outstanding for a period exceeding six months				
- Considered Good(Secured)	52,14,122		52,14,122	
- Considered Good(Unsecured)	10,10,578		9,87,229	
- Considered Doubtful(Unsecured)	3,47,50,588		3,96,73,132	
	4,09,75,288		4,58,74,483	
Others - Considered Good	5,88,68,073		2,33,25,348	
	9,98,43,361		6,91,99,831	
Less: Provision for Bad & Non Performing Assets	3,47,50,588	6,50,92,773	3,96,73,132	2,95,26,699

8. Cash and Cash equivalents

Amount in Rs.

Cash and Cash equivalents	As at 31.3.2015		As at 31.3.2014	
Cash on Hand	5,44,652		32,481	
Stamps on hand	2,92,100		1,52,395	
Cheques on Hand	0		0	
	8,36,752		1,84,876	
Balances with Scheduled Banks				
In Term Deposits	15,90,03,168		14,53,80,292	
In Current Accounts	19,66,019		3,73,22,196	
Unclaimed Dividend (as per contra)	38,22,523		38,22,523	
	16,47,91,710	16,56,28,462	18,65,25,011	18,67,09,887

Term deposits include the following which are given as security deposit

Name of the organization	Amount (Rs. Lakhs)	Purpose	Previous Year (Rs. Lakhs)
Indian Bank	213.38	For Guarantee facility availed	142.60
Indian Bank	1061.91	For overdraft against deposits	599.64
National Stock Exchange	250.70	Margin	25.00
Bombay Stock Exchange	31.75	Margin	30.00
MCX SX Stock Exchange	32.29	Margin	32.29

9. Short term Loans & Advances

Amount in Rs.

	As at 31-Mar-15		As at 31-Mar-14	
(Unsecured & considered good unless otherwise stated)				
Loans - Secured		9,95,447		5,87,520
Prepaid Expenses		4,27,153		5,77,812

Advance Tax & TDS (Net of Provisions)		11,27,21,481		10,24,29,496
Advances Recoverable in Cash or in Kind or for value to be received - Considered good	14,29,111		68,20,301	
- Considered Doubtful	50,42,931		63,53,083	
	64,72,042		1,31,73,384	
Less: Provision for Bad & Non Performing Assets	50,42,931	14,29,111	63,53,083	68,20,301
Security & Other Deposits		3,49,37,872		3,29,32,012
		15,05,11,064		14,33,47,141

Loans and Advances include the following:

Rs.Lakhs

	2014-15	2013-14
Amount due from Director	1.12	0.00
Maximum amount due during the year	1.12	0.66
Amount due from Officer	0.14	0.20
Maximum Amount due during the year	0.72	0.65

10. Other Current Assets

Amount in Rs.

	As at 31.03.2015	As at 31.03.2014
Interest accrued on Staff Loans	1,84,176	1,96,516

11. Assets under Discontinuing Operations

Amount in Rs.

		As at 31.03.2015		As at 31.03.2014
Stock on Hire	10,41,75,746		12,86,93,225	
Less: Provision for Bad & Non Performing Assets	10,41,75,746	0	12,86,93,225	0
Lease Rentals Receivable - Considered Good	24,00,000		24,00,000	
- Considered Doubtful	1,35,07,403		1,38,22,583	
Less: Provision for Bad & Non Performing Assets	1,35,07,403	24,00,000	1,38,22,583	24,00,000
Intercompany Deposits - Unsecured- Considered Doubtful	1,04,41,421		1,04,41,421	
Less: Provision for Bad & Non Performing Assets	1,04,41,421	0	1,04,41,421	0
Assets on Lease under discontinuing operations				
Gross Block	17,39,29,644		19,78,97,152	
Depreciation & Lease terminal adjustment	17,39,29,644	0	19,78,97,152	0
		24,00,000		24,00,000

12. Revenue from Operations

	As at 31-Mar-15		As at 31-Mar-14	
	Rs		Rs	
Fee Based Income				
Merchant Banking Income	16,04,727		25,10,418	
Stock Broking Membership Operations	8,43,83,976	8,59,88,703	5,83,16,242	6,08,26,660
Other Income				
Interest on FDs	1,50,29,733		1,06,49,214	
Profit on sale of Assets	4,00,944		0	
Others	32,42,724	1,86,73,401	29,86,644	1,36,35,858

13. Employee Benefit expenses

Amount in Rs.

	As at 31-Mar-15	As at 31-Mar-14
Salaries, Wages & Bonus	3,10,01,917	2,81,01,664
Contribution to PF & Other Funds	32,86,582	31,26,686
Staff Welfare Expenses	9,70,645	8,89,204
Total	3,52,59,144	3,21,17,554

14 Finance Cost

Amount in Rs.

	As at 31-Mar-15	As at 31-Mar-14
Interest on overdraft availed from Indian Bank	3,26,911	4,21,464
Interest – Others	0	17,985
Total	3,26,911	4,39,449

15. Other Expenses

Amount in Rs.

	31-Mar-15	31-Mar-14
Rent	20,75,897	20,62,753
Courier, Postage & Telephone	14,19,426	14,62,685
MPLS & other connectivity charges	26,86,449	28,10,706
Data Center charges	4,55,000	8,21,276
Printing & Stationery	8,18,962	8,78,343
Depository Participant Charges	84,093	1,33,314
NSDL Transaction Charges	15,00,495	8,18,536
Travelling & Conveyance	11,06,727	14,62,817
Equipment Maintenance & AMC	13,50,667	17,61,751
Repairs, Upkeep & Maintenance	11,87,767	11,88,899
Electricity Charges	14,26,384	16,11,499
Subscription & Membership	13,49,025	7,23,590
Loss on sale of assets (Net)	0	14,53,505
Professional Charges	17,88,288	9,65,439
Miscellaneous and other Expenses	44,44,481	40,28,166
Total	2,16,93,661	2,21,83,277

Miscellaneous Expenses includes remuneration to Auditors as under:

Rs. In Lakhs

	2014-15	2013-14
i) Audit Fees	3.00	3.00
ii) Tax Audit	0.60	0.60
iii) Fees for certification	1.31	1.84

16. Write off/Provisions made/Reversal of Provisions (Net)

	31-Mar-15 Rs.		31-Mar-14 Rs.	
Bad debts/NPAs written off		14,93,114		3,88,657
Provision for Bad Debts & Non-Performing Assets	56,50,023		12,65,679	
Less: Reversal of Provision made for NPAs in earlier years no longer required	55,29,636	1,20,387	6,81,939	5,83,740
Total		16,13,501		9,72,397

17. Prior period adjustments

During the year 2014-15 there was no prior period expenses (previous year Rs. 83633/-)

18. Tax expenses

- In view of losses (as per Income tax) as well as book losses (as per MAT computation) no provision for tax is required for the year.
- No provision is made for the disputed demands of income tax keeping in view the judicial pronouncements and/or legal opinion on the issues.
- The provision for deferred tax (net) for the year is Rs.98.47 lakhs (Previous year Rs.1.37 lakhs) which has been charged to profit & loss account.
- Prior period taxes include the following:

Assessment year	Particulars	Amount (Rs.)
2014-15	Book profit Tax paid for financial year 2013-14 for which assessment is pending	1632907
2001-02	Refund adjustment Under Section 154	1005357
1998-99	Refund adjustment Under Section 154	(3321093)
1997-98	Refund adjustment Under Section 154	2551092
1991-92	Refund adjustment Under Section 154	(2552938)
	Total	(684675)

19. Income from discontinuing operations

Rs.

Rs.

	31-Mar-15		31-Mar-14	
Lease Income				
Gross income from Lease	5689000		518922	
Less: Depreciation	1642162		1931148	
Less: Lease Equalisation	3551525		(1412226)	
Net income from lease	495313		0	
Hire Purchase Income	0	495313	0	0
Investment Income				
Profit/(Loss) on Sale of Investments	(24431626)		370142	
Interest on investment	0		581398	
Dividend	115013	(24316614)	88273	1039813
Total income		(23821301)		1039813
Less: Expenses attributable to income				
Current		82000		535000
Prior period		925535		0
Recovery from written off account		0		350000
Refund of Court Fees		497634		0
Provisions made for NPAs/Diminution in value of Investments		158831		10011569
Bad Debts Written off		29756144		0
Reversal of Provisions		(76909258)		(1282670)
Net Income from discontinuing operations		22663082		(7874086)

Income from discontinuing operations has increased in 2014-15 due to recovery/one time settlement of few fund based accounts under Lease, Hire Purchase and Bought out Deals.

20. AS-20 - Earnings per share (basic and diluted)

Sl no	Description	2014-15 Rs.	2013-14 Rs.
1	Profit/(Loss) for the year After Tax	4,98,80,417	30,01,759
2	No of Equity shares of face value Rs 10 each outstanding	4,43,78,200	4,43,78,200
3	Basic and diluted earnings per share(1/2) (in Rs)	1.12	0.07

21. Significant Accounting Policies:

The financial statements are prepared by following the going concern concept on historical cost convention using the accrual method of accounting, unless otherwise stated.

Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts to revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/materialize.

A Revenue recognition

- a) Issue Management Fee and fees for other managerial services - Considered on the completion of assignment.
- b) Underwriting Commission and brokerage on distribution of financial products - Considered on receipt of subscription particulars.
- c) Brokerages under stock broking operations are accounted on completion of contract.
- d) Interest on overdue lease rentals and hire purchase installments are accounted for on receipt basis.
- e) Dividend income is recognized when the right to receive is established.

B Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation & provision for impairment (if any). Assets given on lease (Contracted prior to December 1997) are further adjusted for the balance in lease adjustment account.

C Depreciation

- a. On Assets other than given on lease

In respect of assets other than assets given on lease, the Company provides depreciation on the assets on the Straight Line Method (SLM) based on the useful life of the asset as prescribed in Schedule II to the Companies Act, 2013, on pro-rata basis. Software costs are amortized on SLM over a period of three years, from the year of acquisition.

- b. On Assets given on lease under discontinuing operations

In respect of Assets given on lease under discontinuing operations, the Company provides depreciation on the assets in the WDV method on pro-rata basis, the month in which the assets are installed taken as full month. The cost of the Assets given on lease are amortized fully during the Lease period. (In accordance with the Guidance note on Accounting for Leases (revised) issued by the Institute of Chartered Accountants of India). The difference between the statutory depreciation and the annual lease charge is adjusted through the Lease Equalization, which is adjusted with the lease income.

D Investments

The investments held by the Company are all long-term investments. Long term investments are carried at cost less provision for diminution, other than temporary in nature. The Company has reckoned diminution in value of shares / debentures as permanent in nature by relying on market value of quoted shares and book value/ fair value whichever is higher in respect of unquoted shares.

E Employee Benefits

- a. Short Term employee benefits/obligations are estimated and provide for.
- b. Gratuity – The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The company annual contribution to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined at balance sheet date using the Project Unit Credit (PUC) method. Actuarial gains and losses are recognized in revenue.
- c. Provident Fund – The eligible employees of the company are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the company makes monthly contributions at a specified percentage of the covered employees salary, the contributions as specified under the Law are paid to the Provident fund and pension fund to the provident fund authorities.
- d. Leave encashment - The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days un-utilised leave at each balance sheet date.
- e. The retirement benefit liability to staff on deputation from Indian Bank is borne by Indian Bank except eligible Provident Fund contribution.

F Segment Reporting

The Segment Reporting is prepared in conformity with the accounting policies of the Company.

G Discontinuing Operations

The accounting policies adopted for discontinuing Operations are in line with the accounting policies adopted for Continuing Operations.

H Income Tax

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Deferred tax assets and liabilities are recognized for the future tax consequences arising out of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/virtual certainty (as applicable) that sufficient future taxable income will be available against which such deferred tax asset can be realized. The effect on deferred tax assets and liabilities resulting from change in tax rates is recognized in the income statement in the period of enactment of the change.

22. AS-15 - Employee Benefits

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(Amount in Rs.)

Details	2014-15	2013-14
Employer's contribution to Provident Fund	2649362	2608686
Employees Deposit Linked Insurance Scheme contribution to LIC	64884	33755

Defined Benefit Plan

1) Reconciliation of opening and closing balances of Defined benefit obligation

(Rs.)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Defined benefit obligation at the beginning of the year	4535480	4821242	5915380	6144273
Current service cost	525733	524332	475057	698510
Interest cost	362838	385699	513052	559129
Actuarial (gain)/ loss	831436	(1195793)	(2162996)	(1486532)
Benefits paid	(1101765)	-	-	-
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	5153722	4535480	4740493	5915380

II) Reconciliation of opening and closing balances of fair value of plan assets

(Rs.)

Details	Gratuity (Funded)	
	2014-15	2013-14
Fair value of plan assets at the beginning of the year	4439521	5270514
Expected return on plan assets	388756	(830993)
Contributions	470157	-
Actuarial (gain)/ loss	-	-
Benefits paid	(1101765)	-
Settlement cost	-	-
Fair value of plan assets at year end	4196669	4439521
Actual return on plan assets	388756	(830993)

III) Reconciliation of fair value of assets and obligations

(Rs.)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Fair value of plan assets	4196669	4439521	4740493	5915380
Present value of obligation	5153722	4535480	5915380	6144273
Amount recognized in Balance Sheet	(957053)	(95959)	(1174887)	(228893)

IV) Expense recognized during the year

(Rs.)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Current Service Cost	525733	524332	475057	698510
Interest Cost	362838	385699	513052	559129
Expected return on plan assets	388756	(830993)	-	-
Actuarial (gain) / loss	831436	(1195793)	(2162996)	(1486532)
Net Cost	1331251	545231	(1174887)	(228893)

V) Actuarial assumptions

(Rs.)

Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2014-15	2013-14	2014-15	2013-14
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8%	7.80%	9.10%
Expected rate of return (per annum)	8%	8%	--	--
Rate of escalation of salary (per annum)	5%	5%	5%	7%
Attrition Rate	1% to 3%	1% to 3%	7.70%	12%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The expected rate of return is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the company's policy for plan assets management. The retirement benefit liability in respect of staff on deputation from Indian Bank is borne by Indian Bank.

The company has contributed Rs.6.37 Lakhs (previous year- Rs.5.18 lakhs) towards Gratuity liability in the year 2014-15.

23. AS-18 - Related Party Transactions

The Company has identified all related parties and transactions with the related parties as per details given below:

Name	Relationship
Indian Bank	Holding Company
Ind Bank Housing Limited	Fellow Subsidiary
Key Management Personnel	Mr. Banabihari Panda, President & Wholetime Director

The transactions with Holding company and fellow subsidiaries has not been disclosed in view of exemption for State-controlled enterprises from making any disclosure pertaining to their transactions with other related parties which are also state-controlled enterprises.

The related party transactions with key management personnel have been disclosed in Managerial Remuneration – Note 30 of Notes on Accounts.

24. AS-19 - Leases

In case of assets taken on lease

The company has operating leases for office premises at various locations with Indian Bank. The future minimum payments required under non-cancellable operating leases at year-end are as follows:

Rs. Lakhs

	As on 31.03.2015	As on 31.03.2014
Lease payments for the year	20.76	20.63
Minimum Lease payments: Not later than one year	0.00	0.00
Later than one year but not later than five years	0.00	0.00
Later than five years	0.00	0.00

25. AS-24 - Discontinuing operations and Segment reporting

The Company had discontinuing fund-based activities consequent to SEBI regulations coming into force with effect from December 1997 and had decided to undertake only fee-based activities. The existing fund based exposures as on December 1997 are continued to run down to their contracted period. The Company had obtained cancellation of registration as NBFC from RBI consequent to repayment of fixed deposits and transfer of unclaimed fixed deposits to an escrow account with a nationalized bank for repayment as and when claimed. The Company is now governed only by SEBI regulations.

The business segments have been identified as the Primary Segment considering the nature of service, organizational structure and internal financial reporting system. The services of the reported domestic business segments are classified as “Discontinuing operations” (Fund Based) and “Continuing Operations” (Fee Based). Discontinuing operations consists of Leasing, Hire purchase, Inter corporate deposits and Investments. Continuing operations include Merchant Banking, Stock Broking, Depository Participant services, Distribution of Financial Products and allied activities. There is no Secondary Reportable Segment.

Rs.Lakhs

Particulars	2014-15				2013-14			
	Continuing Operations (Fee based)	Discontinuing Operations (Fund based)	Un-Allocated	Total	Continuing Operations (Fee based)	Discontinuing Operations (Fund based)	Un-Allocated	Total
Income from Operations	1047.78	(233.23)	0.00	814.55	744.62	13.90	0.00	758.52
Expenses								
Administration & Other exp	569.53	10.08	0.00	579.61	543.01	5.35	0.00	548.36
Depreciation	69.29	0.00	0.00	69.29	67.11	0.00	0.00	67.11
Provisions	16.14	(469.94)	0.00	(453.80)	9.72	87.29	0.00	97.01
Finance Cost	3.27	0.00	0.00	3.27	4.39	0.00	0.00	4.39
Int on IT refund - Excess interest reversed	0.00	0.00	0.00	0.00	9.42	0.00	0.00	9.42
Int on excess IT refund	25.76	0.00	0.00	25.76	0.00	0.00	0.00	0.00
Total – Expenses	683.99	(459.86)	0.00	224.13	633.65	92.64	0.00	726.29
Profit/(Loss) before Tax	363.79	226.63	0.00	590.42	110.97	(78.74)	0.00	32.23
Exceptional item – Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exceptional item – Prior period adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.84
Provision for tax – Deferred	0.00	0.00	98.47	98.47	0.00	0.00	1.37	1.37
Provision for tax – Prior period	0.00	0.00	(6.85)	(6.85)	0.00	0.00	0.00	0.00
Profit/(Loss) after Tax	363.79	226.63	(91.62)	498.80	110.97	(78.74)	(2.21)	30.02
Total Assets	3356.23	371.39	1521.26	5248.88	3210.63	364.44	1555.83	5130.90
Total liabilities	619.77	0.00	0.00	619.77	961.58	0.00	0.00	961.58

Particulars	2014-15				2013-14			
	Continuing Operations (Fee based)	Discontinuing Operations (Fund based)	Un-Allocated	Total	Continuing Operations (Fee based)	Discontinuing Operations (Fund based)	Un-Allocated	Total
Capital Expenditure	55.60	0.00	0.00	55.60	1.92	0.00	0.00	1.92
Non cash expenditure	16.14	432.44	(6.85)	441.73	9.72	87.29	0.84	97.85
Net Cash flow from operating activities	(484.72)	469.80	98.47	83.55	877.74	(89.13)	1.37	789.98
Net Cash flow from Investment activities	(180.48)	(250.11)	0.00	(430.59)	(565.20)	107.26	0.00	(457.94)

26. Interest on Income tax refund / excess interest reversed

Based on the orders under section 154 of the Income Tax Act, received during the year, the interest allowed by the department on the refunds due under the Income Tax Act and interest which were earlier booked now reduced, has been reckoned in the accounts for various assessment years as under:

Assessment Year	Particulars	Amount (Rs.)
1991-92	Interest on income tax refund due	2401564
1996-97	Interest on income tax refund due	7523966
1997-98	Interest on income tax refund due	(654023)
1998-99	Interest on income tax refund due	(3745409)
2004-05	Interest on income tax refund due	(1238131)
2005-06	Interest on income tax refund due	(4086843)
2006-07	Interest on income tax refund due	(85503)
	Total	115621

27 Interest on excess refund

Based on the orders under section 154 of the Income Tax Act, received during the year, the interest charged by the department on the excess refund allowed has been reckoned in the accounts for various assessment years as under:

Assessment Year	Particulars	Amount (Rs.)
1991-92	Interest on excess refund	125454
1998-99	Interest on excess refund	2450339
	Total	2575793

28. Indian Bank, the parent Bank, has approved a moratorium period of 3 years from September 2013 to September 2016 for repayment of the amount of Rs. 897.48 lakhs payable to them under the Right of Recompense clause with repayment of Rs. 75 lakhs per half year to commence from the half year ending 31.03.2017 without any interest charge for the period of moratorium/repayment. Hence no liability has been provided in the books for the current financial year.

29. AS-29 - Contingent Liability
A. Disputed demand on taxes
i) Income Tax

Rs.Lakhs

Asst Year	2014-15			2013-14		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1997-98	0.00	0.00	0.00	20.13	0.00	20.13
1998-99	32.13	0.00	32.13	45.31	0.00	45.31
2007-08*	462.02	155.45	617.47	462.02	155.45	617.47
2008-09**	832.56	296.49	1129.05	832.56	296.49	1129.05
2009-10	72.23	0.00	72.33	72.23	0.00	72.23
Total	1398.94	451.94	1850.98	1432.25	451.94	1884.19

*The company has paid Rs. 18 lakhs for this Assessment Year in terms of the orders passed by the CIT on the stay petition filed by the company.

**The company has paid Rs. 132 lakhs for this Assessment Year in terms of the orders passed by the CIT and High Court, Madras on the stay petition filed by the company.

Sales Tax demand disputed in appeal – Rs.42.78 lakhs (Previous year Rs.57.37 lakhs).

B. Guarantees - Counter guarantee issued to bank for guarantees – Rs.200.00 lakhs (Previous Year- Rs.200.00 lakhs)

C. Estimated amount of contracts remaining to be executed on capital account and not provided for – Nil (Previous Year - Nil).

30. 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
Sitting Fees paid to Non – Wholetime Directors			1.70	0.96

President and Whole Time Director of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank and also in terms of appointment as 'Whole Time Director' by the shareholders of the Company.

31. As at March 31, 2015, the Company has no outstanding dues to medium and small enterprises. There is no liability towards interest on delayed payments under the Micro, Small and Medium Enterprises Development Act, 2006 during the year.

32. In the opinion of the Management all Fixed Assets, Current Assets, Loans & Advances will have value on realization in the ordinary course of business at least equal to the amounts at which they are stated in the accounts.

33. The previous year's figures in the Balance Sheet, Profit and Loss Account and Cash Flow Statement have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

BANABIHARI PANDA
PRESIDENT & WHOLETIME DIRECTOR

K UDAYA BHASKARA REDDY
DIRECTOR

As per our report of even date attached
For A V DEVEN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.000726S)

V S SRINIVASAN
VICE PRESIDENT & COMPANY SECRETARY

K S SUJAY
CHIEF FINANCIAL OFFICER

CA. R.RAGHURAMAN
PARTNER
(M.No:201760)

Place: Chennai
Date : 11.05.2015

Cash Flow Statement for the period ended 31.03.2015

	2014-15 Rs. in Lakhs	2013-14 Rs. in Lakhs
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Profit after tax	30.02
	Adjustments for:	
	Add : Depreciation/Lease Adjustments	67.11
	Provision for taxation - Current	0.00
	- Fringe Benefit tax	0.00
	- Deferred	1.37
	Loss on sale of assets (net)	14.54
	Interest expense	4.39
	669.82	117.43
	Less:	
	Profit on sale of investments(net)	9.51
	Dividend income	0.88
	Profit on sale of assets	0.00
	(239.16)	10.39
	Operating Profit before working capital changes	107.04
	Less : Decrease in Current liabilities	(401.56)
	567.17	508.60
	Add:	
	Decrease in other current assets	285.77
	Cash generated from operations	794.36
	Less : Interest expense	4.39
	Less : Taxes	0.00
	Cash Flow before Extraordinary Items	789.98
	83.54	789.98
B.	CASH FLOW FROM INVESTMENT ACTIVITIES	
	Purchase of Fixed Assets	(1.92)
	Decrease in Term Deposits with banks	(565.88)
	Sale of Fixed Assets	2.60
	Decrease in Investments net of provision	106.38
	Dividend received	0.88
	Net cash from Investing Activities	(457.94)
	(430.59)	(457.94)
C.	CASH FLOW FROM FINANCING ACTIVITIES	
	Repayment of Short term loans & Advances	0.00
	Dividend paid(including taxes thereon)	0.00
	Net Cash used in Financing Activities	0.00
	0.00	0.00
	Net increase in cash & cash equivalents	332.04
	Cash & Cash equivalents as at 01.04.14 (opg.bal.)	81.26
	Cash & Cash equivalents as at 31.03.15 (clg. bal.)	413.30
	66.25	413.30

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

BANABIHARI PANDA
PRESIDENT & WHOLETIME DIRECTOR

K UDAYA BHASKARA REDDY
DIRECTOR

As per our report of even date attached
For A V DEVEN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.000726S)

V S SRINIVASAN
VICE PRESIDENT & COMPANY SECRETARY

K S SUJAY
CHIEF FINANCIAL OFFICER

CA. R.RAGHURAMAN
PARTNER
(M.No:201760)

Place: Chennai
Date : 11.05.2015



Registered Office: First Floor, Khivraj Complex 1, No.480 Anna Salai, Nandanam, Chennai - 600 035

PROXY FORM

Table with 2 columns: DP ID No., Client ID No.

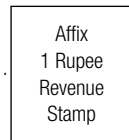
Table with 2 columns: Folio No., No. of shares held

I/We _____ of _____ in the district of _____ being a member(s) of INDBANK MERCHANT BANKING SERVICES LIMITED, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to vote for me/us on my/ our behalf, at the Twenty Sixth Annual General Meeting to be held on Saturday, 26th September 2015 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence, MRC Nagar, Raja Annamalaipuram, Chennai 600028 and at any adjournment thereof.

Signed this.....day of2015.

- Note: 1. The Proxy to be valid must be deposited at the Regd. Office of the Company at First Floor, Khivraj Complex, 1. No.480 Anna Salai, Nandanam, Chennai-600 035 not less than 48 hours before the commencement of the meeting. 2. In the case of a Corporation, the Proxy shall be given under the Common Seal or signed on its behalf by an Attorney or officer of the Corporation.

Signature.....



Registered Office: First Floor, Khivraj Complex 1, No.480 Anna Salai, Nandanam, Chennai - 600 035

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

Name of the member attending

Name of the Proxy

I hereby record my presence at the Twenty Sixth Annual General Meeting to be held on Saturday, 26th September 2015 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence, MRC Ngar, Raja Annamalaipuram, Chennai 600028.

Table with 2 columns: DP ID No., Client ID No., Folio No., No. of Shares held

Member's/Proxy's signature (To be signed at the time of handing over the slip)

Electronic Voting Particulars

EVSN : 150824025
User ID and Password : Refer particulars detailed in theNotice

NOTE: Please note that no gifts will be given at the Annual General Meeting




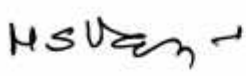

Regd. Office : First Floor, Khivraj Complex I,
No. 480, Anna Salai, Nandanam, Chennai 600 035.

1st Floor, Khivraj Complex 1
No. 480, Anna Salai,
Nandanam, Chennai 600035
Phone : 24313094 to 97
Fax : 24313093
Email : registered@indbankonline.com
CIN No. L65191TN1989PLC017883



Indbank
Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)

FORM A

1.	Name of the Company	Indbank Merchant Banking Services Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit Qualification	Un-qualified
4.	Frequency of qualification	Not Applicable
5.	To be signed by:	
	CEO/President & Wholetime Director	
	CEO /Vice President & Company Secretary	
	Auditor of the Company For A V Deven & Co., Chartered Accountants	
	Audit Committee Chairman	