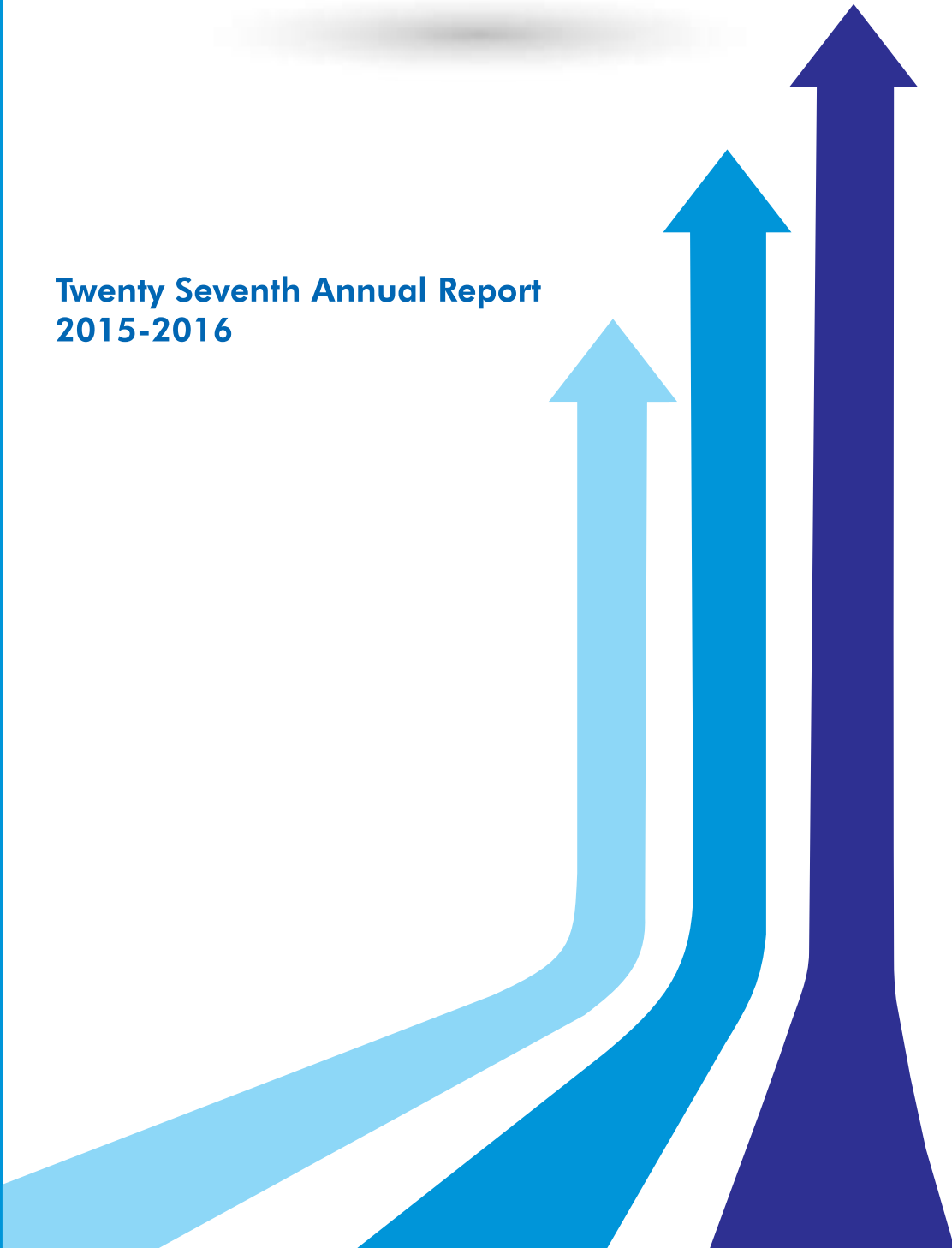




Indbank

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

**Twenty Seventh Annual Report
2015-2016**





Shri A.S. Rajeev



Shri T.M. Nagarajan



Shri P.M. Venkatasubramanian



Shri G.R. Sundaravadivel



Smt. Chitra Murali



Shri V. Gopal
(upto 06.08.2016)



Shri M. Nagarajan
(from 06.08.2016)



Shri A.K. Bajpai
President & Whole Time Director

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Board of Directors

T M Nagarajan **P M Venkatasubramanian** **A S Rajeev** **G R Sundaravadivel** **Chitra Murali**
V Gopal **M Nagarajan**
(upto 06.08.2016) (from 06.08.2016)

A K Bajpai
President and Whole Time Director

Committees of the Board

Audit Committee
T M Nagarajan
P M Venkatasubramanian
G R Sundaravadivel
Chitra Murali
V Gopal (upto 06.08.2016)
M Nagarajan (from 06.08.2016)

Nomination & Remuneration Committee
P M Venkatasubramanian
G R Sundaravadivel
V Gopal (upto 06.08.2016)
M Nagarajan (from 06.08.2016)
A K Bajpai (upto 06.08.2016)

Stakeholder Relationship Committee
Chitra Murali
V Gopal (upto 06.08.2016)
M Nagarajan (from 06.08.2016)
A K Bajpai

Management

President and Whole Time Director

A K Bajpai

Vice President & Company Secretary

M S Vaidyanathan

Auditors

M/s A V Deven & Co
Chartered Accountants
Flat E Third Floor, Nu Tech Janaki
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
Bangalore – Bangalore
Coimbatore- Coimbatore, R S Puram, Tiruppur
Ahmedabad – Ashram Road
Tirunelveli – Tirunelveli, Sivakasi, Tuticorin, Rajapalayam
Madurai – Madurai, K K Nagar-Madurai
Hyderabad –Hyderabad, Secunderabad, Srinagar Colony
Trichy-Trichy Contonment, Srirangam
Vijayawada-Vijayawada, Guntur
Erode, Visakhapatnam, Ernakulam, Calicut, Thrissur, Salem, Mangalore, Vellore,
Puducherry, Kumbakonam, Thanjavur, Pune, Kolkata

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on **Saturday the 24th September 2016** 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 31.03.2016 and Profit and Loss Account for the year ended 31.03.2016 and the Auditors' Report thereon.

SPECIAL BUSINESS

1. To appoint Shri A S Rajeev (DIN 07478424) 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri A S Rajeev (DIN 07478424) 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 28.03.2016 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".
2. To appoint Shri M Nagarajan (DIN 07572747) 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri M Nagarajan (DIN 07572747) 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 06.08.2016 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 A K Bajpai (DIN 07391570) as a Director 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri A K Bajpai (DIN 07391570) 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 04.01.2016 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."
4. To appoint Shri Ashwini Kumar Bajpai (DIN 07391570) as President and Whole Time Director 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 196 and 197 and other provisions, if any applicable of the Companies Act 2013 consent of the members be and is hereby accorded to the appointment of Shri Ashwini Kumar Bajpai (DIN 07391570) (who is on deputation from Indian Bank) be and is hereby appointed as President & Whole Time Director of the Company with effect from 04.01.2016 for a period up to 30.06.2018 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule V of the Companies Act, 2013."

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

Place: Chennai
Date: 06.08.2016

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 **18.09.2016 to 24.09.2016** (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. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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 scrutiner, 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 the 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 21st September, 2016 at 10.00 a.m. and shall close on 23rd September 2016 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 17.09.2016,

thereafter and the Members will not be able to cast their vote electronically beyond the date and time mentioned above (23rd September 2016 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. 17.09.2016 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 <https://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@cdislindia.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@cdislindia.com or call on 18002005533.
- (xix) The Scrutiniser would be able to view the names and number of shareholders who have cast the vote by way of e-voting on Friday, September 23, 2016 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 24, 2016 and report on the results of voting.

ORDINARY BUSINESS

Item No.1 – Adoption of accounts for the year ended 31.03.2016.

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 A S Rajeev, aged 52 years is a Chartered Accountant with MBA and CAIIB qualifications and currently working as Executive Director, Indian Bank was co-opted as an Additional Director on **28.03.2016** on the Board. He has more than 25 years of experience in various positions in the banking industry. He holds office up to the date of this Annual General Meeting. It is proposed to appoint Shri A S Rajeev as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri A S Rajeev 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 A S Rajeev 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 M Nagarajan, aged 56 years is BE in Agriculture and currently working as General Manager, Indian Bank, was co-opted as an Additional Director on 06.08.2016 on the Board. He has more than 33 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 M Nagarajan as Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri M Nagarajan 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 M Nagarajan 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 |

Item. No. 4

Shri A K Bajpai, aged 58 years is BA, CAIIB and is currently working as Deputy General Manager, Indian Bank on deputation to the Company, was co-opted as a Director on 04.01.2016 on the Board. He has more than 32 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 A K Bajpai as a Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri A K Bajpai 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 A K Bajpai 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 | Stakeholders' Relationship Committee |

Item. No. 5

Shri Ashwini Kumar Bajpai, Deputy General Manager, Indian Bank has been appointed as the President & Wholetime Director of the company pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 from 04.01.2016 to 30.06.2018 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule V of the Companies Act, 2013 by the Board of Directors subject to approval of the company in general meeting. Accordingly the above resolution is recommended for your approval.

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 Seventh Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2016.

Operations

During the year your company has earned a gross income of Rs.939.42 lakhs as against Rs.1047.78 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.4913.25 crore during the year. Your company also provides Depository services to institutions and retail customers and has 44833 accounts under DP operations and 22732 accounts under broking operations.

Your company reported a net profit of Rs.275.52 lakhs during the year 2015-16 as against a net profit of Rs.498.80 lakhs in the previous year as under:

| | | Rs. in lakhs | |
|------|---|--------------|----------|
| | Particulars | 2015-16 | 2014-15 |
| I | Revenue from Operations | 718.96 | 859.89 |
| II | Other Income | 218.56 | 186.73 |
| | Interest on Income tax refund due | 1.90 | 1.16 |
| III | Total Revenue | 939.42 | 1047.78 |
| IV | EXPENSES | | |
| | Employee Benefit expenses | 368.38 | 352.59 |
| | Depreciation & Amortization expenses | 60.00 | 69.29 |
| | Finance Cost | 11.39 | 3.27 |
| | Interest on excess IT refund | 0.00 | 25.76 |
| | Other Expenses | 199.19 | 216.94 |
| | Bad debts written off | 98.28 | 14.93 |
| | Total expenses | 737.24 | 682.78 |
| | Profit Before Provisions , prior period adjustments and Tax | 202.18 | 365.00 |
| | Provisions made | 6.24 | 56.50 |
| | Reversal of Provisions | (98.57) | (55.30) |
| V | Profit Before prior period adjustments and Tax | 294.51 | 363.80 |
| VI | Prior Period adjustments | 3.25 | 0.00 |
| VII | Profit Before Tax | 291.26 | 363.80 |
| VIII | Tax Expenses - Current | 0.00 | 0.00 |
| | - Deferred | 11.36 | 98.47 |
| | - Prior years | 26.91 | (6.84) |
| IX | PROFIT/(LOSS) for the period from continuing operations | 252.99 | 272.17 |
| X | PROFIT/(LOSS) for the period from discontinuing operations | 22.53 | 226.63 |
| XI | Tax expenses of discontinuing operations | 0.00 | 0.00 |
| XII | PROFIT/(LOSS) from discontinuing operations after tax | 22.53 | 226.63 |
| XIII | PROFIT/(LOSS) for the period | 275.52 | 498.80 |
| XIV | Add: Balance brought forward from Previous Year | 191.29 | (268.49) |
| | Addl. Depreciation to comply with Companies Act, 2013 | 0.00 | (39.02) |
| XV | Balance carried to Balance Sheet | 466.81 | 191.29 |
| XVI | Earnings Per Share - Basic & Diluted | 0.62 | 1.12 |

Dividend

In view of inadequate profits made during the year, your Directors do not recommend any dividend for the year 2015-16.

Board Meetings:

The Board of Directors met four times during the year on 11.05.2015, 13.08.2015, 07.11.2015 & 06.02.2016.

Directors and Key Managerial Personnel:

Shri.Ashwini Kumar Bajpai, Deputy General Manager, Indian Bank was appointed as the President & Whole Time Director (nominee of Indian Bank on deputation) with effect from 04.01.2016 in place of Shri.Banabihari Panda General Manager, Indian Bank on deputation, who has resigned from the Board on his retirement from the services of Indian Bank consequent to his attaining superannuation on 30.11.2015.

Shri S Krishnan, Director has resigned from the Board consequent to nomination of Shri A S Rajeev, Executive Director, Indian Bank as a Director in his place on 10.03.2016. His resignation was taken on record by the Board on 28.03.2016. Shri A S Rajeev, Executive Director, Indian Bank was co-opted as additional Director on the Board on 28.03.2016.

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.Banabihari Panda, General Manager, Shri.S Krishnan, General Manager, during their tenure as President & Whole Time Director and Director of the Company respectively.

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 Director who is a nominee of Indian Bank was appointed as an Additional Director by the Board on 28.03.2016. He will hold office of Directorship until the ensuing Annual General Meeting and his appointment as Director 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 |
|--------------------------------|------------------------|---------------------------|
| 1. Shri T M Nagarajan | Independent Director | Chairman of the committee |
| 2. Shri P M Venkatasubramanian | Independent Director | Member |
| 3. Shri G R Sundaravadivel | Independent Director | Member |
| 4. Smt. Chitra Murali | Independent Director | Member |
| 5. Shri V Gopal | Nominee of Indian Bank | Member |

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 Regulation 22 of SEBI (LODR), Regulations, 2015. 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 was 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 2015-16.

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 of SEBI (LODR), Regulations, 2015 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 2016-2017 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 for Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. 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 in SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 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:

Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdue 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.

For and on behalf of the Board of Directors

Place : Chennai
Date : 05.05.2016

A.S. Rajeev
Director

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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 1, 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 | 75.23 |

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 | -- | 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 | 28773800 | -- | 28773800 | 64.84 | 28773800 | -- | 28773800 | 64.84 | - |
| (A) = A(1)+A(2) | | | | | | | | | |

| | | | | | | | | | |
|---|----------|---------|----------|--------|----------|---------|----------|--------|-------|
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a. Mutual Funds/ UTI | | 97000 | 97000 | 0.22 | | 96900 | 96900 | 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. FIs | - | 2700 | 2700 | 0.006 | -- | 2700 | 2700 | .006 | |
| h. Foreign Venture Capital Funds | -- | -- | -- | -- | -- | -- | -- | | |
| i. Others (specify) | -- | -- | -- | -- | -- | -- | -- | | |
| Sub-total B (1) | 48600 | 101000 | 149600 | 0.337 | 48600 | 100900 | 149600 | 0.337 | |
| (2) Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| (i) Indian | 1972359 | 145000 | 2117359 | 4.77 | 1611883 | 145000 | 1756883 | 3.96 | -0.81 |
| (ii) Overseas | | | | | | | | | |
| (b) Individuals | | | | | | | | | |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh | 7125878 | 2870431 | 9996309 | 22.53 | 7608980 | 2836832 | 10445812 | 23.54 | 1.01 |
| Individual shareholders holding nominal share capital more than Rs. 1 lakh | 2724625 | - | 2724625 | 6.14 | 2656671 | - | 2656671 | 5.99 | -0.15 |
| (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 | 391677 | - | 391677 | 0.88 | 349614 | - | 349614 | 0.79 | -0.09 |
| (v) HUF | 200944 | 1 | 200945 | 0.45 | 226447 | 1 | 226448 | 0.51 | 0.06 |
| (vi) Clearing Members/ Clearing House | 23585 | - | 23585 | 0.05 | 19172 | - | 19172 | 0.04 | -0.01 |
| (vii) Directors & their relatives | 300 | - | 300 | 0.00 | 300 | - | 300 | 0.00 | 0.00 |
| (viii) Trusts | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| (ix) Limited Liability Partnership | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| (x) Foreign Portfolio Investors (Corporate) | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| (xi) Qualified Foreign Investor | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total (B)(2) | 12439368 | 3015432 | 15454800 | 34.82 | 12473067 | 2981833 | 15454900 | 34.82 | -- |
| Total Public Shareholding (B)=(B)(1)+(2) | 12487968 | 3116432 | 15604400 | 35.16 | 12521667 | 3082733 | 15604400 | 35.16 | -- |
| C. Shares held by Custodians for GDRs & ADRs | - | - | - | - | | | | | -- |
| Grand Total (A+B+C) | 41261768 | 3116432 | 44378200 | 100.00 | 41295467 | 3082733 | 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 & Holders of GDRs & 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 | 184275 | 0.42 | - | - |
| Videocon Industries Ltd. | 298557 | 0.67 | - | - |
| V S Dempo Holdings Pvt. Ltd. | 200000 | 0.45 | 200000 | 0.45 |
| Riviera Finance (India) Ltd. | 171637 | 0.39 | 171637 | 0.39 |
| Greenfield Appliances Private Ltd. | 124500 | 0.28 | 124500 | 0.28 |
| Dharm Prakash Tripathi | 124060 | 0.28 | - | - |
| Vaidyanathan Sundaresan | 111300 | 0.25 | 111300 | 0.25 |
| Hareesh Babulal Shah / Jyoti Hareesh Shah | 99500 | 0.22 | 99500 | 0.22 |
| U R Ramesan | 97025 | 0.22 | 38465 | 0.09 |
| Kailash Shares & Securities Pvt. Ltd. | 87306 | 0.20 | 75000 | 0.17 |
| Electroparts India Pvt. Ltd. | 80100 | 0.18 | | |
| Waluj Components Pvt. Ltd. | 80100 | 0.18 | | |
| Karvy Stock Broking Ltd. | 60638 | 0.14 | 77391 | 0.17 |
| SPS Multi-Commodity LLP | - | - | 179652 | 0.40 |
| Swastik Paramanik | - | - | 80000 | 0.18 |
| Felix Piedade Dmello | - | - | 73165 | 0.17 |
| P J Mathachan | - | - | 100000 | 0.22 |

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 | | | | |
| i. Principal amount | 0.00 | | | 0.00 |

| | | | |
|--|---------------|--|---------------|
| ii. Interest due but not paid | 0.00 | | 0.00 |
| iii. Interest accrued but not due | 0.00 | | 0.00 |
| Total (i + ii + iii) | 0.00 | | 0.00 |
| Change in indebtedness | 140.18 | | 140.18 |
| Addition (by interest) | 0.00 | | 0.00 |
| Reduction (repayment) | 0.00 | | 0.00 |
| Net change | 140.18 | | 140.18 |
| Indebtedness at the end of the year | | | |
| i. Principal amount | 140.18 | | 140.18 |
| ii. Interest due but not paid | 0.00 | | 0.00 |
| iii. Interest accrued but not due | 0.00 | | 0.00 |
| Total (i + ii + iii) | 140.18 | | 140.18 |

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration (in Rupees Lakhs) | | Name & Designation |
|-------|---|-------|---|
| 1 | Salary | 16.27 | Mr. Banabihari Panda President & Whole Time Director |
| | Contribution to PF | 1.71 | |
| 2 | Salary | 3.91 | Mr. A K Bajpai President & Whole Time Director |
| | Contribution to PF | 0.24 | |

B. Remuneration to other Directors:

a. Independent Directors

| Sl.No | Particulars of Remuneration | Name of Directors | | | | Total |
|---------------------|--|-----------------------|-------------------------------|---------------------------|-----------------------|-------|
| | | Shri T M Nagarajan | Shri PM Venkatasubramanian | Shri GR Sundaravadivel | Smt. Chitra Murali | |
| Amount Rs. In lakhs | | | | | | |
| 1 | Fee for attending Board/Committee meetings | 0.50 | 0.58 | 0.58 | 0.66 | 2.32 |
| 2 | Commission | -- | -- | -- | -- | -- |
| 3 | Others, please specify | | | | | |
| | Total B (1) | 0.50 | 0.58 | 0.58 | 0.66 | 2.32 |

b. Other Non Executive Directors

| Sl.No | Particulars of Remuneration | Name of the Directors | | | |
|-------|--|-----------------------|-----------------|--------------|-------|
| | | Shri A S Rajeev | Shri S Krishnan | Shri V Gopal | 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 Income Tax Act, 1961 | 471076 | 649384 | 1120460 |
| | Value of perquisites u/s 17(2) Income-tax Act, 1961 | -- | -- | -- |
| | Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | -- | -- | -- |
| 2. | Stock Options | -- | -- | -- |

| | | | | |
|----|------------------|--------|--------|---------|
| 3 | Sweat Equity | -- | -- | -- |
| 4 | Commission | -- | -- | -- |
| | As % of profit | -- | -- | -- |
| | Others, specify | -- | -- | -- |
| 5. | Others,(specify) | -- | -- | -- |
| | Total (C) | 471076 | 649384 | 1120460 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

**Form No.MR-3
SECRETARIAL AUDIT REPORT
FINANCIAL YEAR ENDED 31st MARCH, 2016**

[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

Indbank 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 Indbank 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder 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 also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the company with BSE Limited and National Stock Exchange of India Limited.

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.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them, rules, regulations and guidelines.

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, 2016 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made there under;
- b) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- f) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- h) 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;
- i) Securities And Exchange Board Of India (Merchant Bankers) Regulations, 1992
- j) Securities And Exchange Board Of India (Stock Brokers and Sub-Brokers) Regulations, 1992
- k) Securities And Exchange Board Of India (Depositories and Participants) Regulations, 1996 read with amendments thereto.
- l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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.

Place: Chennai
Date: 05.05.2016

P. Sriram & Associates
FCS No. 4862
CP No: 3310

Annexure A

To

The Members,

Indbank Merchant Banking Services Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 05.05.2016

P. Sriram & Associates
FCS No. 4862
CP No: 3310

ANNEXURE – I
Ratio of Remuneration

| | |
|--|--|
| (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. | 5.72 |
| (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 - 7.38% Vice President & Company Secretary - 17.29%. The increase is due to increase in dearness allowance. |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | 15.76 |
| (iv) the number of permanent employees on the rolls of company; | 83 |
| (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 company's 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 company's 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 lower performance during the financial year 2015-16 compared to 2014-15, the market capitalisation and PE ratio have reduced. There is an increase of 71.60% 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 15.76 % and 7.38% 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 7.38% & 17.29% respectively whereas the decrease in the performance of the company in terms of net profit during 2015-16 over the previous FY 44.76%. |
| (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 & 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 2016. The composition of the Board is in conformity with SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 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 2016 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 A S Rajeev | 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 | -- | 2 | 1 | 5 |
| 5. Smt. ChitraMurali | Independent Director | -- | -- | -- | -- |
| 6. Shri V Gopal | Nominee of Indian Bank | -- | 1 | -- | 1 |
| 7. Shri A K Bajpai | President & Whole Time Director - Nominee of Indian Bank | -- | 1 | -- | 1 |

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 SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

b) Board Meetings and Attendance at Board Meetings

The Board met 4 times during the financial year 2015-2016. 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 | 11.05.2015 | 7 | 5 |
| 2 | 13.08.2015 | 7 | 6 |
| 3 | 07.11.2015 | 7 | 6 |
| 4 | 06.02.2016 | 7 | 7 |

The company places before the Board all those details as required under Part A of Schedule II to the SEBI (LODR), Regulations 2015. 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 (upto 31.05.2015) | 4 | Nil | NA |
| 2 | Shri T M Nagarajan | 4 | 4 | Did not Attend |
| 3 | Shri P M Venkatasubramanian | 4 | 4 | Attended |
| 4 | Shri G R Sundaravadivel | 4 | 4 | Attended |
| 5 | Smt. ChitraMurali | 4 | 2 | Attended |
| 6 | Shri Banabihari Panda (upto 30.11.2015) | 4 | 3 | Attended |
| 7 | Shri K UdayaBhaskara Reddy (upto 23.05.2015) | 4 | 1 | NA |
| 8 | Shri S Krishnan (from 13.08.2015) | 4 | 2 | Attended |
| 9 | Shri V Gopal (from 13.08.2015) | 4 | 3 | Attended |
| 10 | Shri A K Bajpai | 4 | 1 | NA |
| 11 | Shri A S Rajeev (from 28.03.2016) | 4 | -- | NA |

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 Regulation 18 of SEBI (LODR), Regulations 2015 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 2016:

| Name of the Director | Position |
|-----------------------------|----------|
| Shri T M Nagarajan | Chairman |
| Shri P M Venkatasubramanian | Member |
| Shri G R Sundaravadivel | Member |
| Smt. ChitraMurali | Member |
| Shri V Gopal | Member |

As on 31st March 2016 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 Regulation 18 of SEBI (LODR), Regulations 2015. The audit committee met 4 times during the year on 11.05.2015, 13.08.2015, 07.11.2015 and 06.02.2016.

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 |
| SmtChitraMurali | 2 |
| Shri K UdayaBhaskara Reddy (upto 23.05.2015) | 1 |
| Shri V Gopal (from 13.08.2015) | 3 |

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".

A. Brief description of the role of the committee , *inter-alia*, include the following:

- i. 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;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. 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.

B. The composition of the Nomination and Remuneration Committee as at March 31, 2016. The Committee met 2 times during the year on 07.11.2015 and 06.02.2016 during the financial year 2015-16. The details of Members participation at the Meeting of the Committee are as under:

| Name of the Director | Number of Nomination & Remuneration Committee meetings attended |
|---|---|
| Shri P M Venkatasubramanian | 2 |
| Shri G R Sundaravadivel | 2 |
| Shri V Gopal | 2 |
| Shri Banabihari Panda (upto 30.11.2015) | 1 |
| Shri A K Bajpai (from 04.01.2016) | 1 |

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 V Gopal and Shri A K Bajpai are the other members. The Company Secretary is the secretary to the committee.

C. REMUNERATION POLICY:

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

- a) 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.
- f)

D. 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 SEBI (LODR), Regulations, 2015, 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 V Gopal and Shri A K Bajpai 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 24 times during the year 2015-2016. The committee approved the transfer of 5100 shares in physical form.

Complaints received and redressed during the year 2015-2016

| S.No. | Nature of Complaints | Number of Complaints |
|-------|--------------------------------------|----------------------|
| 1 | Regarding annual report | Nil |
| 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 | Nil |
| 7 | Non receipt of refund order | 1 |
| 8 | Non receipt of dividend | 1 |
| 9 | Correction in share certificate | Nil |
| 10 | Change of address | Nil |
| 11 | Unclaimed dividend | Nil |
| 12 | Correction in dividend cheque | Nil |
| | Total | 2 |

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 06.02.2016 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.

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 | | 2015-16 | 2014-15 |
|---|---------------------------------|-------------------------------|---------|---------|
| Mr. Banabihari Panda (From 01.04.2015 to 30.11.2015) | President & Whole Time Director | Salary (including arrears) | 16.27 | 13.50 |
| | | Contribution to PF | 1.71 | 0.65 |
| Mr. A K Bajpai (From 23.12.2015 to 31.03.2016) | President & Whole Time Director | Salary | 3.91 | .. |
| | | Contribution to PF | 0.24 | .. |

b. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2015-2016

| Name of the Director | Board Meeting (Rs) | Audit Committee Meeting (Rs) | Nomination & Remuneration Committee Meeting (Rs) | Stakeholders' Relationship Committee Meeting (Rs) | Independent Directors' meeting (Rs.) | Total (Rs.) |
|-----------------------------|--------------------|------------------------------|--|---|--------------------------------------|-------------|
| Shri T M Nagarajan | 24000 | 20000 | | | 6000 | 50000 |
| Shri P M Venkatasubramanian | 24000 | 20000 | 8000 | | 6000 | 58000 |
| Shri G R Sundaravadivel | 24000 | 20000 | 8000 | | 6000 | 58000 |
| Smt.Chitra Murali | 20000 | 16000 | | 24000 | 6000 | 66000 |
| Total | 92000 | 76000 | 16000 | 24000 | 24000 | 232000 |

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2016.

c. Details of shareholding of Directors as on 31st March 2016

As on 31st March 2016 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 | 2012-2013 | 23 rd September, 2013 at 11 a.m. |
| | 2013-2014 | 27 th September, 2014 at 11 a.m. |
| | 2014-2015 | 26 th September, 2015 at 11 a.m. |

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

| AGM/EGM | Subject |
|---|---|
| 26 th AGM held on 26.09.2015 | No special resolution was passed at the AGM |
| 25 th AGM held on 27.09.2014 | As detailed below |
| 24 th AGM held on 23.09.2013 | No special resolution was passed at the AGM |

E-Voting/Poll: {Details of E-voting/Poll carried out at AGM/EGM} -

No items were approved by the shareholders of the company through special resolutions through Postal Ballot for the year 2014-15.

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 Regulation 44 of SEBI (LODR), Regulations, 2015, 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 SEBI (LODR) Regulations, 2015. 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.
- All data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS and BSE Listing centre 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 SEBI (LODR), Regulations 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2015-2016.

15. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

| | |
|---------------------|---|
| Date and time: | 24.09.2016, 11 a.m. |
| Venue : | IMAGE, MRC Nagar, Chennai 600028 |
| Book Closure Date : | 18.09.2016 to 24.09.2016 (both the days inclusive) |
| Financial Year : | 1 st April 2015 to 31 st March 2016 |

b) Board Meetings during the Financial Calendar 2016-2017 (tentative)

| | |
|-------------------------|------------------------------------|
| 1 st Quarter | In the first week of August 2016 |
| 2 nd Quarter | In the first week of November 2016 |
| 3 rd Quarter | In the first week of February 2017 |
| 4 th Quarter | In the second week of May, 2017 |

c) Particulars of Dividend for the year ended 31.03.2016 – Nil

d) 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

| 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 2015 | 12.00 | 9.80 | 12.40 | 9.70 | 29094.61 | 26897.54 | 8844.80 | 8144.75 |
| May 2015 | 11.60 | 8.25 | 11.50 | 8.35 | 28071.16 | 26423.99 | 8489.55 | 7997.15 |
| June 2015 | 10.40 | 7.99 | 10.40 | 7.65 | 27968.75 | 26307.07 | 8467.15 | 7940.30 |
| July 2015 | 9.95 | 8.00 | 9.75 | 7.05 | 28578.33 | 27416.39 | 8654.75 | 8315.40 |
| August 2015 | 9.90 | 6.30 | 9.40 | 6.50 | 28417.59 | 25298.42 | 8621.55 | 7667.25 |
| September 2015 | 8.25 | 6.01 | 7.35 | 6.15 | 26471.82 | 24833.54 | 8055.00 | 7539.50 |
| October 2015 | 7.14 | 6.50 | 7.05 | 6.40 | 27618.14 | 26168.71 | 8336.30 | 7930.65 |

| | | | | | | | | |
|----------------------|-------|------|-------|------|----------|----------|---------|---------|
| November 2015 | 10.33 | 6.50 | 10.35 | 6.55 | 26824.3 | 25451.42 | 8116.10 | 7714.15 |
| December 2015 | 9.77 | 7.71 | 9.90 | 7.60 | 26256.42 | 24867.73 | 7979.30 | 7551.05 |
| January 2016 | 12.25 | 8.11 | 12.25 | 8.00 | 26197.27 | 23839.76 | 7972.55 | 7241.50 |
| February 2016 | 9.00 | 6.18 | 8.80 | 6.05 | 25002.32 | 22494.61 | 7600.45 | 6825.80 |
| March 2016 | 8.00 | 6.02 | 7.90 | 6.70 | 25479.62 | 23133.18 | 7777.60 | 7035.10 |

f) Shareholding Pattern as on 31st March 2016

| | 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 -Indian Promoters – Indian Bank | 1 | | 28773800 | 28773800 | 64.84 |
| | -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 | 96900 | | 96900 | 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 | 100900 | 48600 | 149500 | 0.34 |
| C | Others | | | | | |
| A | Private Corporate Bodies | 343 | 145000 | 1611883 | 1756883 | 3.96 |
| B | Indian Public | 43212 | 2836832 | 10265651 | 13102483 | 29.52 |
| C | NRIs/DCBs | 101 | 0 | 349614 | 349614 | 0.79 |
| D | Clearing Member and others | 282 | 1 | 245919 | 245920 | 0.55 |
| | Sub-total | 43938 | 2981833 | 12473067 | 15454900 | 34.82 |
| | Grand Total | 43955 | 3082733 | 41295467 | 44378200 | 100.00 |

g) Distribution of Shareholding as on 31st March 2016

| Number of Equity Shares held | Number of Share holders | Number of Shares | % of Capital |
|------------------------------|-------------------------|------------------|--------------|
| Up to 500 | 40591 | 5056204 | 11.39 |
| 501-1000 | 1616 | 1416080 | 3.19 |
| 1001-2000 | 775 | 1232630 | 2.78 |
| 2001-3000 | 303 | 785647 | 1.77 |
| 3001-4000 | 164 | 597112 | 1.35 |
| 4001-5000 | 162 | 774012 | 1.74 |
| 5001-10000 | 189 | 1366598 | 3.08 |
| 10001 AND ABOVE | 155 | 33149917 | 74.70 |
| Total | 43955 | 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, 2016 is as follows:

| Financial Year | Unpaid/ Unclaimed dividend as on 31.03.2016 (Rs.) | Date of declaration | Date of transfer to IEPF |
|----------------|---|---------------------|--------------------------|
| 2008-09 | 1436223.75 | 19.08.2009 | 19.09.2016 |

- 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

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 2016 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 41295467 equity shares representing 93.05% of the paid up equity capital have been dematerialized as on 31st March 2016.

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 : mvs@indbankonline.com |

**DECLARATION BY PRESIDENT & WHOLE TIME DIRECTOR ON CODE OF CONDUCT UNDER SEBI
(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015**

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, 2016.

Place : Chennai
Date : 31.03.2016

A.K.Bajpai
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 2016 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.

Place:Chennai-83
Date :05-05-2016

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

(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), Metropolitan Stock Exchange of India (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.939.42 lakhs as against Rs.1047.78 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. 4913.25 crores during the year. Your company also provides Depository services to Institutions and retail customers and has 44833 accounts under DP operations and 22732 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 83 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.466.81 lakhs has been carried over to reserves.

Current Liabilities

The current liabilities have increased from Rs.572.36 lakhs to Rs.810.09 lakhs mainly in view of increase in amount payable to trading clients under Broking compared to previous year. The provision for leave encashment have increased from Rs.47.40 lakhs to Rs.56.22 lakhs on account of additional provisions made for encashment of leave on actuarial valuation as at the end of the year.

Fixed Assets

Fixed assets have decreased by Rs.52.93 lakhs in view of 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.2124.48 lakhs as on 31.03.2015 to Rs.2087.84 lakhs as on 31.03.2016 due to sale under buy back offer under BOD account and some disinvestments under quoted / unquoted investments. Net investments after adjusting provisions have decreased in

view of fall in the market price of quoted shares necessitating additional provisions in the value of the investments. The market value of quoted investments (cost - Rs.559.84 lakhs) of the company as on 31.03.2016 was Rs.109.08 lakhs compared to Rs.143.01 lakhs as on 31.03.2015.

Deferred Tax Assets

During the year the company has provided Rs.11.36 lakhs towards deferred tax liability in the profit and loss account. Accordingly, the Net Deferred Tax Assets have reduced from Rs.433.07 lakhs in the previous year to Rs.421.70 lakhs in the current year.

Current Assets

The current assets have increased from Rs.3938.69 lakhs as on 31.03.2015 to Rs.4568.36 lakhs as on 31.03.2016 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.16.05 lakhs in 2014-15 to Rs.12.27 lakhs in 2015-16 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 decreased from Rs.843.84 lakhs in 2014-15 to Rs.706.69 lakhs in 2015-16 in view of reduction in volume of business under stock broking. Other income has increased in view of interest earned from fixed deposits and rental income consequent to better cash management.

The company has earned a profit of Rs.22.53 lakhs in the current year from discontinued operations as against a profit of Rs.226.63 lakhs in the previous year mainly due to recovery on OTS settlements from fund based discontinued operations.

Expenses

Employee benefit expenses have increased from Rs.352.59 lakhs in the previous year to Rs.368.38 lakhs in the current year mainly due to increase in DA payable and absorption of 9 employees on contract in the rolls of the company during the year. Depreciation and amortization expenses has decreased from Rs.69.29 lakhs in the previous year to Rs.60 lakhs in the current year. Other expenses have decreased from Rs.216.94 lakhs to Rs.199.19 lakhs due to cost control measures initiated which are yielding results. Provisions for NPAs (Net) have decreased from Rs.16.13 lakhs in the previous year to Rs.5.95 lakhs in the current year, due to better recovery in DP/Trading dues.

Financial Results

Rs. In Lakhs

| | Particulars | 2015-16 | 2014-15 |
|------|---|---------|---------|
| I | Revenue from Operations | 718.96 | 859.89 |
| II | Other Income | 218.56 | 186.73 |
| | Interest on Income tax refund due | 1.90 | 1.16 |
| III | Total Revenue | 939.42 | 1047.78 |
| IV | EXPENSES | | |
| | Employee Benefit expenses | 368.38 | 352.59 |
| | Depreciation & Amortization expenses | 60.00 | 69.29 |
| | Finance Cost | 11.39 | 3.27 |
| | Interest on excess IT refund | 0.00 | 25.76 |
| | Other Expenses | 199.19 | 216.94 |
| | Bad debts written off | 98.28 | 14.93 |
| | Total expenses | 737.24 | 682.78 |
| | Profit Before Provisions , prior period adjustments and Tax | 202.18 | 365.00 |
| | Provisions made | 6.24 | 56.50 |
| | Reversal of Provisions | (98.57) | (55.30) |
| V | Profit Before prior period adjustments and Tax | 294.51 | 363.80 |
| VI | Prior Period adjustments | 3.25 | 0.00 |
| VII | Profit Before Tax | 291.26 | 363.80 |
| VIII | Tax Expenses - Current | 0.00 | 0.00 |
| | - Deferred | 11.36 | 98.47 |
| | - Prior years | 26.91 | (6.84) |
| IX | PROFIT/(LOSS) for the period from continuing operations | 252.99 | 272.17 |

| | Particulars | 2015-16 | 2014-15 |
|------|--|---------|----------|
| X | PROFIT/(LOSS) for the period from discontinuing operations | 22.53 | 226.63 |
| XI | Tax expenses of discontinuing operations | 0.00 | 0.00 |
| XII | PROFIT/(LOSS) from discontinuing operations after tax | 22.53 | 226.63 |
| XIII | PROFIT/(LOSS) for the period | 275.52 | 498.80 |
| XIV | Add: Balance brought forward from Previous Year | 191.29 | (268.49) |
| | Addl. Depreciation to comply with Companies Act, 2013 | 0.00 | (39.02) |
| XV | Balance carried to Balance Sheet | 466.81 | 191.29 |
| XVI | Earnings Per Share - Basic & Diluted | 0.62 | 1.12 |

Outlook

Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdue 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 2016

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 05.05.2016

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 2016. 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: 05.07.2016

INDEPENDENT AUDITOR'S 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 2016, 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

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, 2016;
- 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate Report in Annexe-3. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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. The amounts required to be transferred to the Investor Education and Protection Fund by the Company during the current Financial Year has been transferred on 21/07/2015 amounting to Rs.23,83,374

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

Place:Chennai-83
Date :05-05-2016

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

ANNEXURE 1 REFERRED TO IN OUR REPORT OF EVEN DATE

With reference to the Annexe 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 2016**, we report that:

| Sl.No. | Particulars | Auditor's Remark |
|--------|---|---|
| (i) | (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; | The Company is maintaining proper records of books for fixed asset. |
| | (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 material discrepancies were noticed on verification. |
| | (c) Whether title deeds of immovable property are held in name of the company. If not, provide the details thereof. | Title deeds of immovable property of the company are held in name of the company. |
| (ii) | Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have properly dealt with in the books of accounts ; | Not Applicable. |
| (iii) | Whether the company has granted any loans, secured or unsecured to companies, firms, limited liability Partnerships 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 the terms and conditions of grant of such loans are not prejudicial to the company's interest; | Not Applicable. |
| | (b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular; | Not Applicable. |
| | (c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest; | Not Applicable. |
| (iv) | In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof. | The company has not granted loans and guarantee to any director or any other personal Investments. |
| (v) | In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the | No, the company has not accepted any deposits from the public |

| Sl.No. | Particulars | Auditor's Remark | |
|--------|--|---|-------------------|
| | provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions 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? | | |
| (vi) | Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so 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) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on 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; | According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Services 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 2016 for a period of more than six months from the date they become payable. | |
| | (b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax 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 be treated as a dispute). | Assessment Year | Demand (in lakhs) |
| | | 1992-93 | 115.02 |
| | | 1998-99 | 32.13 |
| | | 2007-08 | 617.47 |
| | | 2008-09 | 1129.05 |
| | | 2009-10 | 72.23 |
| (viii) | Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided). | 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. | |
| (ix) | Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;. | The company has not made any public offer or obtained term loan during the year under review. | |
| (x) | Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount | 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 | |

| Sl.No. | Particulars | Auditor's Remark |
|--------|--|---|
| | involved is to be indicated; | of our audit. |
| (xi) | Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same; | The managerial remuneration paid are in accordance with the requisite with the provisions of section 197 read with Schedule V to the Companies Ac |
| (xii) | Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;. | Not Applicable |
| (xiii) | Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards; | We have not come across any instances of transactions with related parties |
| (xiv) | Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance; | The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. |
| (xv) | Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with; | We have not come across any instances where the company has entered into any non-cash transactions with directors or persons connected with him. |
| (xvi) | Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained. | The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 |

Place:Chennai-83
Date :05-05-2016

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

(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 2015-16.

1. Whether the Company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.
Since the Company has neither freehold nor leasehold land, it is not applicable.
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 ` 9827666.24. 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

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

Place:Chennai-83
Date :05-05-2016

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

ANNEX 1

Waiver / Write off of Debts/loans and interest etc. during the year 2015-16

Continuing Operation

| Sl. No. | Name of the party | Amount Written-off (Rs.) | Amount Due (Rs.) | Amount Received (Rs.) | Reasons for Write off (as given by the Management) |
|---------|---------------------|--------------------------|-------------------|-----------------------|--|
| 1 | Suryanarayanamurthy | 28558.15 | 28558.15 | 0.00 | (a) Dues pertaining to these Client accounts are very old and prior to the year 2000 which has been fully provided for in the books of accounts. (b) Recovery from these clients were not forth coming in spite of several efforts. (c) No security available against the dues and the clients were not traceable (d) Suit filed against the clients are pending before the Courts which may take a longer time for disposal and the outcome for the same is uncertain. (e) Hence the dues of Rs.9821966.24 were written off as on 31.03.2016 against the provisions held. |
| 2 | GeetaMurali | 3420.75 | 3420.75 | 0.00 | |
| 3 | Kamakhsi CV | 6149.50 | 6149.50 | 0.00 | |
| 4 | Marlecha Securities | 3238311.59 | 3238311.59 | 0.00 | |
| 5 | Ashok Kumar Jain | 4279144.72 | 4279144.72 | 0.00 | |
| 6 | Shasa Share Links | 419225.13 | 419225.13 | 0.00 | |
| 7 | Mr. R.Sivakumar | 196277.62 | 196277.62 | 0.00 | |
| 8 | Mr.SyedZaheer Ahmed | 776218.34 | 776218.34 | 0.00 | |
| 9 | Mr. P L George | 334954.16 | 334954.16 | 0.00 | |
| 10 | Srikanth Pawar | 246238.01 | 246238.01 | 0.00 | |
| 11 | Anantha Murthy N | 62777.08 | 62777.08 | 0.00 | |
| 12 | Mr. V Sreekumar | 165421.85 | 165421.85 | 0.00 | |
| 13 | Mr. J Chandrasekar | 7822.10 | 7822.10 | 0.00 | |
| 14 | Mr. Badrinarayanan | 57447.24 | 57447.24 | 0.00 | |
| 15 | Stamp Account | 5700.00 | 5700.00 | 0.00 | This amount pertains to applications for opening of Trading / Demat accounts which are affixed with special adhesive stamps for POA which cost Rs.100/- each which were given to prospective clients of some of the terminals and the same were not returned by the clients for opening of the account. Since these terminals were subsequently closed due to administrative reasons and the terminal in charge of the these terminals have resigned from the company, these clients could not be followed up for opening of the accounts/ recover the application costs, the same was written off from the books. |
| | Total | 9827666.24 | 9827666.24 | | |

ANNEXE-3 TO THE INDEPENDENT AUDITORS' REPORT**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. INDBANK MERCHANT BANKING SERVICES LIMITED** as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on The internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place:Chennai-83
Date :05-05-2016

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

BALANCE SHEET AS AT 31st March 2016

| | Particulars | Note No. | | As at 31-Mar-16 Rs. | | As at 31-Mar-15 Rs. |
|-----------|--|----------|--------------|---------------------------|--------------|---------------------------|
| I | <u>EQUITY AND LIABILITIES</u> | | | | | |
| (1) | <u>Shareholders' Funds</u> | | | | | |
| (a) | Share Capital | 1 | 44,37,82,000 | | 44,37,82,000 | |
| (b) | Reserves & Surplus | 2 | 4,66,81,070 | 49,04,63,070 | 1,91,29,018 | 46,29,11,018 |
| (2) | <u>Current Liabilities</u> | | | | | |
| (a) | Other Current Liabilities | 3 | 8,10,09,429 | | 5,72,36,381 | |
| (b) | Short Term Provisions | | 56,21,824 | 8,66,31,253 | 47,40,493 | 6,19,76,874 |
| | Total | | | 57,70,94,323 | | 52,48,87,892 |
| II | <u>ASSETS</u> | | | | | |
| | <u>Noncurrent Assets</u> | | | | | |
| (1) | <u>Fixed Assets:</u> | | | | | |
| (a) | Fixed Assets - Tangible assets | 4 | 4,49,08,323 | | 4,97,83,907 | |
| (b) | Fixed Assets - Intangible assets | | 3,72,343 | | 7,89,343 | |
| (c) | Non current Investments | 5 | 3,04,07,594 | | 3,47,38,523 | |
| (d) | Deferred Tax Assets (Net) | | 4,21,70,192 | 11,78,58,452 | 4,33,06,891 | 12,86,18,664 |
| (2) | <u>Current Assets</u> | | | | | |
| | Trade Receivables | 7 | 7,43,29,516 | | 6,50,92,773 | |
| | Cash and Cash equivalents | 8 | 21,54,56,292 | | 16,56,28,462 | |
| | Short term Loans & Advances | 9 | 15,86,24,204 | | 15,05,11,064 | |
| | Interest accrued on Fixed Deposits | | 82,85,698 | | 1,24,52,753 | |
| | Other Current Assets | 10 | 1,40,161 | 45,68,35,871 | 1,84,176 | 39,38,69,228 |
| (3) | <u>Assets under Discontinuing Operations</u> | 11 | | 24,00,000 | | 24,00,000 |
| | Total | | | 57,70,94,323 | | 52,48,87,892 |

A S RAJEEV
Director

T M NAGARAJAN
Director

P M VENKATASUBRAMANIAN
Director

G R SUNDARAVADIVEL
Director

CHITRA MURALI
Director

V GOPAL
Director

AK BAJPAI
President & Whote Time Director

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

M S VAIDYANATHAN
Vice President & Company Secretary

K S SUJAY
Chief Financial Officer

CA R. RAGHURAMAN
Partner
(M No. 201760)

PLACE : Chennai
DATE : 05-05-2016

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

| | Particulars | Note No. | Year ended 31-Mar-16 Rs. | Year ended 31-Mar-15 Rs. |
|-------|---|----------|--------------------------------|--------------------------------|
| | INCOME | | | |
| I | Revenue from Operations | | 7,18,95,825 | 8,59,88,703 |
| II | Other Income | 12 | 2,18,55,487 | 1,86,73,401 |
| | Interest on income tax refund due | 26 | 1,90,256 | 1,15,621 |
| III | Total Revenue | | <u>9,39,41,568</u> | <u>10,47,77,725</u> |
| IV | EXPENSES | | | |
| | Employee Benefit expenses | 13 | 3,68,38,191 | 3,52,59,144 |
| | Depreciation & Amortization expenses | 4 | 59,99,715 | 69,28,939 |
| | Finance Cost | 14 | 11,38,549 | 3,26,911 |
| | Other Expenses | 15 | 1,99,19,147 | 2,16,93,661 |
| | Interest on excess IT refund | | 0 | 25,75,793 |
| | Bad debts written off | 16 | 98,27,666 | 14,93,114 |
| | Total expenses | | <u>7,37,23,268</u> | <u>6,82,77,562</u> |
| V | Profit Before Provisions, Exceptional and Extraordinary items and Tax | | 2,02,18,300 | 3,65,00,163 |
| | Provisions made | 16 | 6,23,760 | 56,50,023 |
| | Reversal of Provisions | 16 | (98,56,409) | (55,29,636) |
| VI | Profit Before Exceptional and Extraordinary items and Tax | | 2,94,50,949 | 3,63,79,776 |
| VII | Exceptional item | | 0 | 0 |
| VIII | Prior period Adjustments | 17 | 3,24,731 | 0 |
| IX | Profit Before Extraordinary Items and Tax | | 2,91,26,218 | 3,63,79,776 |
| X | Extraordinary Items | | 0 | 0 |
| XI | PROFIT/(LOSS) BEFORE TAX | | 2,91,26,218 | 3,63,79,776 |
| XII | Tax Expenses - Current | | 0 | 0 |
| | - Deferred | 18 | 11,36,699 | 98,47,116 |
| | -Prior years | 18 | 26,90,847 | (6,84,675) |
| XIII | PROFIT/(LOSS) for the period from continuing operations | | 2,52,98,672 | 2,72,17,335 |
| XIV | PROFIT/(LOSS) for the period from discontinuing operations | 19 | 22,53,380 | 2,26,63,082 |
| XV | Tax expenses of discontinuing operations | | 0 | 0 |
| XVI | PROFIT/(LOSS) from discontinuing operations after tax | | 22,53,380 | 2,26,63,082 |
| XVII | PROFIT/(LOSS) for the period | | 2,75,52,052 | 4,98,80,417 |
| XVIII | Add: Balance brought forward from Previous Year | | 1,91,29,018 | (2,68,49,324) |
| XIX | Less: Transferred from General Reserves | | 0 | 0 |
| XX | Balance carried to Balance Sheet | | 4,66,81,070 | 2,30,31,093 |
| XXI | Earnings Per Share - Basic & Diluted | 20 | 0.62 | 1.12 |

 A S RAJEEV
 Director

 T M NAGARAJAN
 Director

 P M VENKATASUBRAMANIAN
 Director

 G R SUNDARAVADIVEL
 Director

 CHITRA MURALI
 Director

 V GOPAL
 Director

 AK BAJPAI
 President & Whote Time Director

 As per our report of even date attached
 for AV DEVEN & CO.
 CHARTERED ACCOUNTANTS

 M S VAIDYANATHAN
 Vice President & Company Secretary

 K S SUJAY
 Chief Financial Officer

 (Firm Reg. No. 000726S)
 CA R. RAGHURAMAN
 Partner (M No. 201760)

 PLACE : Chennai
 DATE : 05-05-2016

NOTES ON ACCOUNTS
FORMING PART OF BALANCE SHEET AS AT 31.03.2016 AND STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2016

1. Share Capital

(Amount in Rs.)

| Sl.No | Details | 2015-16 | 2014-15 |
|-------|--|-------------------------|-------------------------|
| (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 |
| | (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 |
| | (ii) Aggregate number of shares allotted as fully paid up by way of bonus shares in the preceding 5 years | Nil | Nil |
| | (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 | 2015-16 | 2014-15 |
|---|-------------|-------------|
| Opening Balance | 0 | 0 |
| Less: Transfer to Profit & Loss account | 0 | 0 |
| Closing Balance | 0 | 0 |
| Balance in Profit & Loss account | 4,66,81,070 | 1,91,29,018 |
| Total | 4,66,81,070 | 1,91,29,018 |

3. Current Liabilities

(Amount in Rs.)

| Details | 2015-16 | | 2014-15 | |
|--|-------------|-------------|-------------|-------------|
| (a) Other current liabilities | | | | |
| Sundry Creditors for Expenses | 17,20,467 | | 51,06,342 | |
| Unpaid Dividend(unclaimed as per contra) | 14,36,224 | | 38,22,523 | |
| Overdraft against Deposits from Indian Bank | 1,40,17,924 | | 30,22,036 | |
| Other current liabilities | 6,38,34,814 | 8,10,09,429 | 4,52,85,480 | 5,72,36,381 |
| (b) Short Term Provisions - Provision for leave encashment | | 56,21,824 | | 47,40,493 |

4. Fixed Assets

| Description | Gross Block at Cost | | | | Depreciation | | | Net Block | |
|--|---------------------|------------------------------|---------------|---------------------|--------------------|------------------|------------------|---------------------|---------------------|
| | As at 1-Apr-15 Rs. | Addition during the Year Rs. | Deletions Rs. | As at 31-Mar-16 Rs. | As at 1-Apr-15 Rs. | For the year Rs. | On Deletions Rs. | As at 31-Mar-16 Rs. | As at 31-Mar-15 Rs. |
| <u>Fixed Assets - Tangible Assets</u> | | | | | | | | | |
| Buildings* | 4,84,78,385 | 0 | 0 | 4,84,78,385 | 1,58,06,399 | 7,57,085 | 0 | 3,19,14,901 | 3,26,71,986 |
| Furniture & Fixtures | 83,52,508 | 3,77,292 | 6,914 | 87,22,886 | 49,92,368 | 10,98,714 | 6,912 | 26,38,717 | 33,60,140 |
| Motor Vehicle | 16,80,620 | 0 | 0 | 16,80,620 | 5,37,579 | 2,32,324 | 0 | 9,10,717 | 11,43,041 |
| Office equipment | 70,56,778 | 3,05,215 | 3,56,284 | 70,05,709 | 60,18,840 | 3,57,797 | 3,21,767 | 9,50,839 | 10,37,939 |
| Data Processing Machines | 2,28,14,197 | 43,100 | 3,73,610 | 2,24,83,687 | 1,12,43,396 | 31,10,639 | 3,63,497 | 84,93,149 | 1,15,70,801 |
| Total Other Assets - (A) | 8,83,82,488 | 7,25,607 | 7,36,808 | 8,83,71,287 | 3,85,98,581 | 55,56,559 | 6,92,176 | 4,49,08,323 | 4,97,83,907 |
| <u>Fixed Assets - In-tangible Assets</u> | | | | | | | | | |
| Software | 57,14,373 | 26,156 | 0 | 57,40,529 | 49,25,030 | 4,43,156 | 0 | 3,72,343 | 7,89,343 |
| Total Other Assets - (B) | 57,14,373 | 26,156 | 0 | 57,40,529 | 49,25,030 | 4,43,156 | 0 | 3,72,343 | 7,89,343 |
| Grand Total Other Assets - (A) + (B) | 9,40,96,861 | 7,51,763 | 7,36,808 | 9,41,11,816 | 4,35,23,611 | 59,99,715 | 6,92,176 | 4,52,80,666 | 5,05,73,250 |
| *Includes cost of un-divided portion of land separately not identifiable | | | | | | | | | |
| Previous Year 31.03.2015 | 10,59,19,116 | 57,76,457 | 1,75,98,712 | 9,40,96,861 | 4,93,41,192 | 1,08,31,014 | 1,66,48,595 | 5,05,73,250 | |

5. Non current Investments

| Description | | As at 31-Mar-16 Rs. | | As at 31-Mar-15 Rs. |
|--|--------------|---------------------------|--------------|---------------------------|
| Non current Investments | | | | |
| Shares at cost | 19,76,42,412 | | 20,13,07,128 | |
| Less: Provision for Diminution in value of Investments | 16,72,34,818 | 3,04,07,594 | 16,65,68,605 | 3,47,38,523 |
| 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 |
| Total | | 3,04,07,594 | | 3,47,38,523 |

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 | Paid up Value | Cost as on 31.03.2016 | No. of Shares | Cost as on 31.03.2015 |
|---------|------------------------------|---------------|------------|---------------|-----------------------|---------------|-----------------------|
| | | | Rs. | Rs. | Rs. | | 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 | 1,84,390 | 10 | 10 | 18,43,900 | 1,84,401 | 18,44,010 |
| 6 | Steel Authority of India Ltd | 5,000 | 10 | 10 | 11,15,500 | 5,000 | 11,15,500 |
| 7 | Wanbury Ltd | 1,500 | 2 | 2 | 1,85,142 | 23,000 | 28,38,848 |
| | Total - (A) | | | | 5,59,84,433 | | 5,86,38,249 |

(Market value as on 31.03.2016 - Rs.1,09,08,350 Previous year - Rs.1,43,01,479/-)

b) UNQUOTED - NON TRADE

| Sl. No. | Name of the Company | No. of Shares | Face Value | Paid up Value | Cost as on 31.03.2016 | No. of Shares | Cost as on 31.03.2015 |
|---------|--------------------------------|---------------|------------|---------------|-----------------------|---------------|-----------------------|
| 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 | Nonmag India Ltd | 26,600 | 10 | 10 | 2,62,430 | 26,600 | 2,62,430 |
| 13 | Nova Dhatu Udyog Ltd | 4,69,700 | 10 | 10 | 46,97,000 | 4,69,700 | 46,97,000 |
| 14 | Nova International Ltd | 1,25,600 | 10 | 10 | 12,56,000 | 1,25,600 | 12,56,000 |
| 15 | Pondicherry Spinners Ltd | 34,500 | 10 | 10 | 3,47,900 | 34,500 | 3,47,900 |
| 16 | Rakan Steels Ltd | 1,50,876 | 10 | 10 | 22,63,140 | 1,50,876 | 22,63,140 |
| 17 | Sagar Tourist Resorts Ltd | 2,14,600 | 10 | 10 | 21,46,000 | 2,14,600 | 21,46,000 |

| Sl. No. | Name of the Company | No. of Shares | Face Value | Paid up Value | Cost as on 31.03.2016 | No. of Shares | Cost as on 31.03.2015 |
|---|--|---------------|------------|---------------|-----------------------|---------------|-----------------------|
| 18 | Salstar Foods Ltd | 51,300 | 10 | 10 | 8,20,800 | 51,300 | 8,20,800 |
| 19 | Shri Vardhaman Overseas Ltd | 1,00,000 | 10 | 10 | 70,35,000 | 1,00,000 | 70,35,000 |
| 20 | Sivananda Pipe Ltd | 12,600 | 10 | 10 | 2,52,000 | 12,600 | 2,52,000 |
| 21 | Sri Jayalakshmi Spinning Mills Ltd | 57,400 | 10 | 10 | 5,74,000 | 57,400 | 5,74,000 |
| 22 | Tebma Shipyard Ltd | 41,699 | 10 | 10 | 17,59,747 | 41,699 | 17,59,747 |
| 23 | Veekay Fibres Ltd | 1,96,400 | 10 | 10 | 43,20,800 | 1,96,400 | 43,20,800 |
| 24 | Vikram Projects Ltd | 4,02,158 | 10 | 10 | 1,40,75,530 | 4,02,158 | 1,40,75,530 |
| 25 | Xylon Liquitur Ltd | 1,46,700 | 10 | 10 | 44,01,000 | 1,46,700 | 44,01,000 |
| | Total - (B) | | | | 7,21,49,449 | | 7,21,49,449 |
| c) UNLISTED - NON TRADE | | | | | | | |
| Sl. No. | Name of the Company | No. of Shares | Face Value | Paid up Value | Cost as on 31.03.2016 | No. of Shares | Cost as on 31.03.2015 |
| 1 | Amaravathi Sri Venkatesa Paper Mills Ltd | 3,30,002 | 10 | 10 | 1,45,20,352 | 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 (Restructured into 75000 shares of Rs. 10/- each as per scheme approved by Gujarat High court) | 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 |
| | Total - (C) | | | | 6,95,08,530 | | 7,05,19,430 |
| | Total cost (A) + (B) + (C) | | | | 19,76,42,412 | | 20,13,07,128 |
| (ii) INVESTMENT IN DEBENTURES OF LIMITED COMPANIES | | | | | | | |
| UNQUOTED - NON TRADE | | | | | | | |
| Sl. No. | Name of the Company | No. of Shares | Face Value | Paid up Value | Cost as on 31.03.2016 | No. of Shares | Cost as on 31.03.2015 |
| 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) | | | | 20,87,83,812 | | 21,24,48,528 |

6. Deferred Tax Assets (Net)

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

| | Deferred Tax (Rs) | | | |
|--|-------------------|--------------------|-----------------|--------------------|
| | As on 31.3.2016 | | As on 31.3.2015 | |
| | Asset | Liability | Asset | Liability |
| i) Timing difference in depreciable assets | | 3,44,57,693 | | 3,57,85,016 |
| ii) Provision for Bad debts and NPAs | 7,41,14,716 | | 7,73,71,858 | |
| iii) Others | 25,08,869 | | 17,20,049 | |
| Total | | 4,21,65,892 | | 4,33,06,891 |

7. Trade Receivables

Amount in Rs.

| | As at 31.3.2016 | | As at 31.3.2015 | |
|---|--|-------------|-----------------|-------------|
| | Debt outstanding for a period exceeding six months | | | |
| - Considered Good(Secured) | 52,14,122 | | 52,14,122 | |
| - Considered Good(Unsecured) | 52,67,504 | | 10,10,578 | |
| - Considered Doubtful(Unsecured) | 2,55,17,939 | | 3,47,50,588 | |
| | 3,59,99,565 | | 4,09,75,288 | |
| Others - Considered Good | 6,38,47,890 | | 5,88,68,073 | |
| | 9,98,47,455 | | 9,98,43,361 | |
| Less: Provision for Bad & Non Performing Assets | 2,55,17,939 | 7,43,29,516 | 3,47,50,588 | 6,50,92,773 |

8. Cash and Cash equivalents

Amount in Rs.

| Cash and Cash equivalents | As at 31.3.2016 | | As at 31.3.2015 | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Cash on Hand | 45,066 | | 5,44,652 |
| Stamps on hand | 2,86,600 | | 2,92,100 | |
| Cheques on Hand | 0 | | 0 | |
| | 3,31,666 | | 8,36,752 | |
| Balances with Scheduled Banks | | | | |
| In Term Deposits | 21,10,23,015 | | 15,90,03,168 | |
| In Current Accounts | 26,65,387 | | 19,66,019 | |
| Unclaimed Dividend (as per contra) | 14,36,224 | | 38,22,523 | |
| | 21,51,24,626 | 21,54,56,292 | 16,47,91,710 | 16,56,28,462 |

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 | 255.07 | For Guarantee facility availed | 213.38 |
| Indian Bank | 709.07 | For overdraft against deposits | 1061.91 |
| National Stock Exchange | 270.59 | Margin | 250.70 |
| Bombay Stock Exchange | 39.41 | Margin | 31.75 |
| MSEI Stock Exchange | 36.48 | Margin | 32.29 |

9. Short term Loans & Advances

Amount in Rs.

| | | As at 31-Mar-16 | | As at 31-Mar-15 |
|---|-----------|--------------------|-----------|--------------------|
| (Unsecured & considered good unless otherwise stated) | | | | |
| Loans - Secured | | 5,99,996 | | 9,95,447 |
| Prepaid Expenses | | 7,11,083 | | 4,27,153 |
| Advance Tax & TDS (Net of Provisions) | | 11,65,99,145 | | 11,27,21,481 |
| Advances Recoverable in Cash or in Kind or | | | | |
| for value to be received - Considered good | 15,01,254 | | 14,29,111 | |
| - Considered Doubtful | 50,42,931 | | 50,42,931 | |
| | 65,44,185 | | 64,72,042 | |
| Less: Provision for Bad & Non Performing Assets | 50,42,931 | 15,01,254 | 50,42,931 | 14,29,111 |
| Security & Other Deposits | | 3,92,12,726 | | 3,49,37,872 |
| | | 15,86,24,204 | | 15,05,11,064 |

Loans and Advances include the following:

Rs.Lakhs

| | 2015-16 | 2014-15 |
|------------------------------------|---------|---------|
| Amount due from Director | 0.66 | 1.12 |
| Maximum amount due during the year | 0.82 | 1.12 |
| Amount due from Officer | 0.78 | 0.14 |
| Maximum Amount due during the year | 1.12 | 0.72 |

10. Other Current Assets

Amount in Rs.

| | As at 31.03.2016 | As at 31.03.2015 |
|---------------------------------|------------------|------------------|
| Interest accrued on Staff Loans | 1,40,161 | 1,84,176 |

11. Assets under Discontinuing Operations

Amount in Rs.

| | | As at 31.03.2016 | | As at 31.03.2015 |
|---|--------------|------------------|--------------|------------------|
| Stock on Hire | 10,41,75,746 | | 10,41,75,746 | |
| Less: Provision for Bad & Non Performing Assets | 10,41,75,746 | 0 | 10,41,75,746 | 0 |
| Lease Rentals Receivable - Considered Good | 24,00,000 | | 24,00,000 | |
| - Considered Doubtful | 1,35,07,403 | | 1,35,07,403 | |
| Less: Provision for Bad & Non Performing Assets | 1,35,07,403 | 24,00,000 | 1,35,07,403 | 24,00,000 |
| Intercorporate 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 | | 17,39,29,644 | |
| Depreciation & Lease terminal adjustment | 17,39,29,644 | 0 | 17,39,29,644 | 0 |
| | | 24,00,000 | | 24,00,000 |

12. Revenue from Operations

| | | As at 31-Mar-16 Rs | | As at 31-Mar-15 Rs |
|-------------------------------------|-------------|--------------------------|-------------|--------------------------|
| Fee Based Income | | | | |
| Merchant Banking Income | 12,27,027 | | 16,04,727 | |
| Stock Broking Membership Operations | 7,06,68,798 | 7,18,95,825 | 8,43,83,976 | 8,59,88,703 |
| Other Income | | | | |
| Interest on FDs | 1,82,31,956 | | 1,50,29,733 | |
| Profit on sale of Assets | 70,918 | | 4,00,944 | |
| Others | 35,52,613 | 2,18,55,487 | 32,42,724 | 1,86,73,401 |

13. Employee Benefit expenses

Amount in Rs.

| | As at 31-Mar-16 | As at 31-Mar-15 |
|----------------------------------|--------------------|--------------------|
| Salaries, Wages & Bonus | 3,12,40,252 | 3,10,01,917 |
| Contribution to PF & Other Funds | 48,64,062 | 32,86,582 |
| Staff Welfare Expenses | 7,33,877 | 9,70,645 |
| | 3,68,38,191 | 3,52,59,144 |

14 Finance Cost

Amount in Rs.

| | As at 31-Mar-16 | As at 31-Mar-15 |
|--|--------------------|--------------------|
| Interest on overdraft availed from Indian Bank | 11,38,549 | 3,26,911 |

15. Other Expenses

Amount in Rs.

| | 31-Mar-16 | 31-Mar-15 |
|-----------------------------------|-------------|-------------|
| Rent | 19,89,702 | 20,75,897 |
| Courier, Postage & Telephone | 12,37,662 | 14,19,426 |
| MPLS & other connectivity charges | 25,90,959 | 26,86,449 |
| Data Center charges | 6,91,450 | 4,55,000 |
| Printing & Stationery | 8,22,888 | 8,18,962 |
| Depository Participant Charges | 67,981 | 84,093 |
| NSDL Transaction Charges | 8,99,842 | 15,00,495 |
| Travelling & Conveyance | 19,12,428 | 11,06,727 |
| Equipment Maintenance & AMC | 12,42,709 | 13,50,667 |
| Repairs, Upkeep & Maintenance | 13,59,646 | 11,87,767 |
| Electricity Charges | 14,10,126 | 14,26,384 |
| Subscription & Membership | 8,67,179 | 13,49,025 |
| Professional Charges | 6,65,267 | 17,88,288 |
| Miscellaneous and other Expenses | 41,61,308 | 44,44,481 |
| Total | 1,99,19,147 | 2,16,93,661 |

Miscellaneous Expenses includes remuneration to Auditors as under:

Rupees in Lakhs

| | As at 31-Mar-16 | As at 31-Mar-15 |
|------------------------|--------------------|--------------------|
| Audit Fees | 3.00 | 3.00 |
| Tax Audit | 0.60 | 0.60 |
| Fees for certification | 1.33 | 1.31 |

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

| | | 31-Mar-16 Rs. | | 31-Mar-15 Rs. |
|---|-----------|------------------|-----------|------------------|
| Bad debts/NPAs written off | | 98,27,666 | | 14,93,114 |
| Provision for Bad Debts & Non-Performing Assets | 6,23,760 | | 56,50,023 | |
| Less: Reversal of Provision made for NPAs in earlier years no longer required | 98,56,409 | (92,32,649) | 55,29,636 | 1,20,387 |
| | | 5,95,017 | | 16,13,501 |

The company has written off old trading dues amounting to Rs.98.22 lakhs in the accounts for which full provision was already made in the earlier years. The same is approved by the Board.

17. Prior period adjustments

During the year 2015-16 a sum of Rs.324731/- pertaining to expenses of previous years has been shown under prior period expenses. (previous year - Nil)

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.11.37 lakhs (Previous year Rs.98.47 lakhs) which has been charged to profit & loss account.
- Prior period taxes include the following:

| Assessment year | Particulars | Amount (Rs.) |
|-----------------|-------------------------------------|--------------|
| 2012-13 | Refund adjustment Under Section 154 | 16,39,484 |
| 2013-14 | Refund adjustment Under Section 154 | 10,51,363 |
| | Total | 26,90,847 |

19. Income from discontinuing operations

| | Rs. | | Rs. | |
|---|------------|-------------|---------------|---------------|
| | | 31-Mar-16 | | 31-Mar-15 |
| Lease Income | | | | |
| Gross income from Lease | 3,50,000 | | 56,89,000 | |
| Less: Depreciation | 12,48,848 | | 16,42,162 | |
| Less: Lease Equalisation | (8,98,848) | | 35,51,525 | |
| Net income from lease | - | | 4,95,313 | |
| Hire Purchase Income | - | - | - | 4,95,313 |
| Investment Income | | | | |
| Profit/(Loss) on Sale of Investments | (2,28,105) | | (2,44,31,626) | |
| Interest on investment | 27,97,547 | | - | |
| Dividend | 1,49,950 | 27,19,392 | 1,15,013 | (2,43,16,614) |
| Total income | | 27,19,392 | | (2,38,21,301) |
| Less: Expenses attributable to income | | | | |
| Current | | 1,99,800 | | 82,000 |
| Prior period | | - | | 9,25,535 |
| Recovery from written off account | | - | | - |
| Refund of Court Fees | | 50,000 | | 4,97,634 |
| Provisions made for NPAs/Diminution in value of Investments | | 27,52,762 | | 1,58,831 |
| Bad Debts Written off | | - | | 2,97,56,144 |
| Reversal of Provisions | | (24,36,550) | | (7,69,09,258) |
| Net Income from discontinuing operations | | 22,53,380 | | 2,26,63,082 |

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

| Sl No | Description | 2015-16 Rs. | 2014-15 Rs. |
|-------|--|----------------|----------------|
| 1 | Profit/(Loss) for the year After Tax | 2,75,52,052 | 4,98,80,417 |
| 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) | 0.62 | 1.12 |

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

- Issue Management Fee and fees for other managerial services - Considered on the completion of assignment.
- Underwriting Commission and brokerage on distribution of financial products - Considered on receipt of subscription particulars.
- 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

Short Term employee benefits/obligations are estimated and provided for.

- a) 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's 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.
- b) 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.
- c) 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.
- d) 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 | 2015-16 | 2014-15 |
|---|---------|---------|
| Employer's contribution to Provident Fund | 2836695 | 2649362 |

Defined Benefit Plan

I. Reconciliation of opening and closing balances of Defined benefit obligation (Rs.)

| Details | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|---|-------------------|-----------|-----------------------------|-----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Defined benefit obligation at the beginning of the year | 5153722 | 4535480 | 4740493 | 5915380 |
| Current service cost | 514581 | 525733 | 371522 | 475057 |
| Interest cost | 412298 | 362838 | 359923 | 513052 |
| Actuarial (gain)/ loss | 501672 | 831436 | 149886 | (2162996) |
| Benefits paid | (506325) | (1101765) | - | - |
| Settlement cost | - | - | - | - |
| Defined benefit obligation at the year end | 6075948 | 5153722 | 5621824 | 4740493 |

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

| Details | Gratuity (Funded) | |
|--|-------------------|-----------|
| | 2015-16 | 2014-15 |
| Fair value of plan assets at the beginning of the year | 4196669 | 4439521 |
| Expected return on plan assets | 424963 | 388756 |
| Contributions | 2604192 | 470157 |
| Actuarial (gain)/ loss | - | - |
| Benefits paid | (506325) | (1101765) |
| Settlement cost | - | - |
| Fair value of plan assets at year end | 6719499 | 4196669 |
| Actual return on plan assets | 424963 | 388756 |

III Reconciliation of fair value of assets and obligations (Rs.)

| Details | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|------------------------------------|-------------------|----------|-----------------------------|-----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Fair value of plan assets | 6719499 | 4196669 | 5621824 | 4740493 |
| Present value of obligation | 6075948 | 5153722 | 4740493 | 5915380 |
| Amount recognized in Balance Sheet | 643551 | (957053) | 881331 | (1174887) |

IV Expense recognized during the year (Rs.)

| Details | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|--------------------------------|-------------------|---------|-----------------------------|-----------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Current Service Cost | 514581 | 525733 | 371522 | 475057 |
| Interest Cost | 412298 | 362838 | 359923 | 513052 |
| Expected return on plan assets | 424963 | 388756 | - | - |
| Actuarial (gain) / loss | 501672 | 831436 | 149886 | (2162996) |
| Net Cost | 1003588 | 1331251 | 881331 | (1174887) |

V Actuarial assumptions (Rs.)

| Details | Gratuity (Funded) | | Leave Encashment (Unfunded) | |
|--|-----------------------|-----------------------|-----------------------------|-----------------------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Mortality Table (LIC) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) | 1994-96 (Ultimate) |
| Discount rate (per annum) | 8% | 8% | 7.70% | 7.80% |
| Expected rate of return (per annum) | 8% | 8% | -- | -- |
| Rate of escalation of salary (per annum) | 5% | 5% | 5% | 5% |
| Attrition Rate | 1% to 3% | 1% to 3% | 7% | 7.70% |

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.20.27 Lakhs (previous year- Rs.6.37 lakhs) towards Gratuity liability in the year 2015-16.

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. A K Bajpai, President & Whole Time 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 31.03.2016 | As on 31.03.2015 |
|---|------------------|------------------|
| Lease payments for the year | 19.90 | 20.76 |
| 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 | 2015-16 | | | | 2014-15 | | | |
|--|-----------------------------------|---------------------------------------|--------------|----------|-----------------------------------|---------------------------------------|--------------|----------|
| | 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 | 939.42 | 27.69 | 0.00 | 967.11 | 1047.78 | (233.23) | 0.00 | 814.55 |
| Expenses | | | | | | | | |
| Administration & Other exp | 567.57 | 2.00 | 0.00 | 579.61 | 569.53 | 10.08 | 0.00 | 579.61 |
| Depreciation | 60.00 | 0.00 | 0.00 | 60.00 | 69.29 | 0.00 | 0.00 | 69.29 |
| Provisions | 5.95 | 3.16 | 0.00 | 9.11 | 16.14 | (469.94) | 0.00 | (453.80) |
| Finance Cost | 11.39 | 0.00 | 0.00 | 11.39 | 3.27 | 0.00 | 0.00 | 3.27 |
| Int. on IT Refund - Excess Interest Reversed | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Int on excess IT refund | 0.00 | 0.00 | 0.00 | 0.00 | 25.76 | 0.00 | 0.00 | 25.76 |
| Total – Expenses | 644.91 | 5.16 | 0.00 | 650.07 | 683.99 | (459.86) | 0.00 | 224.13 |
| Profit/(Loss) before Tax | 294.51 | 22.53 | 0.00 | 317.04 | 363.79 | 226.63 | 0.00 | 590.42 |
| Exceptional item – Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exceptional item – Prior period adjustments | 3.25 | 0.00 | 0.00 | 3.25 | 0.00 | 0.00 | 0.00 | 0.00 |
| Provision for tax – Deferred | 0.00 | 0.00 | 11.36 | 11.36 | 0.00 | 0.00 | 98.47 | 98.47 |
| Provision for tax – Prior period | 0.00 | 0.00 | 26.91 | 26.91 | 0.00 | 0.00 | (6.85) | (6.85) |
| Profit/(Loss) after Tax | 291.26 | 22.53 | (38.27) | 275.52 | 363.79 | 226.63 | (91.62) | 498.80 |
| Total Assets | 3855.17 | 328.08 | 1587.69 | 5770.94 | 3356.23 | 371.39 | 1521.26 | 5248.88 |
| Total liabilities | 866.31 | 0.00 | 0.00 | 866.31 | 619.77 | 0.00 | 0.00 | 619.77 |
| Capital Expenditure | 7.26 | 0.00 | 0.00 | 7.26 | 55.60 | 0.00 | 0.00 | 55.60 |
| Non cash expenditure | 5.95 | 16.31 | 3.25 | 25.51 | 16.14 | 432.44 | (6.85) | 441.73 |
| Net Cash flow from operating activities | 427.43 | (4.66) | 11.36 | 434.13 | (484.72) | 469.80 | 98.47 | 83.55 |
| Net Cash flow from Investment activities | (526.56) | 70.50 | 0.00 | (456.06) | (180.48) | (250.11) | 0.00 | (430.59) |
| Net Cash flow from financing activities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net increase in Cash & Cash equivalents | (99.13) | 65.84 | 11.36 | (21.93) | (665.20) | 219.68 | 98.47 | (347.05) |

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 has been reckoned in the accounts for various assessment years as under:

| Assessment Year | Particulars | Amount (Rs.) |
|-----------------|-----------------------------------|--------------|
| 2012-13 | Interest on income tax refund due | 125041 |
| 2013-14 | Interest on income tax refund due | 65215 |
| | Total | 190256 |

27. A sum of Rs.7.19 lakhs deducted by Indian Bank as TDS on interest accrued on Fixed Deposit of Rs.93.15 lakhs placed with them in terms of Court Order passed on 10.02.2010 for the recovery of Client dues from M/s Shreeji Investments is considered as an asset and corresponding liability is also provided for in the books of accounts.

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 | 2015-16 | | | 2014-15 | | |
|-----------|------------|----------|---------|------------|----------|---------|
| | Tax Demand | Interest | Total | Tax Demand | Interest | Total |
| 1992-93 | 71.59 | 43.43 | 115.02 | 0.00 | 0.00 | 0.00 |
| 1998-99 | 32.13 | 0.00 | 32.13 | 32.13 | 0.00 | 32.13 |
| 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 | 72.23 | 72.23 | 0.00 | 72.23 |
| Total | 1470.53 | 495.37 | 1965.90 | 1398.94 | 451.94 | 1850.88 |

* 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.

(ii) Sales Tax demand disputed in appeal – Rs.42.78 lakhs (Previous year Rs.42.78 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 | | 2015-16 | 2014-15 |
|---|------------------------------------|----------------------------|---------|---------|
| Mr. Banabihari Panda (From 01.04.2015 to 30.11.2015) | President & Whole Time Director | Salary (including arrears) | 16.27 | 13.50 |
| | | Contribution to PF | 1.71 | 0.65 |
| Mr. A K Bajpai (From 23.12.2015 to 31.03.2016) | President & Whole Time Director | Salary | 3.91 | .. |
| | | Contribution to PF | 0.24 | .. |
| Sitting Fees paid to Non – Whole Time Independent Directors | | | 2.32 | 1.70 |

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, 2016, 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.

A S RAJEEV
Director

T M NAGARAJAN
Director

P M VENKATASUBRAMANIAN
Director

G R SUNDARAVADIVEL
Director

CHITRA MURALI
Director

V GOPAL
Director

AK BAJPAI
President & Whole Time Director

As per our report of even date attached
for AV DEVEN & CO.

CHARTERED ACCOUNTANTS
(Firm Reg. No. 000726S)
CA R. RAGHURAMAN
Partner (M No. 201760)

M S VAIDYANATHAN
Vice President & Company Secretary
PLACE : Chennai
DATE : 05-05-2016

K S SUJAY
Chief Financial Officer

Rs. in Lakhs

| Cash Flow Statement for the period ended 31.03.2016 | | | |
|--|--|----------------|----------------|
| | | 2015-16 | 2014-15 |
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Profit after tax | 275.52 | 498.80 |
| | Adjustments for: | | |
| | Add : Depreciation/Lease Adjustments | 60.00 | 69.29 |
| | Provision for taxation - Current | 0.00 | 0.00 |
| | - Fringe Benefit tax | 0.00 | 0.00 |
| | - Deferred | 11.36 | 98.46 |
| | Loss on sale of assets (net) | 0.00 | 0.00 |
| | Interest expense | 11.39 | 3.27 |
| | | 358.26 | 669.82 |
| | Less: | | |
| | Profit on sale of investments(net) | 25.69 | (244.32) |
| | Dividend income | 1.50 | 1.15 |
| | Profit on sale of assets | 0.71 | 4.01 |
| | | 27.90 | (239.16) |
| | Operating Profit before working capital changes | 330.36 | 908.98 |
| | Less : Decrease in Current liabilities | (246.54) | 341.81 |
| | | 576.90 | 567.17 |
| | Add: | | |
| | Decrease in other current assets | (131.39) | (480.36) |
| | Cash generated from operations | 445.51 | 86.81 |
| | Less : Interest expense | 11.39 | 3.27 |
| | Less : Taxes | 0.00 | 0.00 |
| | Cash Flow before Extraordinary Items | 434.13 | 83.54 |
| B. | CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| | Purchase of Fixed Assets | (7.52) | (57.76) |
| | Decrease in Term Deposits with banks | (520.20) | (136.23) |
| | Sale of Fixed Assets | 1.16 | 13.51 |
| | Decrease in Investments net of provision | 69.00 | (251.26) |
| | Dividend received | 1.50 | 1.15 |
| | Net cash from Investing Activities | (456.06) | (430.59) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Repayment of Short term loans & Adv. | 0.00 | 0.00 |
| | Dividend paid(including taxes thereon) | 0.00 | 0.00 |
| | Net Cash used in Financing Activities | 0.00 | 0.00 |
| | Net increase in cash & cash equivalents | (21.93) | (347.05) |
| | Cash & Cash equivalents as at 01.04.15 (opg.bal.) | 66.25 | 413.30 |
| | Cash & Cash equivalents as at 31.03.16 (clg. bal.) | 44.33 | 66.25 |

A S RAJEEV
Director

T M NAGARAJAN
Director

P M VENKATASUBRAMANIAN
Director

G R SUNDARAVADIVEL
Director

CHITRA MURALI
Director

V GOPAL
Director

AK BAJPAI
President & Whole Time Director

As per our report of even date attached
for AV DEVEN & CO.

M S VAIDYANATHAN
Vice President & Company Secretary

K S SUJAY
Chief Financial Officer

CHARTERED ACCOUNTANTS
(Firm Reg. No. 000726S)
CA R. RAGHURAMAN
Partner (M No. 201760)

PLACE : Chennai
DATE : 05-05-2016



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

PROXY FORM

| | |
|---------------|--|
| DP ID No. | |
| Client ID No. | |

| | |
|--------------------|--|
| 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 Seventh
Annual General Meeting to be held on Saturday, 24th September 2016 at 11.00 a.m. at Indian Bank Management Academy for Growth &
Excellence, MRC Ngar, Raja Annamalaipuram, Chennai 600028 and at any adjournment thereof.

Signed this _____ day of _____ 2016

- 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.

Signature

Affix
1 Rupee
Revenue
Stamp



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 Seventh Annual General Meeting to be held on Saturday, 24th September 2016 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence, MRC Ngar, Raja Annamalaipuram, Chennai 600028.

| | |
|--------------------|--|
| 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 : 160818018
User ID and Password : Refer particulars detailed in the Notice

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



Indbank

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

**Regd. Office : First Floor, Khivraj Complex I,
No. 480, Anna Salai, Nandanam, Chennai 600035**