

Indbank Merchant Banking Services Ltd

22nd Annual Report
2010-11



BOARD OF DIRECTORS



V Rama Gopal
Chairman (Upto 03.06.2011)



Rajeev Rishi
Chairman (from 13.06.2011)



T M Nagarajan



P V Rajaraman



P M Venkatasubramanian



R Ravi
(Upto 30.04.2011)



N. Eswaran
(From 30.04.2011)



G Rangarajan
President & Wholetime Director
(Upto 26.05.2011)



Banabihari Panda
President & Wholetime Director
(From 26.05.2011)



P. Mugundan
Executive Vice President
& Company Secretary



S Selvaraj
Executive Vice President

CONTENTS

Notice to Shareholders	3
Directors' Report	6
Report on Corporate Governance	9
Management Discussion & Analysis Report	16
Auditors' Report	19
Balance Sheet	23
Profit and Loss Account	24
Schedules	25
Balance Sheet Abstract	41
Cash Flow Statement	42



Board of Directors

V Rama Gopal
Chairman (upto 03.06.2011)
T M Nagarajan
R. Ravi (upto 30.04.2011)
G Rangarajan
President and Whole Time Director
(upto 26.05.2011)

P V Rajaraman

Rajeev Rishi
Chairman (from 13.06.2011)
P M Venkatasubramanian
N. Eswaran (from 30.04.2011)
Banabihari Panda
President and Whole Time Director
(from 26.05.2011)

Committees of the Board

Audit Committee
T M Nagarajan
P V Rajaraman
P M Venkatasubramanian
R. Ravi (upto 30.04.2011)
N. Eswaran (from 30.04.2011)

Share Transfer & Investors' Grievance Committee
R. Ravi (upto 30.04.2011)
N. Eswaran (from 30.04.2011)
G. Rangarajan (upto 26.05.2011)
Banabihari Panda (from 26.05.2011)

Management

President and Wholetime Director (upto 26.05.2011)
G Rangarajan
Executive Vice President & Company Secretary
P Mugundan

President and Wholetime Director (from 26.05.2011)
Banabihari Panda
Executive Vice President

S. Selvaraj

Vice Presidents/Assistant Vice Presidents/Branch Heads

Registered /Chennai office	Mumbai	Delhi	Bangalore	Coimbatore	Ahmedabad
A B Mohan	M Srinivas	P K Bhatia	K S Aswatha Narayanan	V Chandrasekaran	Arun More
R Anantharamakrishnan					
S. Muthusubramanian					
M Kavitha					
Tirunelveli	Madurai	Hyderabad	Puducherry	Erode	Trichy
J K Raja	B Sai Prakash	A. Harihara Prasad	P M Sukumar	S Ramesh	S Raghunathan
Tuticorion	Pune	Mangalore	Thanjavur	Visakhapatnam	Cuddalore
D Ebinazer Samidurai	Swapnil Khare	B P Sadasiva Pai	T Poovel	V L Prasanna	M Senthil
Vijayawada	Tenkasi	Calicut			
Uday Mukthapuram	A T Agasthian	R Saieesh			

Auditors	Bankers	Registrar & Transfer Agents
Raman Associate Chartered Accountants No.13, Luz Avenue, Mylapore, Chennai 600004	Indian Bank	Cameo Corporate Services Ltd 'Subramanian Buildings' No.1, Club House Road, Chennai 600002

Registered Office	Branches	Terminals
First Floor, Khivraj Complex 1 No. 480, Anna Salai, Nandanam, Chennai 600035	Chennai, Mumbai, Delhi, Bangalore, Coimbatore, Ahmedabad, Tirunelveli, Madurai, Hyderabad, Puducherry, Erode, Trichy, Pune, Tuticorion, Managalore, Thanjavur, Visakhapatnam, Calicut, Cuddalore, Tenkasi and Vijayawada	Chennai -Parrys, Anna Nagar, Madipakkam CMDA-Egmore, West Mambalam, Adyar, Nanganallur, Mylapore, Vellore. Mumbai – Ville Parle. New Delhi – Dwaraka, Coimbatore -Pollachi, Ramnagar, R S Puram, Tiruppur, Karur Udumalpet, Thadagam, Peelamedu, Salem, Ernakulam. Ahmedabad – S.G. Road. Tirunelveli – Nagerkoil, Sivakasi, Palayamkottai, Kovilpatti Madurai –Dindigul, Karaikudi, Simmakal, Theni Hyderabad –Dilsukh nagar, AS Rao nagar. Erode – Gobichettyalayam, Kangeyam, Tiruchengode

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Shareholders of the Company will be held on Friday the 29th July 2011 at 3.00 p.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 31.03.2011 and Profit and Loss Account for the year ended 31.03.2011 and the Auditors' Report thereon.
- 2 To elect a Director in place of Shri T M Nagarajan who retires by rotation and being eligible offers himself for reappointment
- 3 To elect a Director in place of Shri P V Rajaraman who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution as ordinary resolution:
"Resolved that Shri Rajeev Rishi whose term of office as Additional Director of the Company expires at this Annual General Meeting be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".
5. To consider and if thought fit to pass the following resolution as ordinary resolution:
"Resolved that Shri N Eswaran whose term of office as Additional Director of the Company expires at this Annual General Meeting be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation".
6. To consider and if thought fit to pass the following resolution as ordinary resolution:
"Resolved that Shri Banabihari Panda, General Manager, Indian Bank on deputation to the company be and is hereby appointed as President & Wholetime Director of the company in terms of Section 269 of the Companies Act, 1956 from 26.05.2011 to 30.11.2015 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule XIII of the Companies Act, 1956."

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

Place: Chennai
Date: 13.06.2011

P Mugundan
Executive 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 Registered Office of the Company atleast 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 Register of Members and Share Transfer Books of the company will remain closed from 20.07.2011 to 29.07.2011 both days inclusive.
5. Under the provisions of the Companies Act, 1956, shareholders desirous of availing nomination facility for their shareholdings, may file Nomination Forms in respect of their shareholdings. Any shareholder 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.

6. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

7. At this Annual General Meeting Shri T M Nagarajan, Director retires by rotation and being eligible offer himself for reappointment.

Shri T M Nagarajan aged 68 years is a M.Com CAIIB. He has more than 39 years of experience in various positions and was the former Wholetime Member, SEBI, former Deputy Managing Director, IDBI and former Chairman Stock Holding Corporation Ltd. He has been associated with the company since 2006.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Karn Merchant Bankers Ltd.	Director	
Industrial Investment Trust Ltd.	Director	Audit Committee Share Transfer & Investors Grievances committee Audit Committee
IIT Invest Trust Ltd.	Director	
IITL Project Ltd (formerly Indo-Green Projects Ltd)	Chairman	
IIT Insurance Broking & Risk Management Pvt Ltd	Director	Audit Committee
IDBI MF Trustee Company Ltd	Director	Audit Committee
Capital Infraprojects Pvt Ltd	Director	

8. At this Annual General Meeting Shri P V Rajaraman, Director retires by rotation and being eligible offer himself for reappointment.

Shri P V Rajaraman, IAS (Retd) aged 67 years holds Masters degree in Physics (Madras University) and Masters degree in Management (University of Leeds, UK). He has more than 37 years of experience in Indian Administrative Service and has worked as Director in Ministry of Chemicals and Fertilizers, Government of India, Managing Director, India Cements, Chairman and Managing Director, Tamil Nadu Housing Board, Commissioner of Sugar and Chairman and Managing Director, Tamil Nadu Sugar corporation, Secretary to the Government of Tamil Nadu in the Commercial Taxes, Home and Finance Departments, Development Commissioner and Chairman, Tamil Nadu Industrial Investment Corporation. . He has been associated with the company since 2009

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Equitas Housing Finance Pvt Ltd	Director & Chairman	Nil

9. Item No.4 Special business: Appointment of Shri Rajeev Rishi as Director

Shri Rajeev Rishi, Executive Director, Indian Bank was appointed as an Additional Director by the Board of Directors with effect from 13.06.2011 pursuant to Article 95 of the Articles of Association of the Company. He holds office upto the date of the Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- as required under that section signifying his intention to propose his appointment. Your Board recommends the passing of the ordinary resolution.

Shri Rajeev Rishi, aged 51 years holds a Bachelors degree in Arts and an LLB. He has more than 32 years of experience in various positions in the banking industry and is now occupying the position of Executive Director of Indian Bank.

Name of the company	Directorship	Committee membership
Indian Bank	Executive Director	Audit Committee Shareholders'/Investors' Grievance Committee Share Transfer Committee, Management Committee Technology Committee, Risk Management Committee Special Committee for monitoring large value frauds Customer Service Committee, Vigilance Committee
Ind Bank Housing Limited	Director	
Indfund Management Limited	Director	

Except Shri Rajeev Rishi, none of your Directors is concerned or interested in the resolution.

10. Item No.4 Special business: Appointment of Shri N Easwaran as Director.

Shri N Eswaran, General Manager, Indian Bank, was appointed as an Additional Director by the Board of Directors with effect from 30.04.2011 pursuant to Article 95 of the Articles of Association of the Company. He holds office upto the date of the Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- as required under that section signifying his intention to propose his appointment. Your Board recommends the passing of the ordinary resolution.

Shri N Eswaran aged 58 is a Graduate in Commerce, and has obtained the CAIB qualification from the Indian Institute of Bankers. He is currently occupying the position of General Manager of Indian Bank. He has 35 years of experience in various areas in the banking industry.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Limited	Director	Audit Committee
Indfund Management Limited	Director	Audit Committee

Except Shri N Eswaran, none of your Directors is concerned or interested in the resolution.'

11. Item No.5 Special business: Appointment of Shri Banabihari Panda as President & Wholetime Director

Explanatory Statement

Shri Banabihari Panda, General Manager, Indian Bank has been appointed as the President & Wholetime Director of the company in terms of Section 269 of the Companies Act, 1956 from 26.05.2011 to 30.11.2015 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule XIII of the Companies Act, 1956 by the Board of Directors subject to approval of the company in general meeting. Shri Banabihari Panda, 55 years of age is a B.A. (Hons), LLB, MA, MBA and holds diploma in International Banking & Finance, Certified Treasury Manager Program, Diploma in Treasury, Investment and Risk Management and CAIB qualifications and he has more than 34 years of experience in various areas in the banking industry. Accordingly the above resolution is recommended for your approval.

Except Shri Banabihari Panda, none of your Directors is concerned or interested in the resolution.

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 concerned Depository Participants.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Statement of Accounts of the Company for the Year ended March 31, 2011.

Business of the Company

Geographical Expansion

Your company during the current year has opened new branch offices at Tenkasi and Vijayawada, increasing the number of branch offices to 24. In additions to branches your company has 33 CTCL terminals in various places. With this your company has presence in 57 locations across the country as part of its efforts to increase its reach and distribution network.

Operations

During the year your company has earned a gross income of Rs.658.02 lakhs from operations as against Rs.2357.43 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.4209.15 crore during the year. Your company also provides Depository services to Institutions and retail customers and has 24530 accounts under DP operations and 15524 under broking operations.

Your company has reported a net loss before tax of Rs.859.77 lakhs during the year 2010-11 as against a net profit before tax of Rs.230.25 lakhs in the previous year.

Financial Results

	Year Ended 31.03.2011	Previous Year Ended 31.03.2010
	←	→
	Rs.Lakhs	
Income from Operations	658.01	1914.11
Reversal of Provisions (Net)	0.00	443.32
Total Income	658.01	2357.43
Administrative/Operating Expenses	818.43	767.57
Depreciation	91.79	109.61
Finance Charges	250.00	1250.00
Provisions made/reversals (Net)	357.56	0.00
Total Expenses	1517.78	2127.18
Profit/(Loss) Before Tax	(859.77)	230.25
Provision for Tax – Deferred (Net)	132.88	395.53
Profit/(Loss) After Tax	(992.65)	(165.28)
Balance brought forward from previous year	110.03	275.31
Less: Transferred from General Reserve	500.00	0.00
Balance carried forward to Balance Sheet	(382.61)	110.03
Earnings per share (in Rs)	(2.24)	(0.37)

Dividend

In view of the loss recorded during the year after tax, your Directors do not recommend any dividend for the year.

Board of Directors

Shri Anup Sankar Bhattacharya, Director, nominee of Indian Bank resigned from the Board with effect from 09.10.2010 consequent to his appointment as Chairman & Managing Director of Bank of Maharashtra.

Shri V Rama Gopal, Executive Director, Indian Bank was Co-opted as a Director (nominee of Indian Bank) on the Board with effect from 09.10.2010 and he holds office upto the date of the Annual General Meeting. Notice has been received from a member of the company for the appointment of Shri V Rama Gopal as Director U/s 257 of the Companies Act, 1956, who being eligible has offered himself for appointment.

Shri Sri Ramanan, Director, nominee of Indian Bank resigned from the Board with effect from 28.01.2011 consequent to his retirement from the services of Indian Bank.

Shri R Ravi, General Manager, Indian Bank was Co-opted as a Director (nominee of Indian Bank) on the Board with effect from 28.1.2011 and he holds office upto the date of the Annual General Meeting. Notice has been received from a member of the company for the appointment of Shri R Ravi as Director U/s 257 of the Companies Act, 1956, who being eligible has offered himself for appointment.

At the Annual General Meeting, Shri T M Nagarajan, and Shri P V Rajaraman, Directors retire by rotation and being eligible offers themselves for reappointment.

At the Annual General Meeting,

Directors Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards had been followed along with proper explanation relating to 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 or loss of the Company for the year under review.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

Auditors

The provisions of Section 619 (2) of the Companies Act, 1956 being applicable to the Company, the Comptroller and Auditor General of India has appointed M/s Raman Associate, Chartered Accountants, Chennai as the auditors of the Company for the year 2010-11.

Auditors' observations in the Audit report

With reference to the observations of the Auditors in the Audit report in respect of note no: 10 of notes on accounts regarding non consideration of liability towards interest claim of Rs.897.48 lakhs under right of recompense on settled borrowings availed earlier from Indian Bank, holding company, note is self explanatory.

Particulars of Employees

Details required under Section 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 regarding particulars of employees drawing remuneration of more than Rs.2,00,000/- per month: Nil.

Report on Corporate governance

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report

Outlook

Indian Bank has accorded approval for merger of Indian Bank DP with your company's DP in accordance with the NSDL Regulations. NSDL has accorded their approval for the same subject to following the procedures laid down under their regulations. Accordingly, in coordination with Indian Bank, DP Controlling office, your company has taken steps to complete all the procedures and expect the DP accounts of Indian Bank to be merged with your company's DP by end of the first quarter of 2011-12. This would enable your company to increase business further and render value added service to all the DP account holders of Indian Bank.

Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdues and reduction of Non Performing Assets, disinvestment of quoted and unquoted investments. Your company's network, satisfied clientele, quality manpower and stringent 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, Comptroller and Auditor General of India and the Reserve Bank 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 Employees.

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

For and on behalf of the Board of Directors

Place: Chennai
Date : 18.04.2011

V Rama Gopal
Chairman

Report on Corporate governance

1. Company's philosophy

The Company firmly believes in transparency, professionalism, accountability, risk management and code of ethics, which are the fundamental principles of Corporate Governance. The company will constantly endeavor to improve on these aspects on an ongoing basis.

2. Board of Directors

The Board has at present 6 Directors comprising of a President & Wholetime Director and 5 Non Executive Directors. The Board functions as a full Board or through Committees.

The Board of Directors and its Committees meet at regular intervals. During the year the Board met four times on 16.04.2010, 28.07.2010, 02.11.2010, and 28.01.2011.

The composition of Directors and their attendance at the Board Meetings during the year as also the number of other Directorships/Membership of committees are given below:

Name of Director	Category of directorship	No.of Board Meetings attended	Whether attended last AGM held on 28.07.10	No.of other Director Ships	Committee Membership	
					Member	Chairman
Shri V Rama Gopal (From 09.10.2010)	Non Executive Director & Chairman	2	N.A.	4	9	-
Shri. T M Nagarajan	Non Executive & Independent Director	4	Yes	8	4	1
Shri. P V Rajaraman	Non Executive & Independent Director	3	Yes	1	-	-
Shri. P M Venkatasubramanian	Non Executive & Independent Director	4	Yes	4	4	6
Shri R Ravi (From 28.1.2011)	Non Executive Director	1	N.A.	2	2	1
Shri G Rangarajan (from 28.4.2010)	President & Whole time Director	3	Yes	1	-	-
Shri P N Patel (upto 28.4.2010)	President & Whole time Director	1	N.A.	1	-	-
Shri. Anup Sankar Bhattacharya (upto 09.10.2010)	Non Executive Director	2	Yes	3	9	-
Shri. Sri Ramanan (upto 28.01.2011)	Non Executive Director	3	Yes	2	2	-

Audit Committee

A Terms of reference

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, fixing the audit fees for the external auditors who are appointed by the Comptroller & Auditor General of India and also approving the payment for any other services, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems & adequacy, structure and staffing of the internal audit function, reviewing findings of internal investigations, discussing the scope of audit with external auditors and looking into reasons of substantial defaults, if any, of non-payment to stakeholders.

B Composition

The Audit Committee has at present 4 members. The Audit Committee met four times during the year on 16.04.2010, 28.07.2010, 02.11.2010, and 28.01.2011.

The attendance of members at the meeting is as follows:

Name of Member	Status	No. of meetings attended
Shri. T M Nagarajan	Chairman	4
Shri. P V Rajaraman	Member	3
Shri P M Venkatasubramanian (From 16.04.2010)	Member	3
Shri R Ravi (From 28.01.2011)	Member	-
Shri. Sri Ramanan (Upto 28.01.2011)	Member	3

President and Whole time Director is a permanent invitee. Executive Vice President & Company Secretary is the Secretary of the Committee.

3. Remuneration Committee

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 shareholders of the company. In view of the above the company does not have a Remuneration Committee.

Managerial Remuneration			(Rs. in lakhs)	
Name	Designation		2010-11	2009-10
Mr. P N Patel From 1.4.2010 to 28.4.2010	President & Wholetime Director	Salary (including arrears and terminal benefits)	9.71	5.83
		Contribution to PF	0.03	0.36
Mr. G Rangarajan From 28.4.2010 to 31.3.2011	President & Wholetime Director	Salary	8.42	N.A.
		Contribution to PF	0.51	N.A.

For Non-Executive Directors (other than Directors nominated by Indian Bank) sitting fees are paid for attending Board and Committee Meetings. The amount paid to them is as follows:

(Rs. in lakhs)

Name of Directors	Fees paid (for attending Board & Committee Meetings)
Shri T M Nagarajan	0.32
Shri P V Rajaraman	0.24
Shri P M Venkatasubramanian	0.28
Total	0.84

4. Share Transfer & Investors' Grievance Committee

A Terms of reference

The functions of the Committee include approval, rejection of transfer, transmission, transposition of shares, issue of duplicate shares in lieu of lost, mutilated share certificates, redressal of investor grievances and other issues relating to shares.

B Composition

The Committee comprises of 2 members with Shri. R Ravi, Director as Chairman and Shri. G Rangarajan, President & Whole time Director as a Member. Executive Vice President & Company Secretary and Compliance Officer reviews the routine letters received from the shareholders/investors and also the letters received through Stock Exchanges/SEBI. These letters are replied immediately. The Committee reviews the status regarding the letters received through Stock Exchanges/SEBI and letters received directly from parties etc. and the replies given once in every quarter.

52 complaints were received and attended during the year from the shareholders/investors. As on March 31, 2011, no correspondence/complaint remains unattended.

The Committee met 14 times during the year and the attendance of members is as follows:

Name of member	Status	No. of meetings attended
Shri R Ravi (From 28.01.2011)	Chairman	3
Shri. Sri Ramanan (Upto 28.01.2011)	Chairman	11
Shri G Rangarajan	Member	14

5. General Body Meetings

The details of Annual General Meetings held in the last three years are given below:

Financial year	Date	Time	Venue
31.03.2008	21.06.2008	11.00 a.m.	Indian Bank Management Academy for Growth & Excellence, Chennai
31.03.2009	19.08.2009	3.00 p.m.	Indian Bank Management Academy for Growth & Excellence, Chennai
31.03.2010	28.07.2010	3.00 p.m.	Indian Bank Management Academy for Growth & Excellence, Chennai

No resolutions are proposed to be voted on through Postal Ballot this year.

6. Disclosures

- A There were no transactions of material nature with the Directors or the management or their subsidiaries or relatives
- B There were no instances of non-compliance on any matter relating to the capital market, during the last three years. No penalties or strictures were imposed on the company by Stock Exchanges or SEBI or any Statutory Authority on any matter relating to the capital market during the last three years.

7. Means of Communication

The quarterly results are published in national daily newspapers viz. Business Line in English and Dina Mani in Tamil. The quarterly results and Annual Report is also hosted in your company's website: www.indbankonline.com.

The annual report containing the accounts is posted to every shareholder of the company.

Management Discussion & Analysis Report forms part of this annual report, which is being posted to all shareholders of the company.

8. General Shareholder Information

22nd Annual General Meeting

Date & Time	<i>Friday, the 29th July 2011</i>
Venue	IMAGE, Chennai
Financial Year	1 st April to 31 st March
Book closure dates	20.07.2011 to 29.07.2011
Listing of equity shares	The company's shares are listed in the Bombay Stock Exchange and National Stock Exchange. The Listing fees for the financial year 2011-12 has been paid to Bombay Stock Exchange and National Stock Exchange where the company's shares are listed.
Stock Code	BSE – 511473 NSE – INDBANK

**Market price data
Performance in comparison with stock exchange index**

	Indbank Merchant Banking Services Ltd				BSE Sensex		NSE Nifty	
	BSE		NSE		BSE		NSE	
	High	Low	High	Low	High	Low	High	Low
April 2010	20.00	15.15	19.85	15.10	18,047.86	17,276.80	5399.65	5160.90
May 2010	19.15	15.40	19.10	15.50	17,536.86	15,960.15	5278.70	4786.45
June 2010	18.00	15.50	18.00	15.00	17,919.62	16,318.39	5366.75	4961.05
July 2010	17.80	14.90	17.70	14.90	18,237.56	17,395.58	5477.50	5225.60
August 2010	17.05	14.40	17.15	14.15	18,475.27	17,819.99	5549.80	5348.90
September 2010	15.60	13.90	15.60	14.05	20,267.98	18,027.12	6073.50	5403.05
October 2010	23.09	14.11	23.15	14.10	20,854.55	19,768.96	6284.10	5937.10
November 2010	22.30	14.40	22.05	14.90	21,108.64	18,954.82	6338.50	5690.35
December 2010	17.50	14.50	17.50	14.00	20,552.03	19,074.57	6147.30	5721.15
January 2011	15.70	12.50	15.75	12.55	20,664.80	18,038.48	6181.05	5416.65
February 2011	13.40	10.06	13.05	10.15	18,690.97	17,295.62	5599.25	5177.70
March 2011	12.50	10.56	12.55	9.90	19,575.16	17,792.17	5872.00	5348.20

Registrar & Transfer Agent (For physical and electronic mode)

Cameo Corporate Services Ltd.
 'Subramanian Building'
 1, Club House Road, Chennai 600 002
 Telephone Nos. (044) 28460390 (6 lines) Fax No. (044) 28460129

Address for correspondence

Shri. P Mugundan
 Executive Vice President & Company Secretary
 Indbank Merchant Banking Services Limited
 Registered Office:
 First Floor, Khivraj Complex 1
 No.480, Anna Salai, Nandanam
 Chennai 600035
 Telephone Nos. (044) 24313094-97
 Email ID: investors@indbankonline.com
 Website: www.indbankonline.com

Share Transfer System

The power to approve transfer, transmission, transposition, issue of duplicate shares in lieu of lost, mutilated share certificates etc. have been delegated to the Share Transfer & Investors' Grievance Committee. All the requests received from the shareholders are processed within 20 days from the date of receipt.

Distributions of Shareholding as on 31.03.2011

Category	No. of Folios	No. of shares held	% of shareholding
A Promoters holding			
Promoters -			
1. -Indian Promoters	1	28773800	64.84
-Foreign Promoters	-	-	-
2 Person acting in concert	-	-	-
Sub-total	1	28773800	64.84
B Non-Promoters holding			
Institutional Investors			
A Mutual funds and UTI	10	553300	1.25
B Banks, financial institutions, insurance companies (Central/State Government institutions/Non Government institutions)	5	49900	0.11
C FIs	1	2700	0.01
Sub-total	16	605900	1.37
C Others			
A Private Corporate Bodies	472	2982075	6.72
B Indian Public	45364	11524405	25.97
C NRIs/OCBs	85	270577	0.61
D Clearing Member and others	261	221443	0.49
Sub-total	46182	14998500	33.79
Grand Total	46199	44378200	100.00

Dematerialisation of shares & Liquidity

The Company's shares are traded in the Stock Exchanges only in electronic mode and 91.61% of the shareholdings have already been dematerialised. The shares of the company are traded in Mumbai Stock Exchange and National Stock Exchange. The shares transferred during the last 3 years are given below:

Details	2008-09	2009-10	2010 - 11
No. of transfer deeds	256	161	184
No. of shares transferred	34537	18100	25100

CEO and CFO Certification

As stipulated under Clause 49 of the Listing Agreement, the CEO & CFO of the company have submitted a certificate to the Board with respect to financial statements.

Compliance Certificate

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

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 2011 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
Date: 18.04.2011

For & on behalf of
Raman Associate
Chartered Accountants
G Venkataraman
Partner
Membership No.10022

Management Discussion & Analysis Report

Business Environment

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, BSE, MSE and OTCEI 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.

Geographical Expansion

Your company during the current year has opened new branch offices at Tenkasi and Vijayawada, increasing the number of branch offices to 24. In additions to branches your company has 33 CTCL terminals in various places. With this your company has presence in 57 locations across the country as part of its efforts to increase its reach and distribution network.

Operations during the year

During the year your company has earned a gross income of Rs.658.02 lakhs from operations as against Rs.2357.43 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.4209.15 crore during the year. Your company also provides Depository services to Institutions and retail customers and has 24530 accounts under DP operations and 15524 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.

Human Resources

Human Resources of your company comprise of a mix of 12 Officers on deputation from Indian Bank and 135 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 comprise of Equity shares of Rs.10/- each. Your company's shares are listed with Mumbai Stock Exchange and National Stock Exchange. There is no change in share capital of the company during the year.

Reserves & Surplus

In view of the losses suffered, the balance in profit & loss account has been wiped out from Rs. 110.03 lakhs as on 31.3.2010 to an accumulated loss of Rs.382.61 lakhs as on 31.3.2011 after adjustment of the balance in the General Reserves of Rs.500 lakhs.

Fixed Assets

Fixed assets have increased by Rs. 25.05 lakhs in view of the normal capital expenditure incurred for operations.

Investments

The investments of your company comprise of Quoted shares, unquoted investments acquired under Bought Out Deals and Debentures. Gross investments have decreased from Rs.3172.27 lakhs as on 31.03.2010 to Rs. 2596.44 lakhs as on 31.03.2011 on account of disinvestments. Net investments after adjusting provisions have decreased in view of provisions made for depreciation in the value of the investments. Your company made a net loss of Rs. 85.58 lakhs from investments during the year.

The market value of quoted investments (cost - Rs.623.48 lakhs) of the company as on 31.03.2011 was Rs.288.74 lakhs.

Net Current Assets

The current assets have decreased from Rs.3626.13 lakhs to Rs.2934.06 lakhs in view of the decrease in sundry debtors, loans and advances. The current liabilities have decreased from Rs.1267.55 lakhs to Rs.668.08 lakhs mainly in view of decrease in clients payable under Broking compared to previous year. The provisions have increased marginally from Rs. 56.09 lakhs to Rs. 59.04 lakhs on account of incremental provisions made for encashment of leave on actuarial valuation as at the end of the year.

Deferred Tax Assets

During the year the company has provided Rs. 132.88 lakhs towards deferred tax liability in the profit and loss account. Accordingly, the Net Deferred Tax Assets have reduced from Rs.706.76 lakhs in the previous year to Rs.573.88 lakhs in the current year.

Income

Merchant Banking income has come down from Rs.341.33 lakhs in 2009-10 to Rs. 103.92 lakhs in 2010-11 in view of reduction in income from distribution of Mutual funds. Stock Broking income has come down marginally from Rs.584.62 lakhs in 2009-10 to Rs.538.78 lakhs in 2010-11 in view of market conditions. Income from dis-continued operations has reduced from Rs.304.87 lakhs to Rs.71.50 lakhs in view of lower recovery from NPAs. The company incurred a net loss of Rs.85.58 lakhs in 2010-11 as against an income of Rs.633.75 lakhs in the previous year. Miscellaneous income has reduced from Rs.49.53 lakhs to Rs.29.40 lakhs in view of reduction in value of fixed deposits held during the year. In view of the above, the income from operations for the year has decreased from Rs. 1914.11 lakhs in 2009-10 to Rs. 658.02 lakhs in 2010-11.

Expenses

The administrative and other expenses have increased from Rs.767.57 lakhs to Rs. 818.43 lakhs in view of branch and terminal expansion and general increase in salaries, insurance, travelling & conveyance, repairs & maintenance and Electricity charges. Depreciation has marginally decreased from Rs. 109.61 lakhs to Rs.91.80 lakhs. In view of provisions required for investments consequent fall in market value, the company has to make a net provision of Rs.357.56 lakhs in the current year as against a reversal of provision of Rs.443.32 lakhs in the previous year in view of improvement in market value of shares and recovery of NPAs.

Financial Results

	Year Ended 31.03.2011	Previous Year Ended 31.03.2010
	← Rs.Lakhs →	
Income from Operations	658.01	1914.11
Reversal of Provisions (Net)	0.00	443.32
Total Income	658.01	2357.43
Administrative/Operating Expenses	818.43	767.57
Depreciation	91.79	109.61
Finance Charges	250.00	1250.00
Provisions made/reversals (Net)	357.56	0.00
Total Expenses	1517.78	2127.18
Profit/(Loss) Before Tax	(859.77)	230.25
Provision for Tax – Deferred (Net)	132.88	395.53
Profit/(Loss) After Tax	(992.65)	(165.28)
Balance brought forward from previous year	110.03	275.31
Less Transferred from General Reserve	500.00	0.00
Balance carried forward to Balance Sheet	382.61	110.03
Earnings per share (in Rs)	(2.24)	(0.37)

Outlook

Indian Bank has accorded approval for merger of Indian Bank DP with your company's DP in accordance with the NSDL Regulations. NSDL has accorded their approval for the same subject to following the procedures laid down under their regulations. Accordingly, in coordination with Indian Bank, DP Controlling office, your company has taken steps to complete all the procedures and expect the DP accounts of Indian Bank to be merged with your company's DP by end of the first quarter of 2011-12. This would enable your company to increase business further and render value added service to all the DP account holders of Indian Bank.

Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of overdues and reduction of Non Performing Assets, disinvestment of quoted and unquoted investments. Your company's network, satisfied clientele, quality manpower and stringent 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 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDBANK MERCHANT BANKING SERVICES LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2011

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 18th April 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Indbank Merchant Banking Services Limited for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor 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 under Section 619(4) of the Companies Act, 1956.

(A ROYCHOUDHURY)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD

Place: Chennai
Date: 11.05.2011

**AUDITOR'S REPORT TO THE MEMBERS OF
INDBANK MERCHANT BANKING SERVICES LIMITED**

We have audited the attached Balance Sheet of **INDBANK MERCHANT BANKING SERVICES LIMITED** as at **31st March 2011** and the Profit and Loss Account for the year ended 31st March 2011 and also the Cash Flow Statement for the year ended 31st March 2011 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - II. 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 these books;
 - III. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - IV. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - V. On the basis of written representations received by the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to Note No.10 regarding non-consideration of liability towards interest claim of Rs.897.48 lakhs under the right of recompense clause on certain settled borrowings by the Holding Company. Had the liability been recognized in the Books, the loss of Rs.992.65 lakhs would have become a loss of Rs.1890.13 lakhs.
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) in the case of Profit and Loss Account, of the Loss for the year ended 31st March 2011; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended 31st March 2011.

For & on behalf of
Raman Associate
Chartered Accountants

G Venkataraman
Partner

Membership No.10022

Place: Chennai
Date: 18.04.2011

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date.

Re: **Indbank Merchant Banking Services Ltd.**

- (i) a. The company has maintained records showing full particulars including situation and quantity of fixed assets.
 - b. Fixed assets of the Company have been physically verified by the Company during the year.
 - c. The fixed assets that have been sold during the year do not constitute a substantial part of the total fixed assets of the Company.
- (ii) Clause (ii) of Paragraph 4 of Companies (Auditor's Report) Order, 2003, relating to inventory, is not applicable to the Company.
- (iii) The Company has not granted or taken any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii)b to (iii)g of Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and rendering of services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanation given to us, there are no transactions that have been made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) a. The Company is regular in depositing with appropriate authorities all applicable undisputed statutory dues viz. Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, and Cess. The other statutory dues viz. ESI, Excise duty, Customs duty and Cess are not applicable to this organization. There are no arrears of outstanding undisputed statutory dues as at 31st March 2011 for a period of more than six months from the date they become payable.
 - b. According to the records of the Company and the information and explanations given to us, the following are the particulars of disputed dues in respect of income tax and sales tax that have not been deposited.

Name of the Statute	Assessment Year	Amount (Rs.Lakhs)	Forum where the dispute is pending
Income Tax Act	2000-01	186.55	Assessing Officer
	2001-02	441.11	Assessing Officer
	2003-04	19.93	Assessing Officer
	2004-05	392.87	Assessing Officer
	2005-06	239.54	Assessing Officer
	2006-07	315.89	Assessing Officer
	2007-08	1027.53	Commissioner of Income Tax (Appeals)
	2008-09	1154.81	Commissioner of Income Tax (Appeals)
Sales Tax	1993-94	5.05	Joint Commissioner of Commercial Taxes (Appeals)
	1994-95	8.63	
	1995-96	12.05	
	1998-99	10.64	

- (x) The Company has no accumulated losses. The Company has incurred cash losses during this financial year.
- (xi) The Company has not defaulted in repayment of dues to its bankers. There are no borrowings from financial institutions. The Company has not issued any debentures.
- (xii) Adequate documents and records are maintained by the Company for the loans and advances granted on the basis of security by way of pledge of shares and other securities.
- (xii) The provisions of special statute applicable to chit funds / nidhi / mutual benefit funds / society do not apply to the Company.
- (xiv) In our opinion and according to the information given to us, proper records have been maintained by the Company for the transactions and contracts relating to trading in shares, securities, debentures and other investments and timely entries have been made therein. The investments of the Company are held in its own name.
- (xv) In our opinion and according to the explanations and information given to us the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xvi) The Company has not availed any term loans.
- (xvii) No short-term funds have been raised during the year.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) No debentures have been issued by the Company during the year.
- (xx) During the year, the Company has not raised any money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For & on behalf of
Raman Associate
 Chartered Accountants

Place: Chennai
 Date : 18.04.2011

G Venkataraman
 Partner
 Membership No.10022

BALANCE SHEET AS AT 31st March 2011

	SCHEDULE		As at 31-Mar-2011 Rs.		As at 31-Mar-2010 Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	443,782,000		443,782,000	
Reserves & Surplus	B	<u>0</u>		<u>61,003,392</u>	
Total			<u><u>443,782,000</u></u>		<u><u>504,785,392</u></u>
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block					
		115,965,384		113,698,947	
Less: Depreciation		<u>52,893,465</u>		<u>46,785,966</u>	
Net Block			63,071,919		66,912,981
Investments	D		61,965,858		133,170,863
Deferred Tax Assets (Net)	E		57,388,456		70,676,039
Current Assets, Loans and Advances	F				
Current Assets:					
Interest accrued		1,906,144		1,811,730	
Sundry Debtors		49,491,403		103,407,084	
Cash and Bank Balances		91,213,380		88,973,711	
Other Current Assets		458,228		478,703	
Loans & Advances		<u>150,336,987</u>		<u>167,941,548</u>	
		<u>293,406,142</u>		<u>362,612,776</u>	
Less: Current Liabilities	G	66,808,222		126,754,711	
Provisions		<u>5,903,572</u>		<u>5,608,887</u>	
		<u>72,711,794</u>		<u>132,363,598</u>	
Net Current Assets			220,694,348		230,249,178
Assets under Discontinued Operations	H		2,400,000		3,776,331
Profit and Loss account			<u>38,261,419</u>		<u>0</u>
Total			<u><u>443,782,000</u></u>		<u><u>504,785,392</u></u>

Significant Accounting Policies & L

Notes on Accounts

[The Schedules referred to form an integral part of the Balance Sheet]

V RAMA GOPAL
CHAIRMAN

T M NAGARAJAN
DIRECTOR

P V RAJARAMAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

R RAVI
DIRECTOR

G RANGARAJAN
PRESIDENT & WHOLETIME DIRECTOR

P MUGUNDAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY

As per our report of even date attached
For Raman Associate
Chartered Accountants
G VENKATARAMAN
Partner
Membership No.10022

Place: Chennai
Date : 18.04.2011

PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31.03.2011

	SCHEDULE	2010-11 Rs.	2009-10 Rs.
INCOME			
Income from Operations	I	65,801,597	191,411,348
Reversal of Provisions / Provisions made (Net)	J	-	44,331,989
		65,801,597	235,743,337
EXPENSES			
Administration & Other Expenses	K	81,843,313	76,757,162
Depreciation	C	9,179,628	10,961,465
Finance charges		25,000,000	125,000,000
Provision made/ Reversal of Provisions (Net)	J	35,755,884	-
		151,778,825	212,718,627
PROFIT/(LOSS) BEFORE TAX			
From Continuing Operations		(27,583,347)	45,207,945
From Dis-continued Operations		(33,393,882)	102,816,765
Un-allocated		(25,000,000)	(125,000,000)
		(85,977,228)	45,207,945
Provision for taxation - Current		-	23,024,710
- Deferred		13,287,583	-
			39,552,667
PROFIT/(LOSS) AFTER TAX			
		(99,264,811)	
Add: Balance brought forward from Previous Year		11,003,392	(16,527,957)
Less : Transferred from General Reserves		50,000,000	27,531,349
Balance carried to Balance Sheet		(38,261,419)	-
Earnings Per Share - Basic & Diluted		(2.24)	11,003,392 (0.37)

Significant Accounting Policies & Notes on Accounts

[The Schedules referred to form an integral part of the Balance Sheet]

V RAMA GOPAL
CHAIRMAN

T M NAGARAJAN
DIRECTOR

P V RAJARAMAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

R RAVI
DIRECTOR

G RANGARAJAN
PRESIDENT & WHOLETIME DIRECTOR

P MUGUNDAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY

As per our report of even date attached
For Raman Associate
Chartered Accountants
G VENKATARAMAN
Partner
Membership No.10022

Place: Chennai
Date : 18.04.2011

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-Mar-2011 Rs.	As at 31-Mar-2010 Rs.
SCHEDULE 'A'		
<u>Share Capital</u>		
<u>Authorised</u>		
10,00,00,000 Equity Shares of Rs.10/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
<u>Issued & Subscribed</u>		
4,44,10,000 Equity Shares of Rs.10/- each	<u>444,100,000</u>	<u>444,100,000</u>
<u>Paidup</u>		
4,43,78,200 Equity Shares of Rs.10/- each (Out of the above 2,87,73,800 shares are held by Indian Bank)	<u>443,782,000</u>	<u>443,782,000</u>
 SCHEDULE 'B'		
<u>Reserves & Surplus</u>		
General Reserve	50,000,000	50,000,000
Less: Transfer to Profit & Loss Account	50,000,000	
Balance in Profit & Loss Account	<u> </u>	<u>11,003,392</u>
	<u> </u>	<u>61,003,392</u>

**SCHEDULE 'C
Fixed Assets'**

Description	Gross Block at Cost				Depreciation				Net Block				
	As at 1-Apr-2010	Addition during the year	Deletions	As at 31-Mar-2011	As at 1-Apr-2010	For the year	On Deletions	As at 31-Mar-2011	As at 31-Mar-2011	As at 31-Mar-2010	As at 31-Mar-2011	As at 31-Mar-2010	As at 31-Mar-2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS OTHER THAN GIVEN													
ON LEASE													
Buildings*	48,478,385	-	-	48,478,385	11,888,522	790,198	-	12,678,720	35,799,665	36,589,863			
Office equipment	15,348,016	992,639	-	16,340,655	5,954,421	626,024	-	6,580,445	9,760,210	9,393,595			
Furniture & Fixtures	17,713,716	225,200	-	17,938,916	7,836,470	838,495	-	8,674,965	9,263,951	9,877,247			
Motor Vehicle	854,291	503,233	239,546	1,117,978	210,229	57,614	45,514	222,329	895,649	644,062			
Data Processing Machines	22,166,838	369,718	-	22,536,556	14,606,337	2,049,759	-	16,656,096	5,880,460	7,560,501			
Software	9,137,701	415,193	-	9,552,894	6,289,988	1,790,922	-	8,080,910	1,471,984	2,847,713			
Total Other Assets - (A)	113,698,947	2,505,983	239,546	115,365,394	46,785,967	6,153,012	45,514	52,893,465	63,071,919	66,912,981			
Previous Year 31.03.2010	107,608,574	6,447,102	356,729	113,698,947	39,910,453	7,018,555	143,042	46,785,966	66,912,981				

*Includes cost of un-divided portion of land seperately not identifiable

SCHEDULE	As at 31-Mar-2011 Rs.	As at 31-Mar-2010 Rs.
SCHEDULE 'D'		
<u>Investments:</u>	D-1	
Shares at cost	248,503,785	286,086,566
Less: Provision for Diminution in value of Investments	<u>186,537,927</u>	<u>153,817,103</u>
	61,965,858	132,269,463
Debentures at cost	11,141,400	31,140,542
Less: Provision for Diminution in value of Investments	<u>11,141,400</u>	<u>30,239,142</u>
	0	901,400
	<u>61,965,858</u>	<u>133,170,863</u>

SCHEDULE 'D-1'
(i) INVESTMENT IN EQUITY SHARES OF LIMITED COMPANIES
a) QUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2011 Rs..	No. of Shares	Cost as on 31.03.2010 Rs.
1	Dena Bank	-	-	-	-	5000	429,000
2	Eicher Motors Ltd	-	-	-	-	291	201,279
3	Engineers India Ltd	300	5	5	135,000	-	-
4	Essaroil Ltd	-	-	-	-	10000	1,522,598
5	Hind Industries Ltd	100	10	10	-	-	-
6	NHPC Ltd	35000	10	10	1,276,343	35000	1,276,343
7	NLC Ltd	-	-	-	-	5000	784,927
8	NTPC Ltd	5000	10	10	1,052,250	-	-
9	Numeric Power Systems Ltd	200	10	10	-	-	-
10	Punj Lloyd Ltd	356344	2	2	50,376,298	381344	53,910,544
11	RCOM Ltd	-	-	-	-	10000	2,728,924
12	RNRL Ltd	-	-	-	-	10000	807,258
13	Seasons Funishings Ltd	185001	10	10	1,850,010	185001	1,850,010
14	Steel Authority of India Ltd	5000	10	10	1,115,500	-	-
15	Suryachakra Power Corpn.	12000	10	10	240,000	12000	240,000
16	Suzlon Energy Ltd	10000	2	2	655,500	-	-
17	Tulsi Extrusions Ltd	5500	10	10	415,822	-	-
18	Wanbury Ltd	42387	2	2	5,231,751	46407	5,727,932
	Total - (A)				62,348,452		69,478,815

(Market value as on 31.03.2011 - Rs.28,874,074/- Previous year - Rs.78,677,782/-)

b) UNQUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2011 Rs.	No. of Shares	Cost as on 31.03.2010 Rs.
1	Alan Scot Industries Ltd	18600	10	10	272,942	18600	272,993
2	Core Organics Ltd	3800	10	10	38,000	3800	38,000
3	Datar Switchgear Ltd	40100	10	10	1,904,750	40100	1,904,750
4	Doon Valley Rice Ltd	254300	10	10	7,629,000	254300	7,629,000
5	G S L (India) Ltd	1200000	10	10	12,000,000	1200000	12,000,000
6	Greenfield Corporation Ltd	84600	10	10	846,000	84600	846,000
7	Indo Gulf Industries Ltd	2000	10	10	195,250	2000	195,250
8	Karnav Leather Chemicals Ltd	162416	-	-	1,624,160	162416	1,624,160
9	KJ International Ltd	5300	10	10	132,500	5300	132,500
10	Krisons Electronic Systems Ltd	70800	10	10	708,000	70800	708,000
11	Malanpur Leathers Ltd	225000	10	10	2,587,500	225000	2,587,500
12	MSEFSL Ltd	20445	10	10	245,340	20445	245,340
13	Nonmag India Ltd	26600	10	10	262,430	26600	262,430
14	Nova Dhatu Udyog Ltd	469700	10	10	4,697,000	469700	4,697,000
15	Nova International Ltd	125600	10	10	1,256,000	125600	1,256,000
16	Pondicherry Spinners Ltd	34500	10	10	347,900	34500	347,900
17	Rakan Steels Ltd	150876	10	10	2,263,140	150876	2,263,140
18	Sagar Tourist Resorts Ltd	214600	10	10	2,146,000	214600	2,146,000
19	Salstar Foods Ltd	51300	10	10	820,800	51300	820,800
20	Saurashtra Chemicals Ltd	5750	10	10	-	5750	-
21	Shri Vardhaman Overseas Ltd	100000	10	10	7,035,000	100000	7,035,000
22	Sivananda Pipe Ltd	12600	10	10	252,000	12600	252,000
23	Sri Jayalakshmi Spng Mills Ltd	57400	10	10	574,000	57400	574,000
24	Tebma Shipyard Ltd	41699	10	10	1,759,747	41699	1,759,747
25	Veekay Fibres Ltd	196400	10	10	4,320,800	196400	4,320,800
26	Vikram Project Ltd	402158	10	10	14,075,530	402158	14,075,530
27	Xylon Liquitur Ltd	146700	10	10	4,401,000	146700	4,401,000
	Total - (B)				72,394,789		72,394,840

c) UNLISTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2011 Rs.	No. of Shares	Cost as on 31.03.2010 Rs.
1	Amaravathi Sri Venkatesa Paper Mills Ltd	589090	10	10	25,920,000	589090	25,920,000
2	Armour Pharmaceuticals Ltd	1587500	10	10	25,400,000	1587500	25,400,000
3	Arraycom India Ltd	300000	5	5	7,500,000	300000	7,500,000
4	Benechlor Chemicals Ltd	200000	10	10	2,000,000	200000	2,000,000
5	Galaxy Surfactanants Ltd	4400	10	10	73,128	2200	73,128
6	Indo Deutsche Metallo Ltd	114286	10	10	20,000,050	114286	20,000,050
7	Indocolchem Ltd	-	-	-	-	800000	29,600,000
8	Madras Stock Exchange Ltd	285000	10	10	15,000	1500	15,000
9	Prasanth Textiles Ltd	833333	10	10	32,000,000	833333	32,000,000
	Total - (C)				112,908,178		142,508,178

(ii) Cumulative Preference Shares

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2011 Rs.	No. of Shares	Cost as on 31.03.2010 Rs.
1	Kirloskar Electric Co. Ltd.,	25571	100	100	852,366	25571	1,704,733
	Total - (D)				852,366		1,704,733
	Total shares (A)+(B)+(C)+(D)				248,503,785		286,086,566

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

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2011 Rs.	No. of Shares	Cost as on 31.03.2010 Rs.
1	VSK Ferro Alloys Ltd	-	-	-	-	200000	19,999,142
2	14% Khaitan Hostambe Spinning Mills Ltd	125000	100	100	11,141,400	125000	11,141,400
	Total - (E)				11,141,400		31,140,542
GRAND TOTAL OF INVESTMENTS (A) + (B) +(C) + (D)+(E)					259,645,185		317,227,108

As at
31-Mar-2011
Rs.

As at
31-Mar-2010
Rs.

SCHEDULE 'E'
Deferred Tax

Deferred Tax Assets	94,910,495	110,232,525
Less: Deferred Tax Liability	<u>37,522,039</u>	<u>39,556,486</u>
Deferred Tax Assets (Net)	<u><u>57,388,456</u></u>	<u><u>70,676,039</u></u>

	As at 31-Mar-2011 Rs.	As at 31-Mar-2010 Rs.
SCHEDULE 'F'		
<u>Current Assets, Loans & Advances:</u>		
A) Current Assets	1,906,144	1,811,730
Interest Accrued		
Sundry Debtors		
Debt outstanding for a period exceeding six months - Considered Good(Secured)	24,477,276	24,573,176
- Considered Good(Unsecured)	1,489,178	660,766
- Considered Doubtful(Unsecured)	<u>42,121,944</u>	<u>36,443,780</u>
	68,088,398	61,677,722
Others - Considered Good	<u>23,524,949</u>	<u>78,173,142</u>
	91,613,347	139,850,864
Less: Provision for Bad & Non Performing Assets	<u>42,121,944</u>	<u>36,443,780</u>
	49,491,403	103,407,084
Cash and Bank Balances:		
Cash on Hand	198,497	189,738
Cheques on Hand	-	-
Stamps on hand	-	49,060
	198,497	238,798
Balances with Scheduled Banks		
In Term Deposits	46,342,628	35,883,526
In Current Accounts	40,838,051	48,926,499
Unclaimed Dividend(as per contra)	<u>3,834,204</u>	<u>3,924,888</u>
	91,014,883	88,734,913
Other Current Assets	91,213,380	88,973,711
(Unsecured & considered good unless otherwise stated)		
Interest accrued on Staff Loans - Secured	336,961	393,968
- Unsecured	121,267	84,735
	<u>458,228</u>	<u>478,703</u>
Total Current Assets (I)	<u>143,069,155</u>	<u>194,671,228</u>
B) Loans & Advances		
(Unsecured & considered good unless otherwise stated)		
Loans - Secured	971,744	864,432
Prepaid Expenses	388,409	271,690
Advance Tax & TDS (Net of Provisions)	75,346,176	74,561,472
Advances Recoverable in Cash or in Kind or for value to be received - Considered good	17,399,267	21,702,260
- Considered Doubtful	<u>6,951,998</u>	<u>6,951,998</u>
	24,351,265	28,654,258
Less: Provision for Bad & Non Performing Assets	<u>17,399,267</u>	<u>6,951,998</u>
	56,231,391	21,702,260
Security & Other Deposits	56,231,391	70,541,694
Total Loans & Advances (II)	<u>150,336,987</u>	<u>167,941,548</u>
Total Current Assets & Loans & Advances (I)+(II)	<u>293,406,142</u>	<u>362,612,776</u>

	As at 31-Mar-2011 Rs.	As at 31-Mar-2010 Rs.								
SCHEDULE 'G'										
<u>Current Liabilities & Provisions</u>										
<u>Current Liabilities</u>										
Sundry Creditors for Expenses	1,298,581	1,359,754								
Unpaid Dividend(unclaimed as per contra)	3,834,204	3,924,888								
Other Liabilities	61,675,437	121,470,069								
	<u>66,808,222</u>	<u>126,754,711</u>								
<u>Provisions</u>										
Provision for Leave Encashment	5,903,572	4,907,804								
Provision for Gratuity	-	701,083								
	<u>5,903,572</u>	<u>5,608,887</u>								
SCHEDULE 'H'										
<u>Assets under discontinued operations (Net of Provisions)</u>										
Assets on lease	-	1,376,331								
Net stock on hire	-	-								
Lease rental receivable	2,400,000	2,400,000								
Intercorporate Deposits	-	-								
	<u>2,400,000</u>	<u>3,776,331</u>								
SCHEDULE 'H1'										
<u>Assets under discontinued operations</u>										
Stock on Hire (Considered doubtful)	133,638,686	177,688,686								
Less: Provisions for Bad & Non Performing Assets	<u>133,638,686</u>	<u>177,688,686</u>								
Lease Rentals Receivable - Considered Good	2,400,000	2,400,000								
- Considered Doubtful	13,822,583	15,360,757								
Less: Provision for Bad & Non Performing Assets	<u>13,822,583</u>	<u>15,360,757</u>								
Intercorporate Deposits - Unsecured - Considered Doubtful	10,441,421	10,441,421								
Less: Provision for Bad & Non Performing Assets	<u>10,441,421</u>	<u>10,441,421</u>								
	2,400,000	2,400,000								
ASSETS GIVEN ON LEASE										
Description	Gross Block at Cost			Depreciation					Net Block	
	As at 1/4/2010	Addition during the year	Deletions	As at 31/3/2011	As at 1/4/2010	For the year	On Deletions	As at 31/3/2011	As at 31/3/2011	As at 31/3/2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Machineries (A)	217908053	-	20010901	197897152	209743954	3026616	18570358	194200212	3696940	8164098
Add: Lease Adjustment account (B)	-	-	-	-	(94642027)	(1430284)	(5598467)	(9047384)	90473844	94642027
Less: Prov for Bad & Non Performing Assets (C)	-	-	-	-	-	-	-	-	94170784	101429794
Total (A +B-C)	217908053	-	20010901	197897152	115101927	1596332	12971891	103726368	-	1376331
Previous Year 31.03.2010	307806484	-	89898432	217908052	158449175	1837149	45184397	115101927	1376331	-

SCHEDULE 'I'	As at		As at
Income	31-Mar-2011		31-Mar-2010
<u>Income from discontinued operations</u>	Rs.		Rs.
Lease Income	5,720,000		27,342,000
Gross income from Lease	(1,430,284)		(2,105,761)
Less: Lease Equalisation	<u>7,150,284</u>		<u>29,447,761</u>
Net income from lease	-	715,0284	1,039,694
Hire Purchase Income			30,487,455
Investment Income			
Profit on Sale of Investments (Net)	(9,106,054)		65,081,103
Dividend	<u>548,289</u>	(8,557,765)	<u>1,238,166</u>
Fee Based Income			66,319,269
Merchant Banking Income	10,391,935		34,132,883
Stock Broking Membership Operations	<u>53,877,541</u>	64,269,476	<u>55,517,923</u>
Miscellaneous Income			89,650,806
Interest on FDs	2,750,976		4,739,686
Profit on sale of assets (Net)	9,600		-
Others	<u>179,026</u>	<u>2,939,602</u>	<u>214,132</u>
Total Income	<u>24,391,492</u>	<u>65,801,597</u>	<u>191,411,348</u>
SCHEDULE 'J'			
Reversal of Provisions/(provisions made) (Net)		-	-
Bad debts/NPAs written off			
Reversal of Provision made for NPAs in earlier years no longer required	4,491,035		20,057,971
Less : Provision for Bad Debts & Non-Performing Assets	<u>5,870,839</u>	(1,379,804)	<u>3,736,833</u>
Reversal of Income De-recognised on NPAs in earlier years			-
Reversal of Provision made for Diminution in value of Investments in earlier years no longer required	207,678	-	29,744,313
Less: Provision for Diminution in value of Investments	<u>34,583,758</u>	<u>(34,376,080)</u>	<u>1,733,462</u>
		<u>(35,755,884)</u>	<u>28,010,851</u>
			<u>44,331,989</u>
Administration & Other Expenses			Rs.
		2010-11	2009-10
Salaries, Wages & Bonus		40,810,986	31,997,875
Contribution to PF & Other Funds		3,513,822	3,351,705
Staff Welfare Expenses		<u>1,555,364</u>	<u>1,822,546</u>
		45,880,172	37,172,126
Rent		7,808,888	7,528,324
Insurance		657,871	394,164
Postage & Telephone		7,247,464	7,428,971
Printing & Stationery		2,181,499	2,204,690
Business Development		625,345	930,786
Depository Participant Charges		654,298	906,326
Travelling & Conveyance		2,133,086	1,867,832
Repairs & Maintenance - Equipment		1,953,485	2,692,334
Repairs & Maintenance - Vehicles		224,384	340,734
Repairs & Maintenance - Others		2,892,520	2,233,842
Electricity Charges		2,969,457	2,883,885
Subscription & Membership		682,591	867,294
Directors' Sitting Fees		84,000	72,000
Advertisement		614,401	936,754
Legal Expenses		198,379	257,056
Loss on sale of assets (Net)		11,378	57,688
Professional Charges		1,023,851	1,542,966
Rates & Taxes		273,416	413,070
Miscellaneous Expenses		<u>3,726,828</u>	<u>6,026,320</u>
		<u>81,843,313</u>	<u>76,757,162</u>

SCHEDULE 'L'**Notes on Accounts****1. Significant Accounting Policies:**

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

Use of Estimates:

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

A Revenue recognition

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

B Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation & provision for impairment (if any). Leased assets (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) at the rates prescribed in Schedule XIV to the Companies Act, 1956, on pro-rata basis, the month in which the assets are installed taken as full month. Software costs are amortised on SLM over a period of three years, from the year of acquisition.

b) On Leased assets under discontinued operations

In respect of leased assets under discontinued operations, the Company provides depreciation on the assets in the WDV method at the rates prescribed in Schedule XIV to the Companies Act 1956 on pro-rata basis, the month in which the assets are installed taken as full month. The cost of the Leased Assets are amortised 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 Equalisation, which is adjusted with the lease income.

D Investments

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

E Employee Benefits

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

F Segment Reporting

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

G Discontinued Operations

The accounting policies adopted for Discontinued 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.

2. 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	2010-11	2009-10
Employer's contribution to Provident Fund	3513822	2650622
Employees Deposit Linked Insurance Scheme contribution to LIC	44307	40486

Defined Benefit Plan

I Reconciliation of opening and closing balances of Defined benefit obligation				
Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Defined benefit obligation at the beginning of the year	4491957	3223276	5011647	2725427
Current service cost	647332	494991	736969	1841974
Interest cost	359357	257862	400932	190780
Actuarial (gain)/ loss	30074	515828	(245977)	253467
Benefits paid	361888	-	-	-
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	5166832	4491957	5903571	5011647
II Reconciliation of opening and closing balances of fair value of plan assets				
Details	Gratuity (Funded)			
	2010-11	2009-10		
Fair value of plan assets at the beginning of the year	3790874	3096030		
Expected return on plan assets	435526	316658		
Contributions	1737846	378186		
Actuarial (gain) / loss	-	-		
Benefits paid	361888	-		
Settlement cost	-	-		
Fair value of plan assets at year end	5602358	3790874		
Actual return on plan assets	435526	316658		
III Reconciliation of fair value of assets and obligations				
Details	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Fair value of plan assets	5602358	4491957	5903571	5011647
Present value of obligation	5166832	3790874	5011647	2725427
Amount recognized in Balance Sheet	435526	701083	891924	2286220
IV Expense recognized during the year				
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Current Service Cost	647332	494991	736969	1841974
Interest Cost	359357	257862	400932	190780
Expected return on plan assets	435526	316658	-	-
Actuarial (gain)/ loss	30074	515828	(245977)	253467
Net Cost	601237	952023	891924	2286220

V Actuarial assumptions	Gratuity (Funded)		(Rs) Leave Encashment (Unfunded)	
	2010-11 1994-96 (Ultimate)	2009-10 1994-96 (Ultimate)	2010-11 1994-96 (Ultimate)	2009-10 1994-96 (Ultimate)
Mortality Table (LIC)	8%	8%	8%	7%
Discount rate (per annum)	8%	8%	—	—
Expected rate of return (per annum)	5%	6%	5%	5%
Rate of escalation of salary (per annum)	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				

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.7.92 lakhs towards Gratuity liability in the year 2010-11.

3. AS-17-Segment Reporting

Rs. Lakhs

	2010-11				2009-10			
	Fee based	Fund based	Un-Allocated	Total	Fee based	Fund based	Un-Allocated	Total
Segment revenue	642.69	15.32	0.00	658.01	925.95	988.16	0.00	1914.11
Segment results	(275.83)	(333.94)	(250.00)	(859.77)	452.08	1028.17	(1250.00)	230.25
Profit after tax	(275.83)	(333.94)	(382.88)	(992.65)	452.08	1028.17	(1645.53)	(165.28)
Other information								
Segment Assets	2772.98	643.66	1327.35	4743.99	3525.64	1369.47	1452.38	6347.49
Segment liabilities	688.78	0.00	0.00	688.78	1299.63	0.00	0.00	1299.63
Capital Expenditure	25.06	0.00	0.00	25.06	64.47	0.00	0.00	64.47
Depreciation	61.53	30.27	0.00	91.80	70.19	39.43	0.00	109.62
Non cash expenditure	57.62	299.94	0.00	357.56	32.37	(475.70)	0.00	(443.33)

The business segments have been identified as the Primary Segment considering the nature of service, organisational structure and internal financial reporting system. The services of the reported domestic business segments are classified as "Fund Based" and "Fee Based" activities. Fund Based activities consists of Leasing, Hire purchase, Intercorporate deposits and Investments. Fee Based activities include Merchant Banking, Stock Broking, Depository Participant services, distribution of Financial Products and allied activities. There is no Secondary Reportable Segment

4. 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
Indfund Management Limited	Fellow Subsidiary
Key Management Personnel	Mr. G. Rangarajan, President & Wholetime Director

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

The related party transactions with key management personnel have been disclosed in Managerial Remuneration – Note 15 of Notes on Accounts.

5. AS-19- Leases

In case of assets taken on lease

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

	As on 31.03.2011	Rs.Lakhs As on 31.03.2010
Lease payments for the year	78.09	75.28
Minimum Lease payments:		
Not later than one year	55.70	75.99
Later than one year but not later than five years	82.90	254.15
Later than five years	27.03	52.37

The lease agreements provide for option to the company to renew the lease period after the non-cancellable period. There are no exceptional/restrictive covenants in the lease agreements.

6. AS-20 - Earnings per share (Basic and Diluted)

Sl no	Description	2010-11	2009-10
1	Profit/(Loss) for the year After Tax (Rs in lakhs)	(992.65)	(165.28)
2	No of Equity shares of face value Rs 10 each outstanding	44378200	44378200
3	Basic and diluted earnings per share(1/2) (in Rs)	(2.24)	(0.37)

7. AS-22 - Provision for Taxation

- 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. 132.88 lakhs (Previous year Rs.395.53 lakhs) which has been charged to profit & loss account. The cumulative deferred tax asset (net) upto 31.03.2011 is Rs.573.88 lakhs (Previous year Rs.706.76 lakhs). No DTA has been recognised on carry forward business loss and depreciation considering requirement of virtual certainty. The major components of deferred tax asset/liability are as below:

	Deferred Tax (Rs in lakhs)			
	As on 31.3.2011		As on 31.3.2010	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		375.22		395.57
ii) Provision for Bad debts and NPAs	929.02		1084.12	
iii) Others	20.08		18.21	
Total	573.88		706.76	

8. AS-24 – Discontinued operations

The Company had discontinued 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 nationalised bank for repayment as and when claimed. The Company is now governed only by SEBI regulations.

Rs.Lakhs								
Particulars	2010-11				2009-10			
	Continuing Operations- Fee based	Dis continued Operations- Fund based	Un-Allocated	Total	Continuing Operations- Fee based	Dis continued Operations- Fund based	Un-Allocated	Total
Income from Operations	642.69	15.32	0.00	658.01	925.95	988.16	0.00	1914.11
Reversal of Provisions	0.00	0.00	0.00	0.00	(32.37)	475.69	0.00	443.32
Total	642.69	15.32	0.00	658.01	893.58	1463.85	0.00	2357.43
Expenses								
Administration & Other exp	799.38	19.05	0.00	818.43	371.31	396.25	0.00	767.57
Depreciation	61.53	30.27	0.00	91.80	70.19	39.43	0.00	109.62
Provisions	57.62	299.94	0.00	357.56	0.00	0.00	0.00	0.00
Total – Expenses	918.53	349.26	0.00	1267.79	441.50	435.68	0.00	877.19
Profit/(Loss) before Tax	(275.84)	(333.94)	0.00	(609.78)	452.08	1028.17	(1250.00)	230.25
Interest	0.00	0.00	250.00	250.00	0.00	0.00	1250.00	1250.00
Provision for tax – Current	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for tax – Deferred	0.00	0.00	132.87	132.87	0.00	0.00	395.53	395.53
Provision for tax – FBT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit/(Loss) after Tax	(275.84)	(333.94)	(382.87)	(992.65)	452.08	1028.17	(1,645.53)	(165.28)
Total Assets	2772.98	643.66	1327.35	4743.99	3525.64	1369.47	1452.38	6347.49
Total liabilities	688.78	0.00	0.00	688.78	1299.63	0.00	0.00	1299.63
Net Cash flow from operating activities	(45.11)	30.10	(257.85)	(272.86)	516.47	(36.72)	(1166.47)	(686.72)
Net Cash flow from Investment activities	(127.82)	304.15	0.00	176.33	217.67	923.61	0.00	1141.28
Net Cash flow from financing activities	0.00	0.00	0.00	0.00	0.00	0.00	(389.40)	(389.40)

9. AS-29 - Contingent Liability

A. Disputed demand on taxes

i) Income Tax

Rs.Lakhs

Asst Year	2010-11			2009-10		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1996-97	0.00	0.00	4.79	4.79	0.00	4.79
1997-98	55.35	0.37	55.72	55.36	0.37	55.73
1998-99	52.42	5.42	57.84	194.78	259.12	453.90
2000-01	100.14	94.20	194.34	242.95	345.16	588.11
2001-02	311.31	139.07	450.38	311.30	136.07	450.37
2003-04	11.33	10.48	21.81	11.33	10.48	21.81
2004-05	232.58	160.90	393.48	232.58	160.90	393.48
2005-06	181.56	58.60	240.16	181.56	58.60	240.16
2006-07	237.51	78.38	315.89	237.51	78.38	315.89
2007-08	778.39	254.95	1033.34	881.37	272.39	1153.76
2008-09	881.37	272.39	1153.76	0.00	0.00	0.00
Total	2841.96	1074.76	3916.72	2250.55	1307.03	3557.58

ii) Interest Tax

Asst Year	2010-11			2009-10		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1996-97	17.21	18.45	35.66	17.21	18.45	35.66
1997-98	5.01	11.24	16.25	5.01	11.24	16.25
2000-01	3.36	2.45	5.81	3.36	2.45	5.81
Total	25.58	32.14	57.72	25.58	32.14	57.72

- iii) Sales Tax demand disputed in appeal – Rs.110.72 lakhs (Previous year Rs.110.72 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 – Rs.124 Lakhs (Previous Year - Nil).

10. **Loans from Indian Bank** is Secured by first charge on Assets given on Lease, Stock on Hire & other Current Assets and has been fully repaid during the year 2007-08. During the previous year the company had received a claim from Indian Bank for payment of interest of Rs.2397.48 lakhs (involving a waiver of Rs.1808.84 lakhs) under the right of recompense clause, out of the interest waived by them in the past aggregating to Rs.4206.32 lakhs. The company has represented to the Bank for payment of the same over a period of time based on the profits generated. The bank has permitted the company to pay the balance Rs 1147.48 lakhs in instalments on or before 30.9.2013. Out of this, the company has paid Rs.250 lakhs (previous year Rs.1250 lakhs) during the year which has been considered in the accounts. The balance interest payable to Indian Bank is Rs.897.48 lakhs.

11. **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	111.15	For Guarantee facility availed	103.72
National Stock Exchange	31.26	Margin	25.00
Bombay Stock Exchange	11.63	Margin	10.00

12. **Loans and Advances include the following:**

	2010-11	2009-10
Amount due from Director	0.00	0.08
Maximum amount due during the year	0.50	0.16
Amount due from Officer	2.49	3.39
Maximum Amount due during the year	3.14	3.84

13. As at March 31, 2011, 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.

14. Managerial Remuneration:			Rs.Lakhs	
Name	Designation		2010-11	2009-10
Mr. P N Patel From 1.4.2010 to 28.4.2010	President & Wholetime Director	Salary (including arrears and terminal benefits)	9.71	5.83
		Contribution to PF	0.03	0.36
Mr. G Rangarajan From 28.4.2010 to 31.3.2011	President & Wholetime Director	Salary	8.42	N.A.
		Contribution to PF	0.51	N.A.
Sitting Fees paid to Non – Wholetime Directors			0.84	0.72

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.

15. **Profit on sale of investments (Net)** under investment income includes loss on sale of investments of Rs.108.79 lakhs (Previous year – Profit of Rs.332.15 lakhs). Loss incurred under Proprietary Trading of Rs.189.80 lakhs (Previous year – Profit of Rs.29.44 lakhs) and income from reversal of provisions made for investments no longer required of Rs.207.52 lakhs (Previous year Rs.289.21 lakhs).

16. **Miscellaneous Expenses includes remuneration to Auditors as under:**

		Rs. In Lakhs	
		2010-11	2009-10
i)	Audit Fees	3.00	2.00
ii)	Tax Audit	0.60	0.50
iii)	Fees for certification	1.40	1.09

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

18. 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.

V RAMA GOPAL
CHAIRMAN

T M NAGARAJAN
DIRECTOR

P V RAJARAMAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

R RAVI
DIRECTOR

G RANGARAJAN
PRESIDENT &
WHOLETEIME DIRECTOR

As per our report of even date attached
For Raman Associate
Chartered Accountants
G VENKATARAMAN
Partner
Membership No.10022

P MUGUNDAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY

Place: Chennai
Date : 18.04.2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

1	8	-	1	7	8	8	3
---	---	---	---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet Date

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

Date Month Year
31 03 2011

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private / Preferential Offer
N I L	N I L

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>4</td><td>4</td><td>3</td><td>7</td><td>8</td><td>2</td></tr></table> Paid - Up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>4</td><td>4</td><td>3</td><td>7</td><td>8</td><td>2</td></tr></table> Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td></tr></table>	0	4	4	3	7	8	2	0	4	4	3	7	8	2			N	I	L			Application of Funds Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>4</td><td>4</td><td>3</td><td>7</td><td>8</td><td>2</td></tr></table> Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table> Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>1</td><td>9</td><td>6</td><td>6</td></tr></table> Deferred tax assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>7</td><td>3</td><td>8</td><td>8</td></tr></table> Assets under Discontinued operations <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>4</td><td>0</td><td>0</td></tr></table>	0	4	4	3	7	8	2	0	0	0	0	0	0	0			6	1	9	6	6			5	7	3	8	8				2	4	0	0
0	4	4	3	7	8	2																																																			
0	4	4	3	7	8	2																																																			
		N	I	L																																																					
0	4	4	3	7	8	2																																																			
0	0	0	0	0	0	0																																																			
		6	1	9	6	6																																																			
		5	7	3	8	8																																																			
			2	4	0	0																																																			

IV Performance of Company (Amount in Rs. Thousands)

Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>5</td><td>8</td><td>0</td><td>2</td></tr></table> (Please tick Appropriate box + for Profit, - for Loss) Profit / Loss before Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>8</td><td>5</td><td>9</td><td>7</td><td>7</td></tr></table> Earnings Per Share in Rs. <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>2</td><td>.</td><td>2</td><td>4</td></tr></table>			6	5	8	0	2			8	5	9	7	7				2	.	2	4	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>5</td><td>1</td><td>7</td><td>7</td><td>9</td></tr></table> Profit / Loss after Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>9</td><td>9</td><td>2</td><td>6</td><td>5</td></tr></table> Dividend Rate % <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td></tr></table>			1	5	1	7	7	9			9	9	2	6	5				-			
		6	5	8	0	2																																						
		8	5	9	7	7																																						
			2	.	2	4																																						
		1	5	1	7	7	9																																					
		9	9	2	6	5																																						
			-																																									

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

N	O	T	A	P	P	L	I	C	A	B	L	E
---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

M	E	R	C	H	A	N	T	B	A	N	K	I	N	G
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Product Description

S	T	O	C	K	B	R	O	K	I	N	G		
---	---	---	---	---	---	---	---	---	---	---	---	--	--

Product Description

D	E	P	O	S	I	T	O	R	Y	S	E	R	V	I	C	E	S
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

CASH FLOW STATEMENT FOR THE YEAR 2010-11		Rs. in Lakhs	
		2010-11	
		2009-10	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after tax	(992.65)	(165.28)	
Adjustments for:			
Add : Depreciation/Lease Adjustments	77.49	88.56	
Provision for taxation - Fringe Benefit Tax	0.00	0.00	
- Deferred	132.88	395.53	
Provisions as per Profit & Loss account	357.56	(416.81)	
Loss on sale of assets (net)	0.11	0.58	
Interest expense	250.00	1250.00	
	<u>(174.61)</u>	<u>1152.57</u>	
Less:			
Profit on sale of investments(net)	(91.06)	621.37	
Dividend income	5.48	12.38	
	<u>(85.58)</u>	<u>633.75</u>	
Operating Profit before working capital changes	(89.03)	518.82	
Less : Decrease in Current liabilities	572.51	(575.30)	
	<u>(661.54)</u>	<u>1094.12</u>	
Add:			
Decrease in other current assets	677.02	(530.84)	
Cash generated from operations	15.48	563.28	
Less : Interest expense	250.00	1250.00	
Less : Taxes	0.00	0.00	
Cash Flow before Extraordinary Items	(234.52)	(686.72)	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(25.06)	(64.47)	
Decrease in Term Deposits with banks	(104.59)	280.58	
Sale of Fixed Assets	1.83	1.56	
Sale of investments	298.67	911.23	
Dividend received	5.48	12.38	
Net cash from Investing Activities	176.33	1141.28	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid(including taxes thereon)	0.00	(389.40)	
Net Cash used in Financing Activities	0.00	(389.40)	
Net increase in cash & cash equivalents	(58.19)	65.15	
Cash & Cash equivalents as at 01.04.09 (opg.bal.)	530.90	441.74	
Cash & Cash equivalents as at 31.12.09 (clg. bal.)	472.71	506.89	
V. RAMA GOPAL	T M NAGARAJAN	P V RAJARAMAN	P M VENKATASUBRAMANIAN
CHAIRMAN	DIRECTOR	DIRECTOR	DIRECTOR
R RAVI	G RANGARAJAN		P MUGUNDAN
DIRECTOR	PRESIDENT & WHOLETIME DIRECTOR		EXECUTIVE VICE PRESIDENT & COMPANY SECRETARY
			As per our report of even date attached For Raman Associate Chartered Accountants G VENKATARAMAN Partner Membership No.10022
Place: Chennai			
Date : 18.04.2011			



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

DP ID No.	
Client ID No.	

PROXY FORM

Folio No.	
No. of shares held	

I/We _____ of _____ in the district of _____ being a member(s) of INDBANK MERCHANT BANKING SERVICES LTD., 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 Second Annual General Meeting of the Company to be held on Friday, 29th July, 2011 at 3.00 p.m at Indian Bank Management Academy for Growth & Excellence, MRC Nagar, Raja Annamalaipuram, Chennai-600028 and at any adjournment thereof.

Signed this _____ day of _____-20 11

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

Signature.....

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

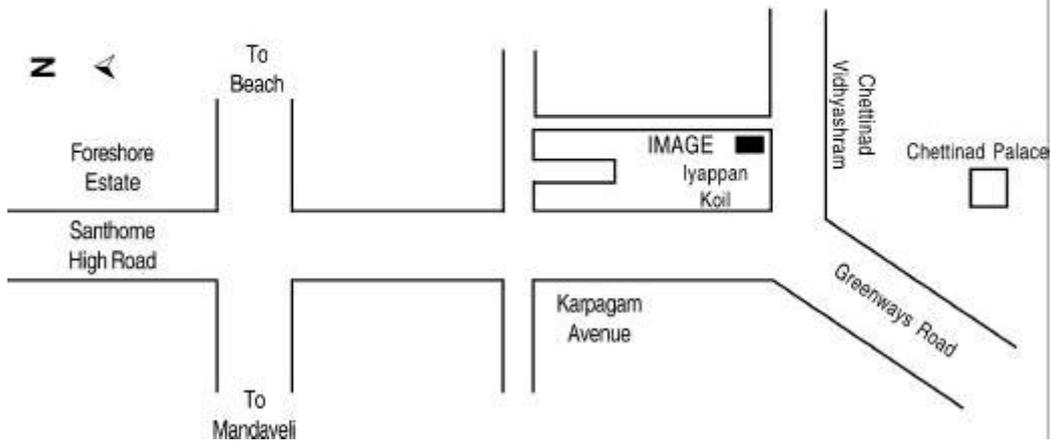
Name of the Proxy

I hereby record my presence at the Twenty Second Annual General Meeting of the Company being held at Indian Bank Management Academy for Growth & Excellence, MRC Nagar, Raja Annamalaipuram, Chennai-600028 on Friday, the 29th July, 2011 at 3.00 p.m.

DP ID No.	
Client ID No.	
Registered Folio No.	
No. of Shares held	

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

Venue :
**INDIAN BANK MANAGEMENT ACADEMY FOR
GROWTH & EXCELLENCE (IMAGE)**



Indbankonline

**All you have to do is open
an Indnet Banking Account with Indian Bank,
and both Demat
and Online Trading Account with
Indbank Merchant Banking Services Limited**



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