

| INDBANK MERCHANT BANKING SERVICES LIMITED | | | | | | |
|--|--|--------------------|---|---|--|--------------------------------|
| (A Subsidiary of Indian Bank) | | | | | | |
| Regd. Office : First Floor, Khivraj Complex 1, No. 480, Anna Salai, Nandanam, Chennai 600035 | | | | | | |
| Email: investors@indbankonline.com Website: www.indbankonline.com | | | | | | |
| Un-Audited Financial Results for the Quarter ended 31.12.2009 | | | | | | |
| Sl. No. | Particulars | Three months ended | Corresponding three months ended in the | Year to date figures for the current year ended | Year to date figures for the Previous year ended | Previous Accounting Year ended |
| | | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.3.2009 |
| | | Un-Audited | | | Audited | |
| | | Rs.Lakhs | | | | |
| 1 | Income from Operations | 274.79 | 98.07 | 914.04 | 1010.63 | 924.28 |
| 2 | Expenditure | | | | | |
| | a) Employee Cost | 90.57 | 49.86 | 245.18 | 151.17 | 254.92 |
| | b) Depreciation | 32.02 | 31.45 | 94.39 | 91.60 | 126.63 |
| | c) Postage & Telephones | 20.44 | 1.76 | 53.46 | 33.70 | 65.10 |
| | d) Provision for Non Performing Assets | (66.87) | (98.33) | (169.12) | (168.89) | (213.05) |
| | e) Provision for Depreciation on Investments | 26.01 | 165.95 | (223.69) | 211.48 | 629.64 |
| | f) Other expenditure | 69.39 | 61.10 | 240.97 | 171.89 | 262.53 |
| | g) Total | 171.56 | 211.79 | 241.19 | 490.95 | 1125.77 |
| 3 | Profit/(Loss) from operations before other income, interest and exceptional items (1-2) | 103.23 | (113.72) | 672.85 | 519.68 | (201.49) |
| 4 | Other Income | 7.78 | 14.59 | 44.00 | 27.28 | 56.63 |
| 5 | Profit/(Loss) before interest and exceptional items (3+4) | 111.01 | (99.13) | 716.85 | 546.96 | (144.86) |
| 6 | Interest | 150.00 | 0.00 | 500.00 | 0.00 | 0.00 |
| 7 | Profit/(Loss) after interest but before exceptional items (5-6) | (38.99) | (99.13) | 216.85 | 546.96 | (144.86) |
| 8 | Exceptional items -Interest on refunds from Income tax | 0.00 | 0.00 | 0.00 | 0.00 | 111.63 |
| 9 | Profit/(Loss) from Ordinary Activities before tax (7+8) | (38.99) | (99.13) | 216.85 | 546.96 | (33.23) |
| 10 | Tax Expense | | | | | |
| | (a) Current Tax | 0.00 | (11.23) | 0.00 | 61.97 | 0.00 |
| | (b) Fringe Benefit Tax | 0.00 | 0.89 | 0.00 | 2.07 | 3.69 |
| | (c) Deferred Tax | 66.14 | 8.69 | 280.35 | (21.16) | 633.74 |
| | (d) Pertaining to earlier years written off | 0.00 | 0.00 | 0.00 | 0.00 | 51.95 |
| | (d) Total | 66.14 | (1.65) | 280.35 | 42.88 | 689.38 |
| 11 | Net Profit/(Loss) from Ordinary Activities after tax (9-10) | (105.13) | (97.48) | (63.50) | 504.08 | (722.61) |
| 12 | Extraordinary items (net of tax expense Rs.Nil) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net Profit/(Loss) for the period (11-12) | (105.13) | (97.48) | (63.50) | 504.08 | (722.61) |
| 14 | Paid up equity share capital (Face value per share - Rs. 10/-) | 4437.82 | 4437.82 | 4437.82 | 4437.82 | 4437.82 |
| 15 | Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year | | | | | 775.31 |
| 16 | Earnings Per Share (EPS) (Rs) | | | | | |
| | (a) Basic & diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualised) | (0.24) | (0.22) | (0.14) | 1.14 | (1.63) |
| | (b) Basic & diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised) | (0.24) | (0.22) | (0.14) | 1.14 | (1.63) |
| 17 | Public Shareholding | | | | | |
| | - Number of Shares | 15604400 | 15604400 | 15604400 | 15604400 | 15604400 |
| | - Percentage of shareholding | 35.16% | 35.16% | 35.16% | 35.16% | 35.16% |
| 18 | Promoters & Promoter Group Shareholding | | | | | |
| | (a) Pledged/encumbered | | | | | |
| | - Number of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Percentage of shareholding as a %age of the total shareholding of promoter and promoter group | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | - Percentage of shareholding as a %age of the total shareholding of the company | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (b) Non-encumbered | | | | | |
| | - Number of Shares | 28773800 | 28773800 | 28773800 | 28773800 | 28773800 |
| | - Percentage of shareholding as a %age of the total shareholding of promoter and promoter group | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| | - Percentage of shareholding as a %age of the total shareholding of the company | 64.84% | 64.84% | 64.84% | 64.84% | 64.84% |

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|--|--|--------------------|---|---|--|--------------------------------|
| Un-Audited Financial Results for the Quarter ended 31.12.2009 | | | | | | |
| Sl. No. | Particulars | Three months ended | Corresponding three months ended in the previous year | Year to date figures for the current year ended | Year to date figures for the Previous year ended | Previous Accounting Year ended |
| | | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.3.2009 |
| Un-Audited | | | | | Audited | |
| Rs.Lakhs | | | | | | |
| Quarterly reporting of segment wise revenue, results and capital employed | | | | | | |
| 1 | Segment Revenue | | | | | |
| | (a) Fee Based | 261.91 | 86.86 | 713.23 | 332.43 | 445.22 |
| | (b) Fund Based | 20.64 | 25.80 | 244.79 | 705.48 | 535.70 |
| | (c) Un-allocated | 0.00 | 0.00 | 0.00 | 0.00 | 111.63 |
| | Total | 282.55 | 112.66 | 958.02 | 1037.91 | 1092.55 |
| | Less : Inter segment revenue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Income from operations(Including other Income) | 282.55 | 112.66 | 958.02 | 1037.91 | 1092.55 |
| 2 | Segment Results - Profit/(Loss) before tax and interest from each segment | | | | | |
| | (a) Fee Based | 80.56 | 42.26 | 266.06 | 180.80 | 81.99 |
| | (b) Fund Based | 30.45 | -141.39 | 450.79 | 366.16 | (226.85) |
| | (c) Un-allocated | 0.00 | 0.00 | 0.00 | 0.00 | 111.63 |
| | Total | 111.01 | -99.13 | 716.85 | 546.96 | (33.23) |
| | Less : i) Interest (Other than pertaining to segments) | 150.00 | 0.00 | 500.00 | 0.00 | 0.00 |
| | ii) Other unallocable expenditure net off | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | iii) Unallocable income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total profit/(Loss) before tax | (38.99) | -99.13 | 216.85 | 546.96 | (33.23) |
| 3 | Capital employed (Segment assets-liabilities) | | | | | |
| | (a) Fee Based | 2223.34 | 2290.74 | 2223.34 | 2290.74 | 2433.07 |
| | (b) Fund Based | 1362.58 | 2174.50 | 1362.58 | 2174.5 | 1331.86 |
| | (c) Unallocated | 1563.70 | 2355.91 | 1563.70 | 2355.91 | 1448.21 |
| | Total | 5149.62 | 6821.15 | 5149.62 | 6821.15 | 5213.14 |

Notes

- The Market value of quoted investments (Cost-Rs.7.77 crore) of the Company as on 31.12.2009 was Rs.13.06 crore
- There were no investor complaints pending at the beginning of the quarter, 27 investor complaints was received and resolved during the quarter. No complaints were pending at the end of the quarter.
- During the first quarter, the company has received a claim from Indian Bank for payment of interest of Rs.23.97 crore (involving a waiver of Rs.18.09 crore) under the right of recompense clause, out of the interest waived by them in past and the company has represented to the Bank for payment of the same over a period of time based on the profits generated.Hence the amount of interest paid of Rs 5.00 Crore(out of the total interest claimed of Rs 23.97 crore) has been considered in the quarterly accounts.
- The company has been served with a demand of Rs.1033.34 lakhs by the Assessing Officer pursuant to Assessment under Income Tax Act, 1961 received during the quarter for the Assessment Year 2007-08 on account of denial of deductions claimed for long term capital gains on sale of investments, disallowance of provision made for bad debts and disallowance of certain eligible expenditure. The company has been advised that the demand is not sustainable and the company has filed an appeal before the Commissioner of Income Tax (Appeals), the first appellate authority.

The above financial results have been taken on record by the Board of Directors of the company at the meeting held on 28.01.2010

Place: Chennai
Date: 28.01.2010

P N PATEL
PRESIDENT & WHOLETIME DIRECTOR