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Board of Directors
Anup Sankar Bhattacharya
 Chairman

T M Nagarajan
P M Venkatasubramanian (from 16.04.2010)
P N Patel
 President and Whole Time Director (upto 28.04.2010)

P V Rajaraman
Sri Ramanan
G Rangarajan
 President and Whole Time Director
 (from 28.04.2010)

Committees of the Board

Audit Committee Share Transfer & Investors' Grievance Committee

T M Nagarajan
P V Rajaraman
P M Venkatasubramanian (from 16.04.2010)
Sri Ramanan

Sri Ramanan
P N Patel (upto 28.04.2010)
G Rangarajan (from 28.04.2010)

Management

President and Wholetime Director

P N Patel (upto 28.04.2010)

G Rangarajan (from 28.04.2010)

Executive Vice President & Company Secretary

P Mugundan

Vice Presidents/Assistant Vice Presidents/Branch Heads

<i>Registered /Chennai office</i>	<i>Mumbai</i>	<i>Delhi</i>	<i>Bangalore</i>	<i>Coimbatore</i>	<i>Ahmedabad</i>
R Anantharamakrishnan	M Srinivas	M Kavitha	K S Aswatha Narayanan	V Chandrasekaran	Arun More
R. Ravi					
Sayan Ganguly					
K. Sandhya Rani					
<i>Tirunelveli</i>	<i>Madurai</i>	<i>Hyderabad</i>	<i>Puducherry</i>	<i>Erode</i>	<i>Trichy</i>
A B Mohan	B Sai Prakash	K Sridhar	P M Sukumar	S Ramesh	S Raghunathan
<i>Tuticorion</i>	<i>Pune</i>	<i>Salem</i>	<i>Mangalore</i>	<i>Ernakulam</i>	<i>Vellore</i>
D Ebinazer Samidurai	Kishore Iyer	D Suresh	B P Sadasiva Pai	C V Reshikesh	J K Raja
<i>Thanjavur</i>	<i>Visakhapatnam</i>	<i>Calicut</i>	<i>Cuddalore</i>		
T Poovel	V L Prasanna	R Sajeesh	M Senthil		

Auditors	Bankers	Registrar & Transfer Agents
Raman Associate	Indian Bank	Cameo Corporate Services Ltd
Chartered Accountants		'Subramanian Buildings'
No.13, Luz Avenue, Mylapore, Chennai 600004		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, Salem, Managalore, Ernakulam and Vellore, Thanjavur, Visakhapatnam, Calicut, Cuddalore	Chennai -Parrys, Anna Nagar, Madipakkam CMDA-Egmore, West Mambalam, Adyar, Abhiramapuram, Nanganallur Mumbai - Ville Parle, CBD Belapur, Ullas Nagar, Kharghar New Delhi - Dwaraka, Coimbatore -Pollachi, Ramnagar, R S Puram, Tiruppur, Karur, Udumalpet, Thadagam, Peelamedu Ahmedabad - S.G. Road, Nadiad, Surendera Nagar, Anand Tirunelveli - Nagerkoil, Sivakasi, Payamkottai, Kovilpatti Madurai -Dindigul, Karikudi, Simmakal, Theni Hyderabad -Dilsukh nagar,AS Rao nagar, Ramnagar Erode - Gobichettyalayam, Kangeyam, Tiruchengode

NOTICE

Notice is hereby given that the Twenty first Annual General Meeting of the Shareholders of the Company will be held on the Wednesday, the 28th July 2010 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 31.03.2010 and Profit and Loss Account for the year ended 31.03.2010 and the Auditors' Report thereon.
- 2 To elect a Director in place of Mr. Anup Sankar Bhattacharya who retires by rotation and being eligible offers himself for reappointment
- 3 To elect a Director in place of Mr. Sri Ramanan 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 P M Venkatasubramanian 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 G Rangarajan, Deputy 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 28.04.2010 to 31.05.2014 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.**
P Mugundan
Executive Vice President & Company Secretary

Place: Chennai
Date: 28.04.2010

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 20.07.2010 to 28.07.2010 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 Anup Sankar Bhattacharya, Director retire by rotation and being eligible offer himself for reappointment.
- Shri Anup Sankar Bhattacharya aged 58 years is a Honours Degree holder in Agricultural Science. He has more than 38 years of experience in various positions in the banking industry and is now occupying the position of Executive Director of Indian Bank.

Details of other Directorships/Committee memberships held by him

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 Strategic Business Development Committee
Ind Bank Housing Ltd	Director	
Infund Management Ltd	Director	

8. At this Annual General Meeting Shri Sri Ramanan, Director retires by rotation and being eligible offer himself for reappointment.
- Shri Sri Ramanan, aged 59 years is an M.Com, CAIIB-I. He has more than 39 years of experience in various positions in the banking industry and is now occupying the position of General Manager of Indian Bank.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Ltd	Director	Audit Committee
Infund Management Ltd	Director	Audit Committee

9. Item No.4 Special business: Appointment of Shri P M Venkatasubramanian as Director.

Shri P M Venkatasubramanian, was appointed as an Additional Director by the Board of Directors with effect from 16.04.2010 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 P M Venkatasubramanian, aged 71 years is B.Com (Honours) Degree holder, Fellow of Institute of Insurers. He has more than 40 years of experience in various positions in the General insurance industry and he retired as the Managing Director of General Insurance Corporation of India. He was associated with several companies as Nominee Directors of Financial Institutions.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Royal Allianz Insurance Co Ltd	Chairman	Audit Committee, Investment Committee, Risk Magt. Committee
IP Rings Ltd	Director	Audit Committee, Remuneration Committee
Bi-metal Bearings Ltd	Director	Audit Committee, Remuneration Committee
Raadan Media-works (I) Ltd	Director	Audit Committee, Shareholders/Investors Grievance Committee

Except Shri P M Venkatasubramanian, none of your Directors is concerned or interested in the resolution.'

10 Item No.5 Special business: Appointment of Shri G Rangarajan as President & Wholetime Director

Shri G Rangarajan, Deputy 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 28.04.2010 to 31.05.2014 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 G Rangarajan, aged, 55 years is a M. A. (Economics) and has P.G. Diploma in Portfolio Management, CAIIB, AIMA Diploma in Management qualifications and he has more than 30 years of experience in various areas in the banking industry and out which he has 8 years of experience in Indbank Merchant Banking Services Limited. Accordingly the above resolution is recommended for your approval.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Ltd	Managing Director	-

Except Shri G Rangarajan, none of your Directors is concerned or interested in the resolution.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Statement of Accounts of the Company for the Year ended March 31, 2010.

Business of the Company

Geographical Expansion

Your company during the current year has opened new branch offices at Thanjavur, Visakhapatnam, Calicut and Cuddalore increasing the number of branch offices to 22. In addition to branches your company has established 38 CTCL terminals in various places. With this your company has presence in 60 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.2357.43 lakhs from operations as against Rs. 1092.54 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.5510.96 crore during the year. Your company also provides Depository services to Institutions and retail customers and has 22878 accounts under DP operations and 13509 under broking operations.

Your company has reported a net profit before tax of Rs.230.25 lakhs during the year 2009-10 as against a net loss before tax of Rs.33.23 lakhs in the previous year.

Financial Results

	Year Ended 31.03.2010	Previous Year Ended 31.03.2009
	← Rs.Lakhs	→
Income from Operations	1914.11	980.91
Interest on refund from Income tax	0.00	111.63
Reversal of Provisions (Net)	443.32	0.00
Total Income	2357.43	1092.54
Administrative/Operating Expenses	767.57	582.56
Depreciation	109.61	126.63
Finance Charges	1250.00	0.00
Provisions made/reversals (Net)	0.00	416.58
Total Expenses	2127.18	1125.77
Profit/(Loss) Before Tax	230.25	(33.23)
Provision for Tax – Fringe Benefit Tax	0.00	3.69
Provision for Tax – Deferred (Net)	395.53	633.73
Provision for Tax – Pertaining to earlier years	0.00	51.95
Profit/(Loss) After Tax	(165.28)	(722.60)
Balance brought forward from previous year	275.31	1387.31
Proposed dividend (Re.0.75 per share)	0.00	332.84
Corporate dividend tax	0.00	56.56
Balance carried forward to Balance Sheet	110.03	275.31
Earnings per share (in Rs)	(0.37)	(1.63)

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 A Subramanian, Director, a nominee of Indian Bank resigned from the Board on 15.07.2009 consequent to his retirement from the services of Indian Bank.

Shri Anup Sankar Bhattacharya, Executive Director, Indian Bank was Co-opted as a Director on the Board with effect from 15.07.2009.

Shri P V Rajaraman,(IAS) Retd., was co-opted as a Director on the Board with effect from 15.07.2009.

Shri M K Narayanan, Director resigned from the Board on 28.01.2010 consequent to his appointment as Honourable Governor of West Bengal.

Shri. P M Venkatasubramanian (former Managing Director, GIC) was co opted as a director on the Board with effect from 16.04.2010.

Shri P N Patel, President & Wholetime Director vacated office on 28.4.2010 consequent to his retirement from the services of Indian Bank on 30.04.2010

Shri G Rangarajan, Deputy General Manager, Indian Bank was appointed as President & Wholetime Director of the company from 28.04.2010 to 31.05.2014.

At the Annual General Meeting, Shri Anup Sankar Bhattacharya and Shri Sri Ramanan, Directors retire by rotation and being eligible offers themselves for reappointment.

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 2010, 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 2010 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 2009-10.

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. 1147.48 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

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. The outlook of players in the Securities Market are always linked to the growth of the economy primarily growth in capital market conditions. The Capital markets have been conducive in the year 2009 -10 for the market intermediaries and the trend indicates favourable market conditions in the current year also.

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 to 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 : 28.04.2010

Anup Sankar Bhattacharya
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

Shri A Subramanian, Director, a nominee of Indian Bank resigned from the Board on 15.07.2009 consequent to his retirement from the services of Indian Bank.

Shri Anup Sankar Bhattacharya, Executive Director, Indian Bank was Co-opted as a Director on the Board with effect from 15.07.2009.

Shri P V Rajaraman,(IAS) Retd., was co-opted as a Director on the Board with effect from 15.07.2009.

Shri M K Narayanan, Director resigned from the Board on 28.01.2010 consequent to his appointment as Hon'ble Governor of West Bengal.

To broad base the Board further and to comply with the corporate governance requirements, Shri. P M Venkatasubramanian (former Managing Director, GIC) was co opted as a director on the Board with effect from 16.04.2010.

Shri P N Patel, President & Wholetime Director vacated office on 28.4.2010 consequent to his retirement from the services of Indian Bank on 30.04.2010

Shri G Rangarajan, Deputy General Manager, Indian Bank was appointed as President & Wholetime Director of the company from 28.04.2010 to 31.05.2014.

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 six times on 07.05.2009, 25.07.2009, 27.10.2009, 24.11.2009, 28.01.2010 and 19.03.2010.

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 19.08.09	No.of other Director Ships	Committee Membership	
					Member	Chairman
Shri. M K Narayanan (Upto 28.01.2010)	Non Executive & Independent Director	—	No	—	-	-
Shri. T M Nagarajan	Non Executive & Independent Director	6	Yes	7	2	1
Shri. A Subramanian (Upto 15.07.2009)	Non Executive Director	1	N.A.	3	-	-
Shri. Anup Sankar Bhattacharya (From 15.07.2009)	Non Executive Director	5	Yes	3	9	-

Shri. P V Rajaraman (From 15.07.2009)	Non Executive & Independent Director	5	Yes	1	2	2
Shri. P M Venkatasubramanian (From 16.04.2010)	Non Executive & Independent Director	NA	NA	3	-	-
Shri. Sri Ramanan	Non Executive Director	6	Yes	2	3	-
Shri. P N Patel (Upto 28.4.2010)	President & Whole time Director	6	Yes	1	1	-
Shri G Rangarajan (From 28.4.2010)	President & Whole time Director	NA	NA	1	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, 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

Shri P V Rajaraman, Director was appointed as member of the Audit Committee by the Board on 15.07.2009.

Consequent to vacating office as Director on 28.01.2010, Shri M K Narayanan, ceased to be a member of the Audit Committee.

Shri P M Venkatasubramanian, Director was appointed as a member of the Audit committee by the Board on 16.04.2010 in place of Shri. M.K. Narayanan.

The Audit Committee has at present 4 members. The Audit Committee met four times during the year on 07.05.2009, 25.07.2009, 27.10.2009 and 28.01.2010.

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. M K Narayanan (upto to 28.01.2010)	Member	-
Shri. P V Rajaraman (from 15.07.2009)	Member	3
Shri. Sri Ramanan	Member	4

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. An aggregate amount of Rs.6.19 lakhs (including Employers' Contribution to Provident Fund Rs.0.36 lakhs) was paid as remuneration for the year to President & Whole time Director. In view of the above the company does not have a Remuneration Committee.

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	0.40
Shri P V Rajaraman	0.32

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. Sri Ramanan, 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.

72 complaints were received and attended during the year from the shareholders/investors. As on March 31, 2010, no correspondence/complaint remains unattended.

The Committee met 15 times during the year and the attendance of members is as follows:

Name of member	Status	No. of meetings attended
Shri. Sri Ramanan	Chairman	15
Shri. P N Patel	Member	15

5. General Body Meetings

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

Financial year	Date	Time	Venue
31.03.2007	18.08.2007	11.00 a.m.	Indian Bank Management Academy for Growth & Excellence, Chennai
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

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. As required by SEBI and the Listing Agreement, your company has been filing its financial and other information on the Corporate Filing & Dissemination System website (www.corpfiling.co.in). The 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

21st Annual General Meeting

Date & Time	<i>Wednesday, the 28th July 2010</i>
Venue	IMAGE, Chennai
Financial Year	1 st April to 31 st March
Book closure dates	20.07.2010 to 28.07.2010
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 2010-11 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 2009	12.75	7.80	13.10	7.80	11492.10	9546.26	3517.25	2965.70
May 2009	18.40	9.25	18.60	9.00	14,930.54	11,621.30	4509.40	3478.70
June 2009	17.25	12.65	17.30	12.50	15,600.30	14,016.95	4693.20	4143.25
July 2009	14.59	11.51	14.80	12.00	15,732.81	13,219.99	4669.75	3918.75
August 2009	15.10	12.29	15.15	12.50	16,002.46	14,684.45	4743.75	4353.45
September 2009	19.71	13.20	19.60	13.00	17,142.52	15,356.72	5087.60	4576.60
October 2009	21.40	15.40	21.15	15.00	17,493.17	15,805.20	5181.95	4687.50
November 2009	16.65	14.50	17.30	14.30	17,290.48	15,330.56	5138.00	4538.50
December 2009	16.60	14.75	16.90	14.85	17,530.94	16,577.78	5221.85	4943.95
January 2010	18.65	14.40	18.90	14.10	17,790.33	15,982.08	5310.85	4766.00
February 2010	16.25	13.50	16.80	13.25	16,669.25	15,651.99	4992.00	4675.40
March 2010	18.40	13.70	18.20	14.10	17,793.01	16,438.45	5329.55	4935.35

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 31.03.2010

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 FII's	1	2700	0.01
Sub-total	16	605900	1.37
C Others			
A Private Corporate Bodies	464	3070021	6.92
B Indian Public	43961	11362582	25.60
C NRIs/OCBs	72	516808	1.16
D Clearing Member and others	38	49089	0.11
Sub-total	44535	14998500	33.79
Grand Total	44552	44378200	100.00

Dematerialisation of shares & Liquidity

The Company's shares are traded in the Stock Exchanges only in electronic mode and 91.38% of the shareholdings have already been dematerialised. The shares of the company are traded in Bombay Stock Exchange.

The shares transferred during the last 3 years are given below:

Details	2007-08	2008-09	2009 - 10
No. of transfer deeds	923	256	161
No. of shares transferred	113504	34537	18100

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.

With reference to the Auditors observation in the certificate on Corporate Governance regarding, Circular no.SEBI/CFD/DIL/CG/1/2008/08/04 dated Apr 08, 2008 requires one half of the board to consist of independent directors, which was not complied with for the period Apr'09 to June'09 (in view of the demise of an independent non-executive director) and for the period January 2010 to March 2010 (in view of resignation of an independent non-executive director consequent to his appointment as Honourable Governor of West Bengal), the reasons were beyond the control of the company. The company has broad based the Board with the induction of Shri. P M Venkatasubramanian, as independent non executive director on the Board to comply with Corporate Governance requirements.

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 2010 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.

Circular no.SEBI/CFD/DIL/CG/1/2008/08/04 dated April 08, 2008 requires one half of the board to consist of independent directors. This was not complied with for the period April 2009 to June 2009 (in view of the demise of an independent non-executive director) and for the period January 2010 to March 2010 (in view of resignation of an independent non-executive director consequent to his appointment as Honourable Governor of West Bengal). The company has complied with the requirement in April 2010.

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 : 16.04.2010

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

Management Discussion & Analysis Report

Business Environment

The Capital markets have been conducive in the year 2009 -10 providing opportunities to the market intermediaries.

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 Thanjavur, Visakhapatnam, Calicut and Cuddalore increasing the number of branch offices to 22. In addition to branches your company has established 38 CTCL terminals in various places. With this your company has presence in 60 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.2357.43 lakhs from operations as against Rs. 1092.54 lakhs in the previous year. Under Stock broking your company has a mix of Institutional and individual clients and have achieved a turnover of Rs.5510.96 crore during the year. Your company also provides Depository services to Institutions and retail customers and has 22878 accounts under DP operations and 13509 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 an Asset Liability Committee, which reviews and monitors the funds requirements. The Committee regularly reviews and ensures that the risks are minimised.

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 14 Officers on deputation from Indian Bank and 138 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 Bombay Stock Exchange and National Stock Exchange. There is no change in share capital of the company during the year.

Reserves & Surplus

There is no change in the general reserves, which stands at Rs.500 lakhs as at 31.3.2010. In view of the losses suffered, the balance in profit & loss account has come down from Rs.275.31 lakhs as on 31.3.2009 to Rs. 110.03 lakhs as on 31.3.2010.

Secured Loans

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 year the company has 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. Out of this, the company has paid Rs.1250 lakhs during the year which has been considered in the accounts.

Fixed Assets

As already informed your company has stopped fund-based activities and accordingly there is no additions to Leased assets. The other assets have increased by Rs.64.47 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.4083.50 lakhs as on 31.03.2009 to Rs.3172.27 lakhs as on 31.03.2010 on account of disinvestments. Net investments after adjusting provisions have marginally increased in view of reversal of provisions consequent to improvement in value of investments. Your company earned an income of Rs.633.75 lakhs from investments.

The market value of quoted investments (cost - Rs.721.99 lakhs) of the company as on 31.03.2010 was Rs.786.77 lakhs.

Net Current Assets

The current assets have increased from Rs.3236.38 lakhs to Rs. 3626.12 lakhs in view of the increase in sundry debtors, loans and advances. The current liabilities have increased from Rs.668.24 lakhs to Rs.1243.54 lakhs mainly in view of increase in clients payable under Broking, due to increase in volume of operations compared to previous year. The provisions have declined from Rs. 418.98 lakhs to Rs. 56.09 lakhs on account of payment of dividend and taxes on dividends for the previous year.

Deferred Tax Assets

During the year the company has provided Rs. 395.53 lakhs towards deferred tax liability in the profit and loss account. Accordingly, the Net Deferred Tax Assets have reduced from Rs.1102.29 lakhs in the previous year to Rs.706.76 lakhs in the current year.

Income

The income from fee-based operations have increased from Rs. 445.22 lakhs in the previous year to Rs.925.95 lakhs in the current year in view of increase in volume of business and assignments due to favourable market conditions. The income from fund-based operations & miscellaneous income has increased from Rs. 535.70 lakhs in the previous year to Rs. 988.16 lakhs in the current year in view of the recovery of NPAs and disinvestment of some of the investments. The company could reverse provisions made for NPAs and investments in the past to the extent of Rs. 443.32 lakhs in the current year, as against the net provision made of Rs. 416.59 lakhs in the previous year, in view of recovery of NPAs, disinvestment and improvement in value of investments. The company could declare a gross total income of Rs. 2357.43 lakhs in the current year as against Rs. 1092.54 lakhs in the previous year.

Expenses

The administrative and other expenses have increased from Rs.582.56 lakhs to Rs. 767.57 lakhs in view of branch and terminal expansion and good increase in volume of business compared to previous year. Depreciation has marginally decreased from Rs.126.63 lakhs to Rs.109.61 lakhs. Your company could withdraw the provisions made earlier for NPAs and investments of Rs. 443.32 lakhs in the current year in view of recovery of NPAs, disinvestment and improvement in value of investments as against provision made of Rs. 416.59 lakhs in the previous year.

Your company carries a cumulative provision of Rs. 5323.73 lakhs for Non-performing assets and depreciation on investments (76.65 % of the total exposure) against the total exposure of Rs. 6945.54 lakhs under Lease, Hire Purchase, ICDs, Investments, Sundry Debtors and other Loans and Advances.

Financial Results

	Year Ended 31.03.2010	Previous Year Ended 31.03.2009
	←————— Rs.Lakhs —————→	
Income from Operations	1914.11	980.91
Interest on refund from Income tax	0.00	111.63
Reversal of Provisions (Net)	443.32	0.00
Total Income	2357.43	1092.54
Administrative/Operating Expenses	767.57	582.56
Depreciation	109.61	126.63
Finance Charges	1250.00	0.00
Provisions made/reversals (Net)	0.00	416.58
Total Expenses	2127.18	1125.77
Profit/(Loss) Before Tax	230.25	(33.23)
Provision for Tax – Fringe Benefit Tax	0.00	3.69
Provision for Tax – Deferred (Net)	395.53	633.73
Provision for Tax – Pertaining to earlier years	0.00	51.95
Profit/(Loss) After Tax	(165.28)	(722.60)
Balance brought forward from previous year	275.31	1387.31
Proposed dividend (Re.0.75 per share)	0.00	332.84
Corporate dividend tax	0.00	56.56
Balance carried forward to Balance Sheet	110.03	275.31
Earnings per share (in Rs)	(0.37)	(1.63)

Outlook

The outlook of players in the Securities Market are always linked to the growth of the economy primarily growth in capital market conditions. The Capital markets have been conducive in the year 2009 -10 and the trend indicates favourable market conditions in the current year also.

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 2010**

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2010 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 16th April 2010.

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 2010. 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.

(K SRINIVASAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD

Place: Chennai
Date: 06.05.2010

**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 2010** and the Profit and Loss Account for the year ended 31st March 2010 and also the Cash Flow Statement for the year ended 31st March 2010 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 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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.1147.48 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.165.28 lakhs would have become a loss of Rs.1312.76 lakhs.
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b) in the case of Profit and Loss Account, of the Loss for the year ended 31st March 2010; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended 31st March 2010.

Place: Chennai
Date : 16.04.2010

For & on behalf of
Raman Associate
Chartered Accountants

G Venkataraman
Partner
Membership No.10022

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 (other than given on lease). In case of assets given on lease, the asset register contains partywise amounts which is backed by separate asset records.
 - b. The assets given on lease have been physically verified by the management, excluding assets relating to liquidation / suit filed cases. In case of certain assets where inspection were not possible, amounts have been fully provided for, which in our opinion is reasonable. Fixed assets other than given on lease 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 2010 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 sales tax, income tax, interest tax, service tax and cess 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	580.32	Assessing Officer
	2001-02	441.12	Assessing Officer
	2003-04	19.94	Assessing Officer
	2004-05	394.09	Assessing Officer
	2005-06	239.53	Commissioner of Income Tax (Appeals)
	2006-07	315.88	Commissioner of Income Tax (Appeals)
	2007-08	1027.53	Commissioner of Income Tax (Appeals)
Interest Tax Act	1996-97	35.66	Madras High Court
	1997-98	16.25	Income Tax Appellate Tribunal
	2000-01	5.81	Income Tax Appellate Tribunal
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 not incurred cash losses during this financial year and the immediately preceding 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.
- (xiii) 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 : 16.04.2010

G Venkataraman
 Partner
 Membership No.10022

BALANCE SHEET AS AT 31st March 2010

	SCHEDULE	As at 31-Mar-2010 Rs.		As at 31-Mar-2009 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	443,782,000		443,782,000
Reserves & Surplus	B	<u>61,003,392</u>		77,531,349
		<u>504,785,392</u>		<u>521,313,349</u>
Total		<u><u>504,785,392</u></u>		<u><u>521,313,349</u></u>
APPLICATION OF FUNDS				
Fixed Assets:				
C				
Gross Block		331,607,000		415,356,000
Less: Depreciation		<u>256,529,920</u>		<u>343,983,581</u>
Net Block		75,077,079		71,372,419
Less: Lease Adjustment Account		<u>(94,642,027)</u>		(145,623,953)
Less: Provisions for Bad & Non Performing Assets		<u>101,429,794</u>	<u>68,289,312</u>	<u>146,314,359</u>
Investments	D		133,170,863	125,486,811
Deferred Tax Assets (Net)	E		<u>70,676,039</u>	110,228,706
Current Assets, Loans and Advances	F			
Current Assets:				
Interest accrued		1,811,730		3,544,302
Sundry Debtors		103,407,084		44,352,886
Stock on Hire		-		3,922,806
Cash and Bank Balances		86,572,997		108,115,357
Other Current Assets		478,703		535,127
Loans & Advances		<u>170,341,548</u>		<u>163,167,459</u>
		<u>362,612,062</u>		<u>323,637,937</u>
Less: Current Liabilities	G	124,353,997		66,823,899
Provisions		<u>5,608,887</u>		<u>41,898,219</u>
		<u>129,962,884</u>		<u>108,722,118</u>
Net Current Assets			<u>232,649,178</u>	<u>214,915,819</u>
Total		<u><u>504,785,392</u></u>		<u><u>521,313,349</u></u>
Significant Accounting Policies & Notes on Accounts	K			
[The Schedules referred to form an integral part of the Balance Sheet]				
ANUP SANKAR BHATTACHARYA	T M NAGARAJAN	P V RAJARAMAN	P M VENKATASUBRAMANIAN	
CHAIRMAN	DIRECTOR	DIRECTOR	DIRECTOR	
SRI RAMANAN	P N PATEL		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 : 16.04.2010				

PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31.03.2010

	SCHEDULE	2009-10 Rs.	2008-09 Rs.
<u>INCOME</u>			
Income from Operations	H	191,411,348	98,091,470
Reversal of Provisions (Net)	I	44,331,989	-
Interest on Refunds from income Tax & Interest tax (Refer note 9 of Notes on Accounts)		-	11,162,820
		235,743,337	109,254,290
<u>EXPENSES</u>			
Administration & Other Expenses	J	76,757,162	58,255,831
Depreciation	C	10,961,465	12,662,909
Finance charges		125,000,000	-
Provision made/(reversals)(net)	I	-	41,658,517
		212,718,627	112,577,257
PROFIT/(LOSS) BEFORE TAX			
From Continuing Operations		45,207,946	8,199,260
From Dis-continued Operations		102,816,765	(22,685,047)
Un-allocated		(125,000,000)	11,162,820
Provision for taxation - Fringe Benefit Tax		23,024,710	(3,322,967)
- Deferred		-	368,630
- Pertaining to earlier years		39,552,667	63,373,561
		-	5,194,712
PROFIT/(LOSS) AFTER TAX		(16,527,957)	(72,259,870)
Add: Balance brought forward from Previous Year		27,531,349	138,731,426
Balance		11,003,392	66,471,556
Less : Proposed Dividend on Equity Shares		-	33,283,650
Tax on Dividend		-	5,656,557
Balance carried to Balance Sheet		11,003,392	27,531,349
Earnings Per Share - Basic & Diluted		(0.37)	(1.63)

Significant Accounting Policies & Notes on Accounts

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

ANUP SANKAR BHATTACHARYA **T M NAGARAJAN** **P V RAJARAMAN** **P M VENKATASUBRAMANIAN**
 CHAIRMAN DIRECTOR DIRECTOR DIRECTOR

SRI RAMANAN **P N PATEL** **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 : 16.04.2010

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 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'		
Reserves & Surplus		
General Reserve	50,000,000	50,000,000
Balance in Profit & Loss Account	<u>11,003,392</u>	<u>27,531,349</u>
	<u>61,003,392</u>	<u>77,531,349</u>

**SCHEDULE 'C
Fixed Assets'**

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 1-Apr-2009 Rs.	Addition during the year Rs.	Deletions Rs.	As at 31-Mar-2010 Rs.	As at 1-Apr-2009 Rs.	For the year Rs.	On Deletions Rs.	As at 31-Mar-2010 Rs.	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
ASSETS OTHER THAN GIVEN ON LEASE										
Buildings*	48,478,385	-	-	48,478,385	11,098,324	790,198	-	11,888,522	36,589,863	37,380,061
Office equipment	13,290,701	2,115,262	57,947	15,348,016	5,439,458	572,910	57,947	5,954,421	9,393,595	7,851,243
Furniture & Fixtures	15,958,707	1,813,298	58,290	17,713,716	6,849,608	1,039,135	52,274	7,836,469	9,877,247	9,050,040
Motor Vehicle	1,092,084	-	237,793	854,291	147,982	92,368	30,121	210,229	644,062	944,102
Data Processing Machines	20,914,947	1,254,591	2,700	22,166,838	12,498,232	2,110,805	2,700	14,606,337	7,560,501	8,416,715
Software	7,873,750	1,263,951	-	9,137,701	3,876,849	2,413,139	-	6,289,988	2,847,713	3,996,901
Total Other Assets - (A)	107,608,574	6,447,102	356,729	113,698,947	39,910,453	7,018,555	143,042	46,765,967	66,912,981	67,639,062
*Includes cost of un-divided portion of land separately not identifiable										
ASSETS GIVEN ON LEASE										
Machineries (B)	307,806,485	-	89,898,432	217,908,053	304,073,128	3,942,910	98,272,084	209,743,954	8,164,099	3,733,357
Total (C) = (A + B)	415,415,059	6,447,102	90,255,162	331,607,000	343,983,581	10,961,465	98,415,126	256,529,920	75,077,079	71,372,419
Add: Lease Adjustment account (D)	-	-	-	-	(145,623,953)	(2,105,761)	(53,087,687)	(94,642,027)	94,642,027	145,623,953
Less: Provisions for Bad and Non Performing Assets (E)	-	-	-	-	-	-	-	-	101,429,794	146,314,359
Total (C +D-E)	415,415,059	6,447,102	90,255,162	331,607,000	198,359,628	8,855,704	45,327,438	161,887,893	68,289,312	70,682,013
Previous Year 31.03.2009	482,079,625	15,210,140	81,933,765	415,356,000	214,736,207	48,278,885	64,655,464	198,359,628	70,682,013	

SCHEDULE	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
SCHEDULE 'D'		
<u>Investments:</u>	D-1	
Shares at cost	286,086,565	377,209,511
Less: Provision for Diminution in value of Investments	153,817,102	<u>252,624,100</u>
	132,269,463	124,585,411
Debentures at cost	31,140,542	31,140,542
Less: Provision for Diminution in value of Investments	30,239,142	<u>30,239,142</u>
	901,400	901,400
	133,170,863	<u>125,486,811</u>

SCHEDULE 'D-1'
(i) INVESTMENT IN EQUITY SHARES OF LIMITED COMPANIES

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs..	No. of Shares	Cost as on 31.03.2009 Rs.
1	Ashok Leyland Ltd	-	-	-	-	45000	2,534,514
2	Assamco Ltd	-	-	-	-	6752	265,591
3	Brigade Ltd	-	-	-	-	3000	1,162,451
4	D-Link Ltd	-	-	-	-	10000	1,143,428
5	Dena Bank	5000	10	10	429,000	-	-
6	Eicher Motors Ltd	291	10	10	201,278	-	-
7	Essaroil Ltd	10000	10	10	1,522,598	-	-
8	Flawless Diamond Ltd	-	-	-	-	5000	513,472
9	Gail Ltd	-	-	-	-	1500	502,944
10	GMDC Ltd	-	-	-	-	6000	1,612,706
11	IDFC Ltd	-	-	-	-	5000	976,419
12	Kirloskar Ltd	-	-	-	-	24386	1,999,714
13	LG Brothers Ltd	-	-	-	-	10000	382,310
14	LGB Forge Ltd	-	-	-	-	10000	0
15	LIC Housing Ltd	-	-	-	-	1000	345,514
16	Mukundeng Ltd	-	-	-	-	10000	770,932
17	Mundraport Ltd	-	-	-	-	2000	2,224,778
18	NDTV Ltd	-	-	-	-	1000	490,613
19	NHPC Ltd	35000	10	10	1,276,343	-	-
20	NIIT Ltd	-	-	-	-	10000	1,414,266
21	NLC Ltd	5000	10	10	784,927	2000	298,600
22	Numeric Power Systems Ltd	-	-	-	-	85111	4,933,034
23	PFC Ltd	-	-	-	-	7189	1,491,515
24	Power Grid Ltd	-	-	-	-	20000	2,236,854
25	Punj Lloyd Ltd	381344	2	2	53,910,544	497962	69069789

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs..	No. of Shares	Cost as on 31.03.2009 Rs.
26	Radico Ltd	-	-	-	-	5000	908,643
27	RCOM Ltd	10000	5	5	2,728,924	1000	435,500
28	REC Ltd	-	-	-	-	93	9,765
29	RNRL Ltd	10000	5	5	807,258	-	-
30	SAPL Ltd	-	-	-	-	60784	681,371
31	Sagar Tourist Resort Ltd	214600	10	10	2,146,000	214600	2,146,000
32	Seasons Furnishings Ltd	185001	10	10	1,850,010	185001	1,850,010
33	Shaw Wallace Ltd	-	-	-	-	3000	877,148
34	SRF Ltd	-	-	-	-	1000	181,232
35	Sri Jayalakshmi Spn Mills Ltd	57400	10	10	574,000	67400	674,000
36	Suryachakra Power Corporation Ltd	12000	10	10	240,000	12000	240,000
37	UCO Bank Ltd	-	-	-	-	20000	1,419,767
38	Unitech Ltd	-	-	-	-	18700	6,488,749
39	Walchand Ltd	-	-	-	-	2500	2,279,611
40	Wanbury Ltd	46407	2	2	5,727,932	47300	5,838,155
	Total - (A)				72,198,814		118,399,393

(Market value as on 31.03.2010 - Rs.78677782/- Previous year - Rs.77417480/-)

b) UNQUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs.	No. of Shares	Cost as on 31.03.2009 Rs.
1	Alan Scot Industries Ltd	18600	10	10	272,993	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 fertilisers Ltd	2000	10	10	195,250	2000	195,250
8	Kamala Tea Ltd	-	-	-	-	100000	3,820,000
9	Karnav Leather Chemicals Ltd	70800	10	10	708,000	70800	708,000
10	KJ International Ltd	5300	10	10	132,500	5300	132,500
11	Krisons Electronic Systems Ltd	162416	10	10	1,624,160	162416	1,624,160
12	MSEFSL Ltd	20445	10	10	245,340	20445	245,340
13	Malanpur Leathers Ltd	225000	10	10	2,587,500	225000	2,587,500
14	Nonmag India Ltd	26600	10	10	262,430	26600	262,430
15	Nova Dhatu Udyog Ltd	469700	10	10	4,697,000	469700	4,697,000
16	Nova International Ltd	125600	10	10	1,256,000	125600	1,256,000
17	Pondicherry Spinners Ltd	34500	10	10	347,900	34500	347,900
18	Rakan Steels Ltd	150876	10	10	2,263,140	150876	2,263,140
19	Salstar Foods Ltd	51300	10	10	820,800	51300	820,800
20	Saurashtra Chemicals Ltd	5750	10	10	-	5750	-

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs..	No. of Shares	Cost as on 31.03.2009 Rs.
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	Tebma Shipyard Ltd	41699	10	10	1,759,747	41699	1,759,747
24	Veekay Fibres Ltd	196400	10	10	4,320,800	196400	4,320,800
25	Vikram Projects Ltd	402158	10	10	14,075,530	402158	14,075,530
26	Xylon Liquitur Ltd	146700	10	10	4,401,000	146700	4,401,000
	Total - (B)				69,674,840		73,494,840

c) UNLISTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs.	No. of Shares	Cost as on 31.03.2009 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	2200	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	10	10	29,600,000	800000	29,600,000
8	Karnataka Malladi Biotics Ltd	-	-	-	-	875000	40,250,000
9	Madras Stock Exchange Ltd	1500	10	10	15,000	1500	15,000
10	Prasanth Textiles Ltd	833333	10	10	32,000,000	833333	32,000,000
11	Total - (C)				142,508,178		182,758,178

(ii) Cumulative Preference Shares

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs.	No. of Shares	Cost as on 31.03.2009 Rs.
1	Kay Tee Switchgear Pvt Ltd	25571	100	100	1,704,733	25571	2,557,100
	Total - (D)				1,704,733		2,557,100
	Total shares (A)+(B)+(C)+(D)				286,086,565		377,209,511

(ii) INVESTMENT IN DEBENTURES OF LIMITED COMPANIES

UNQUOTED - NON TRADE

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Paid up Value Rs.	Cost as on 31.03.2010 Rs.	No. of Shares	Cost as on 31.03.2009 Rs.
1	VSK Ferro Alloys Ltd	200000	100	100	19,999,142	200000	19,999,142
2	14% Khaitan Hostambe Spinning Mills Ltd	125000	100	100	11,141,400	125000	11,141,400
	Total - (E)				31,140,542		31,140,542
GRAND TOTAL OF INVESTMENTS (A) + (B) +(C) + (D)+(E)					317,227,107		408,350,053

SCHEDULE 'E'	As at 31-Mar-2010 Rs.	As at 31-Mar-2009 Rs.
Deferred Tax		
Deferred Tax Assets	110,232,525	163,752,532
Less: Deferred Tax Liability	<u>39,556,486</u>	<u>53,523,826</u>
Deferred Tax Assets (Net)	<u><u>70,676,039</u></u>	<u><u>110,228,706</u></u>
SCHEDULE 'F'		
Current Assets, Loans & Advances:		
A) Current Assets		
Interest Accrued	1,811,730	3,544,302
Sundry Debtors		
Debt outstanding for a period exceeding six months - Considered Good(Secured)	24,573,176	24,573,176
- Considered Good(Unsecured)	660,766	3,000,110
- Considered Doubtful(Unsecured)	<u>36,443,780</u>	<u>33,206,268</u>
	61,677,722	60,779,554
Others - Considered Good	<u>78,173,142</u>	<u>16,779,600</u>
	139,850,864	77,559,154
Less: Provision for Bad & Non Performing Assets	<u>36,443,780</u>	<u>33,206,268</u>
	103,407,084	44,352,886
Gross Stock on Hire	259,791,135	368,264,255
Less: Unmatured Finance Charges	82,102,449	107,130,929
Stock on Hire	<u>177,688,686</u>	<u>261,133,326</u>
- Considered Good	-	3,922,806
- Considered Doubtful	177,688,686	257,210,520
Less: Provision for Bad & Non Performing Assets	<u>177,688,686</u>	<u>257,210,520</u>
	-	3,922,806
Cash and Bank Balances:		
Cash on Hand	189,738	83,231
Cheques on Hand	-	1,187
Stamps on hand	<u>49,060</u>	<u>-</u>
	238,798	84,418
Balances with Scheduled Banks		
In Term Deposits	35,883,526	63,882,381
In Current Accounts	48,926,499	41,584,583
Unclaimed interest warrant account	-	66,518
Unclaimed Dividend(as per contra)	1,524,174	2,438,627
Escrow account- for repayment of Deposits	<u>-</u>	<u>58,830</u>
	<u>86,334,199</u>	<u>108,030,939</u>
Other Current Assets	86,572,997	108,115,357
(Unsecured & considered good unless otherwise stated)		
Interest accrued on Staff Loans - Secured	393,968	461,587
- Unsecured	84,735	73,540
	<u>478,703</u>	<u>535,127</u>
Total Current Assets (I)	<u><u>192,270,514</u></u>	<u><u>160,470,478</u></u>

	As at 31-Mar-2010		As at 31-Mar-2009	
	Rs.		Rs.	
SCHEDULE 'F' (Continued)				
<u>B) Loans & Advances</u>				
(Unsecured & considered good unless otherwise stated)				
Loans - Secured		864,432		234,945
Intercompany Deposits - Unsecured- Considered Doubtful	10,441,421		63,393,558	
Less: Provision for Bad & Non Performing Assets	10,441,421	-	63,393,558	-
Prepaid Expenses		271,690		333,334
Advance Tax & TDS (Net of Provisions)		74,561,472		73,532,229
Lease Rentals Receivable - Considered Good	2,400,000		733,380	
- Considered Doubtful	15,360,757		22,365,779	
Less: Provision for Bad & Non Performing Assets	15,360,757	2,400,000	22,365,779	733,380
Advances Recoverable in Cash or in Kind or for value to be received - Considered good	21,702,260		38,348,942	
- Considered Doubtful	6,951,998		6,951,998	
	28,654,258		45,300,940	
Less: Provision for Bad & Non Performing Assets	6,951,998	21,702,260	6,951,998	38,348,942
Security & Other Deposits		70,541,694		49,984,629
Total Loans & Advances (II)		170,341,548		163,167,459
Total Current Assets & Loans & Advances (I)+(II)		362,612,062		323,637,937
SCHEDULE 'G'				
<u>Current Liabilities & Provisions</u>				
<u>Current Liabilities</u>				
Sundry Creditors for Expenses	1,359,754		2,533,515	
Unpaid Dividend(unclaimed as per contra)	1,524,174		2,438,627	
Other Liabilities	121,470,069		61,851,757	
		124,353,997		66,823,899
<u>Provisions</u>				
Provision for Leave Encashment	4,907,804		2,830,766	
Provision for Gratuity	701,083		127,246	
Dividend Payable	-		33,283,650	
Tax on Dividend	-		5,656,557	
		5,608,887		41,898,219
SCHEDULE 'H'				
<u>Income</u>				
<u>Fund Based Income</u>				
<u>Lease Income</u>				
Gross income from Lease	27,342,000		38,661,670	
Less: Lease Equalisation	(2,105,761)	29,447,761	35,615,976	3,045,694
Hire Purchase Income		1,039,694		402,613
<u>Investment Income</u>				
Profit on Sale of Investments (Net)	62,136,590		41,660,068	
Dividend	1,238,166	63,374,756	2,798,904	44,458,972
		93,862,211		47,907,279

	As at		As at
	31-Mar-2010		31-Mar-2009
	Rs.		Rs.
Fee Based Income			
Merchant Banking Income		34,132,883	10,459,814
Stock Broking Membership Operations		58,462,436	34,061,861
		<u>92,595,319</u>	<u>44,521,675</u>
Miscellaneous Income			
Interest on FDs	4,739,686		4,151,489
Profit on sale of assets (Net)	0		138,407
Others	214,132	4,953,818	1,372,620
Total Income		<u>191,411,348</u>	<u>98,091,470</u>
SCHEDULE 'I'			
Reversal of Provisions/(provisions made) (Net)			
Reversal of Provision made for NPAs in earlier years no longer required	20,057,971		24,902,576
Less : Provision for Bad Debts & Non-Performing Assets	<u>3,736,833</u>	<u>16,321,138</u>	<u>(6,545,845)</u>
			18,356,731
Reversal of Income De-recognised on NPAs in earlier years		-	2,948,422
Reversal of Provision made for Diminution in value of Investments in earlier years no longer required	29,744,313		2,189,202
Less: Provision for Diminution in value of Investments	<u>1,733,462</u>	<u>28,010,851</u>	<u>(65,152,872)</u>
		<u>44,331,989</u>	<u>(41,658,517)</u>
SCHEDULE 'J'			
Administration & Other Expenses			Rs.
		2009-10	2008-09
Salaries, Wages & Bonus		31,997,875	22,046,722
Contribution to PF & Other Funds		3,351,705	2,168,557
Staff Welfare Expenses		1,822,546	1,277,075
		<u>37,172,126</u>	<u>25,492,354</u>
Rent		7,528,324	5,271,409
Insurance		394,164	478,937
Postage & Telephone		7,428,971	6,510,398
Printing & Stationery		2,204,690	2,307,386
Business Development		930,786	643,788
Depository Participant Charges		906,326	758,297
Travelling & Conveyance		1,867,832	1,691,659
Repairs & Maintenance - Equipment		2,692,334	1,431,424
Repairs & Maintenance - Vehicles		340,734	346,495
Repairs & Maintenance - Others		2,233,842	2,416,062
Electricity Charges		2,883,885	2,442,139
Subscription & Membership		867,294	1,414,464
Directors' Sitting Fees		72,000	40,000
Advertisement		936,754	826,904
Legal Expenses		257,056	579,299
Loss on sale of assets (Net)		57,688	-
Professional Charges		1,542,966	786,533
Rates & Taxes		413,070	540,847
Miscellaneous Expenses		6,026,320	4,277,436
		<u>76,757,162</u>	<u>58,255,831</u>

SCHEDULE 'K'
Notes on Accounts
■ 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 Foreign Exchange Transactions

Income and expenditure & assets and liabilities in foreign exchange are accounted at the rates prevailing as on the date of transaction. Any gain or loss on account of exchange differences either on settlement or on translation is recognised in the Profit and Loss Account

C 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.

D 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

In respect of leased assets, 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.

E 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.

F 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 lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The company's annual contribution to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined at balance sheet date using the Project Unit Credit (PUC) method. Actuarial gains and losses are recognized in revenue.
- 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 make 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 of 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.

G Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset when it will result in future economic benefits to the Company. Other borrowing costs are recognised as an expense in the period in which they are incurred.

H Segment Reporting

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

I Discontinuing Operations

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

J 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	2009-10	2008-09
Employer's contribution to Provident Fund	2650622	1747036
Employees Deposit Linked Insurance Scheme contribution to LIC	40486	21096

Defined Benefit Plan
I Reconciliation of opening and closing balances of Defined benefit obligation

Details	(Rs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Defined benefit obligation at the beginning of the year	3223276	2681495	2725427	1779963
Current service cost	494991	382157	1841974	333410
Interest cost	257862	190421	190780	106798
Actuarial (gain)/ loss	515828	257007	253467	505256
Benefits paid	-	290504	-	-
Settlement cost	-	-	-	-
Defined benefit obligation at the year end	4491957	3223276	5011647	2725427

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

Details	(Rs)	
	Gratuity (Funded)	
	2009-10	2008-09
Fair value of plan assets at the beginning of the year	3096030	2876254
Expected return on plan assets	316658	214550
Actuarial (gain)/ loss	-	36390
Benefits paid	-	290504
Settlement cost	-	-
Fair value of plan assets at year end	3790874	3096030
Actual return on plan assets	316658	250940

III Reconciliation of fair value of assets and obligations

	(Rs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Fair value of plan assets	4491957	3096030	5011647	2725427
Present value of obligation	3790874	3223276	2725427	1779963
Amount recognized in Balance Sheet	701083	127246	2286220	945464

IV Expense recognized during the year

	(Rs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Current Service Cost	494991	382157	1841974	333410
Interest Cost	257862	190421	190780	106798
Expected return on plan assets	316658	214550	-	-
Actuarial (gain)/ loss	515828	220617	253467	505256
Net Cost	952023	578645	2286220	945464

V Actuarial assumptions	(Rs)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8%	8%	7%	6%
Expected rate of return (per annum)	8%	8%	—	—
Rate of escalation of salary (per annum)	6%	6%	5%	5%
Attrition Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%

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

3. AS-17-Segment Reporting

Rs. Lakhs

	2009-10				2008-09			
	Fee based	Fund based	Un-Allocated	Total	Fee based	Fund based	Un-Allocated	Total
Segment revenue	925.95	988.16	0.00	1914.11	445.22	535.70	111.63	1092.55
Segment results	452.08	1028.17	(1250.00)	230.25	81.99	(226.85)	111.63	(33.23)
Profit after tax	452.08	1028.17	(1645.53)	(165.28)	81.99	(226.85)	(577.75)	(722.21)
Other information								
Segment Assets	3525.64	1369.47	1452.38	6347.49	3130.89	1331.86	1837.61	6300.36
Segment liabilities	1299.63	0.00	0.00	1299.63	697.82	0.00	0.00	697.82
Capital Expenditure	64.47	0.00	0.00	64.47	152.10	0.00	0.00	152.10
Depreciation	70.19	39.43	0.00	109.62	64.44	62.19	0.00	126.63
Non cash expenditure	32.37	(475.70)	0.00	(443.33)	34.38	382.21	0.00	416.59

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. P N Patel, President & Wholetime Director

The transactions with Holding company and fellow subsidiaries has not been disclosed in view of Para 9 of AS-18 "Related Party Disclosure", which exempts 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 14 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 31.03.2010	Rs.Lakhs As on 31.03.2009
Lease payments for the year	75.28	52.71
Minimum Lease payments:		
Not later than one year	75.99	67.14
Later than one year but not later than five years	254.15	205.48
Later than five years	52.37	17.39

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	2009-10	2008-09
1	Profit/(Loss) for the year After Tax (Rs in lakhs)	(165.28)	(722.60)
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)	(0.37)	(1.63)

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.395.53 lakhs (Previous year Rs.633.74 lakhs) which has been charged to profit & loss account. The cumulative deferred tax asset (net) upto 31.03.2010 is Rs.706.76 lakhs (Previous year Rs.1102.29 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 31.3.2010		As on 31.3.2009	
	Asset	Liability	Asset	Liability
i) Timing difference in depreciable assets		395.57		535.24
ii) Provision for Bad debts and NPAs	1084.12		1620.99	
iii) Others	18.21		16.54	
Total	706.76		1102.29	

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.

Particulars	Rs.Lakhs							
	2009-10				2008-09			
	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	925.95	988.16	0.00	1914.11	445.22	535.70	111.63	1092.55
Reversal of Provisions	(32.37)	475.69	0.00	443.32	0.00	0.00	0.00	0.00
Total	893.58	1463.85	0.00	2357.43	445.22	535.70	111.63	1092.55
Expenses								
Administration & Other exp	371.31	396.25	0.00	767.57	264.41	318.15	0.00	582.56
Depreciation	70.19	39.43	0.00	109.62	64.44	62.19	0.00	126.63
Provisions	0.00	0.00	0.00	0.00	34.38	382.21	0.00	416.59
Total – Expenses	441.50	435.68	0.00	877.19	363.23	762.55	0.00	1125.78
Interest	0.00	0.00	1250.00	1250.00	0.00	0.00	0.00	0.00
Profit/(Loss) before Tax	452.08	1028.17	(1250.00)	230.25	81.99	(226.85)	111.63	(33.23)
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	395.53	395.53	0.00	0.00	633.74	633.74
Provision for tax – FBT	0.00	0.00	0.00	0.00	0.00	0.00	3.69	3.69
Provision for tax pertaining to earlier years written off	0.00	0.00	0.00	0.00	0.00	0.00	51.95	51.95
Profit/(Loss) after Tax	452.08	1028.17	(1,645.53)	(165.28)	81.99	(226.85)	(577.75)	(722.61)
Total Assets	3525.64	1369.47	1452.38	6347.49	3130.89	1331.86	1837.61	6300.36
Total liabilities	1299.63	0.00	0.00	1299.63	697.82	0.00	0.00	697.82
Net Cash flow from operating activities	516.47	(36.72)	(1166.47)	(686.72)	246.13	109.80	(220.14)	135.79
Net Cash flow from Investment activities	217.67	923.61	0.00	1141.28	(694.65)	1335.27	0.00	640.62
Net Cash flow from financing activities	0.00	0.00	(389.40)	(389.40)	0.00	0.00	(778.80)	(778.80)

9. AS-29 - Contingent Liability

A. Disputed demand on taxes

i) Income Tax

Asst Year	2009-10			2008-09		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1996-97	4.79	0.00	4.79	4.79	0.00	4.79
1997-98	55.36	0.37	55.73	55.36	0.37	55.73
1998-99	194.78	259.12	453.90	208.83	259.11	467.94
2000-01	242.95	345.16	588.11	0.00	0.00	0.00
2001-02	311.30	139.07	450.37	0.00	0.00	0.00
2003-04	11.33	10.48	21.81	0.00	0.00	0.00
2004-05	232.58	160.90	393.48	243.64	72.91	316.55
2005-06	181.56	58.60	240.16	181.56	58.60	240.16
2006-07	237.51	78.38	315.89	237.50	78.38	315.88
2007-08	778.39	254.95	1033.34	0.00	0.00	0.00
Total	2250.55	1307.03	3557.58	931.68	469.37	1401.05

ii) Interest Tax

Asst Year	2009-10			2008-09		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1996-97	17.21	18.45	35.66	17.09	18.44	35.53
1997-98	5.01	11.24	16.25	14.51	11.24	25.75
2000-01	3.36	2.45	5.81	0.00	0.00	0.00
Total	25.58	32.14	57.72	31.60	29.68	61.28

- 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 – Nil (Previous Year Rs.4.92 lakhs).

10. **Secured Loans from Banks** - 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 year the company has 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. Out of this, the company has paid Rs.1250 lakhs during the year which has been considered in the accounts.

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	103.72	For Guarantee facility availed	53.72
National Stock Exchange	25.00	Margin	25.00
Bombay Stock Exchange	10.00	Margin	10.00
Sales Tax	0.10	Security Deposit	0.10

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

	2009-10	2008-09
Amount due from Director	0.08	0.34
Maximum amount due during the year	0.16	0.43
Amount due from Officer	3.39	3.82
Maximum Amount due during the year	3.84	4.45

13. As at March 31, 2010, 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		2009-10	2008-09
Mr. P N Patel	President & Wholetime Director	Salary	5.83	2.29
		Contribution to PF	0.36	0.15
		Sitting Fees paid to Non – Wholetime Directors	0.72	0.40

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. Miscellaneous Expenses includes remuneration to Auditors as under:

Rs. In Lakhs

		2009-10	2008-09
i)	Audit Fees	2.00	2.00
ii)	Tax Audit	0.50	0.50
iii)	Fees for certification	1.09	1.22

16. 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.

17. 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.

ANUP SANKAR BHATTACHARYA
CHAIRMAN

T M NAGARAJAN
DIRECTOR

P V RAJARAMAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

SRI RAMANAN
DIRECTOR

P N PATEL
PRESIDENT &
WHOLETEIME DIRECTOR

P MUGUNDAN
EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY
Place: Chennai
Date : 16.04.2010

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.

1	8	-	1	7	8	8	3
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 State Code

1	8
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Balance Sheet Date

3	1	0	3	2	0	1	0
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Date Month Year
31 03 2010

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)

<p>Sources of Funds</p> <p>Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>5</td><td>0</td><td>4</td><td>7</td><td>8</td><td>5</td></tr></table></p> <p>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></p> <p>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></p> <p>Application of Funds</p> <p>Net Fixed Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>6</td><td>8</td><td>2</td><td>8</td><td>9</td></tr></table></p> <p>Net Current Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>2</td><td>3</td><td>2</td><td>6</td><td>4</td><td>9</td></tr></table></p> <p>Accumulated losses <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></p>	0	5	0	4	7	8	5	0	4	4	3	7	8	2			N	I	L					6	8	2	8	9		2	3	2	6	4	9			N	I	L			<p>Total Assets</p> <p><table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>5</td><td>0</td><td>4</td><td>7</td><td>8</td><td>5</td></tr></table></p> <p>Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>6</td><td>1</td><td>0</td><td>0</td><td>3</td></tr></table></p> <p>Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>1</td><td>3</td><td>3</td><td>1</td><td>7</td><td>1</td></tr></table></p> <p>Deferred tax assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>7</td><td>0</td><td>6</td><td>7</td><td>6</td></tr></table></p>	0	5	0	4	7	8	5	0	0	6	1	0	0	3		1	3	3	1	7	1			7	0	6	7	6
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IV Performance of Company (Amount in Rs. Thousands)

<p>Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>2</td><td>3</td><td>5</td><td>7</td><td>4</td><td>3</td></tr></table></p> <p>(Please tick Appropriate box + for Profit, - for Loss)</p> <p>Profit / Loss before Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>3</td><td>0</td><td>2</td><td>5</td></tr></table></p> <p>Earnings Per Share in Rs. <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>0</td><td>.</td><td>3</td><td>7</td></tr></table></p>		2	3	5	7	4	3			2	3	0	2	5			0	.	3	7	<p>Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>2</td><td>1</td><td>2</td><td>7</td><td>1</td><td>9</td></tr></table></p> <p>Profit / Loss after Tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>6</td><td>5</td><td>2</td><td>8</td></tr></table></p> <p>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></p>		2	1	2	7	1	9			1	6	5	2	8			-				
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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
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Product Description

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

S	T	O	C	K	B	R	O	K	I	N	G			
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Product Description

D	E	P	O	S	I	T	O	R	Y	S	E	R	V	I	C	E	S
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<u>CASH FLOW STATEMENT FOR THE YEAR 2009-10</u>		Rs. in Lakhs	
		2009-10	
		2008-09	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit after tax	(165.28)	(722.60)	
Adjustments for:			
Add : Depreciation/Lease Adjustments	88.56	482.79	
Provision for taxation - Fringe Benefit Tax	0.00	3.69	
- Deferred	395.53	633.74	
Provisions as per Profit & Loss account	(416.81)	430.85	
Loss on sale of assets (net)	0.58	1.38	
Interest expense	1250.00	0.00	
	<u>1152.57</u>	<u>829.85</u>	
Less:			
Profit on sale of investments(net)	621.37	416.60	
Dividend income	12.38	27.99	
	<u>633.75</u>	<u>444.59</u>	
Operating Profit before working capital changes	518.82	385.26	
Less : Decrease in Current liabilities	(575.30)	169.47	
	<u>1094.12</u>	<u>215.79</u>	
Add:			
Decrease in other current assets	(530.84)	(80.00)	
Cash generated from operations	563.28	135.79	
Less : Interest expense	1250.00	0.00	
Less : Taxes	0.00	0.00	
Cash Flow before Extraordinary Items	(686.72)	135.79	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(64.47)	(152.12)	
Decrease in Term Deposits with banks	280.58	(542.53)	
Sale of Fixed Assets	1.56	0.00	
Sale of investments	911.23	1307.28	
Dividend received	12.38	27.99	
Net cash from Investing Activities	1141.28	640.62	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid(including taxes thereon)	(389.40)	(778.80)	
Net Cash used in Financing Activities	(389.40)	(778.80)	
Net increase in cash & cash equivalents	65.15	(2.39)	
Cash & Cash equivalents as at 01.04.09 (opg.bal.)	441.74	444.13	
Cash & Cash equivalents as at 31.12.09 (clg. bal.)	506.89	441.74	
ANUP SANKAR BHATTACHARYA	T M NAGARAJAN	P V RAJARAMAN	P M VENKATASUBRAMANIAN
CHAIRMAN	DIRECTOR	DIRECTOR	DIRECTOR
SRI RAMANAN	P N PATEL		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 : 16.04.2010			



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 First Annual General Meeting of the Company to be held on Wednesday, 28th July, 2010 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 _____-2010

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 First Annual General Meeting of the Company being held at Indian Bank
 Management Academy for Growth & Excellence, MRC Nagar, Raja Annamalaipuram, Chennai-600028 on
 Wednesday, the 28th July, 2010 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