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

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

Ref: Sec/2017-18/59

May 24, 2017

The Secretary National Stock Exchange of India Limited Listing Department Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051	The Secretary BSE Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001

Dear Sir,

Sub: Audited Financial Results for the year ended 31.03.2017

Ref: Our letter Sec/2017-18/57 dated 16.05.2017

We refer our letter dated 16.05.2017 and give below the outcome of the Board Meeting held on 24.05.2017 for your information and records:

1. Audited financial results for the year ended 31.03.2017 along with the segment wise results for the quarter ended 31.03.2017 and Auditors' Report on the Audited financial results for the year ended 31.03.2017 were duly approved and taken on record at the Board meeting held on 24.05.2017.

2. A declaration on the unmodified opinion given by the Statutory Auditors in their Audit Report Dated 24.05.2017.

3. Appointment of Ms. S S Deepthi (Membership No.A43814) as Company Secretary & Compliance Officer by the Board of Directors with effect from 24.05.2017

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

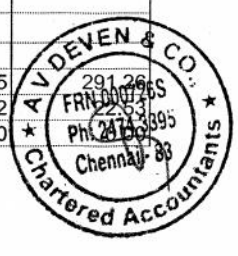
K S Sujay 24/5/17
Vice President /CFO and Compliance Officer

INDBANK MERCHANT BANKING SERVICES LIMITED
(A Subsidiary of Indian Bank)
Regd. Office : First Floor, Khivraj Complex 1, No. 480, Anna Salai, Nandanam, Chennai 600035
Phone No. 24313094-97
CIN No: L65191TN1989PLC017883 Email: investors@indbankonline.com Website: www.indbankonline.com

PART I **Statement of Audited Financial Results for the year ended 31.03.2017**

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date for the current year ended	Previous Accounting Year ended
		31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
		Audited	Un-Audited	Audited	Audited	Audited
		Rs. Lakhs				
1	Income from Operations	234.91	193.90	160.71	920.21	718.96
2	Expenditure					
	a) Employee Benefits Expense	113.08	84.10	127.44	376.68	368.38
	b) Depreciation and amortization expense	12.91	14.16	12.94	52.81	60.00
	c) Postage & Telephones	1.68	1.38	1.28	11.86	12.38
	d) Provision for Non Performing Assets/Write off	(3.53)	(1.76)	(3.45)	(2.01)	5.95
	e) Other expenditure	41.33	34.63	43.64	182.43	186.81
	g) Total Expenses	165.48	132.51	181.85	621.78	633.52
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	69.43	61.39	(21.14)	298.43	85.44
4	Other Income	60.32	55.93	55.68	250.17	220.46
5	Profit/(Loss) from ordinary actiivities before finance costs and exceptional items (3+4)	129.76	117.32	34.54	548.61	305.89
6	Finance costs	2.23	1.94	5.47	5.70	11.39
	Interest paid under right to recompense	37.50	37.50	0.00	75.00	0.00
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	90.02	77.88	29.07	467.90	294.51
8	Exceptional items	0.00	(4.04)	0.00	(5.86)	(3.25)
9	Profit/(loss) from discontinuing operations					
	Net Income from discontinuing operations	(138.75)	2.88	(18.26)	(54.06)	22.53
	Exceptional items under discontinuing operations	151.98	0.00	0.00	151.98	0.00
	Profit/(loss) from discontinuing operations	13.23	2.88	(18.26)	97.92	22.53
10	Profit/(Loss) from Ordinary Activities before tax (7+8+9)	103.25	76.72	10.81	559.96	313.80
11	Tax Expense					
	(a) Current Tax	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax	(0.79)	0.50	11.37	0.00	11.37
	(c) Prior years	0.00	18.39	26.91	29.01	26.91
	(d) Total	(0.79)	18.89	38.28	29.01	38.28
12	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
13	Net Profit/(Loss) from Ordinary Activities/discontinuing operations after tax (10-11-12)	104.04	57.83	(27.47)	530.95	275.52
14	Extraordinary items (net of tax expense Rs.Nil)	0.00	0.00	0.00	0.00	0.00
15	Net Profit/(Loss) for the period after tax (13+14)	104.04	57.83	(27.47)	530.95	275.52
16	Paid up equity share capital	4437.82	4437.82	4437.82	4437.82	4437.82
	(Face value per share - Rs. 10/-)					
17	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)				997.76	466.81
18	Earnings Per Share (EPS) (Rs)					
	(a) Basic & diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualised)	0.23	0.13	(0.06)	1.20	0.62
	(b) Basic & diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	0.23	0.13	(0.06)	1.20	0.62
	Quarterly reporting of segment wise revenue, results and capital employed					
1	Segment Revenue					
	(a) Continuing Operations-Fee Based	295.23	249.83	216.39	1170.38	939.42
	(b) Discontinuing Operations-Fund Based	(136.35)	7.54	(3.94)	(51.78)	27.19
	(c) Un-allocated	0.00	0.00	0.00	0.00	0.00
	Total	158.88	257.37	212.45	1118.60	966.61
	Less : Inter segment revenue	0.00	0.00	0.00	0.00	0.00
	Income from operations	158.88	257.37	212.45	1118.60	966.61
2	Segment Results - Profit/(Loss) before tax and interest from each segment					
	(a) Continuing Operations-Fee Based	90.03	73.84	29.07	462.05	291.26
	(b) Discontinuing Operations-Fund Based	13.23	2.88	(18.26)	97.92	22.53
	(c) Un-allocated	0.00	0.00	0.00	0.00	0.00





Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date for the current year ended	Previous Accounting Year ended
		31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
		Audited	Un-Audited	Audited	Audited	Audited
		Rs. Lakhs				
	Total	103.25	76.72	10.81	559.96	313.80
	Less :i) Interest (Other than pertaining to segments)	0.00	0.00	0.00	0.00	0.00
	ii) Other unallocable expenditure net off	0.00	0.00	0.00	0.00	0.00
	iii) Unallocable income					
	Total profit/(Loss) before tax	103.25	76.72	10.81	559.96	313.80
3	Capital employed (Segment assets-liabilities)					
	Segment Assets					
	(a) Continuing Operations-Fee Based	4613.48	4225.81	3855.17	4613.48	3855.17
	(b) Discontinuing Operations-Fund Based	234.07	295.67	328.08	234.07	328.08
	(c) Un-allocated	1614.60	1594.12	1587.69	1614.60	1587.69
	Total	6462.15	6115.60	5770.94	6462.15	5770.94
	Segment Liabilities					
	(a) Continuing Operations-Fee Based	1026.57	784.05	866.31	1026.57	866.31
	(b) Discontinuing Operations-Fund Based	0.00	0.00	0.00	0.00	0.00
	(c) Un-allocated	0.00	0.00	0.00	0.00	0.00
	Total	1026.57	784.05	866.31	1026.57	866.31
	Segment Assets - Liabilities					
	(a) Continuing Operations-Fee Based	3586.91	3441.76	2988.86	3586.91	2988.86
	(b) Discontinuing Operations-Fund Based	234.07	295.67	328.08	234.07	328.08
	(c) Un-allocated	1614.60	1594.12	1587.69	1614.60	1587.69
	Total	5435.58	5331.55	4904.63	5435.58	4904.63

Notes

Statement of Assets & Liabilties as on 31.03.2017

Sl.No.	Particulars	As on 31.03.2017	As on 31.03.2016
		Rs.Lakhs	
A	Equity and Liabilities		
1	Shareholders' Funds		
	(a) Share Capital	4437.82	4437.82
	(b) Reserves & Surplus	997.76	466.81
	Sub-total - Shareholders funds	5435.58	4904.63
2	Share Application Money pending allotment	0.00	0.00
3	Minority Interest	NA	NA
4	Non Current Liabilities	0.00	0.00
5	Current Liabilties		
	(a) Current Liabities	966.95	810.09
	(b) Provisions	59.62	56.22
	Sub-total - Current Liabilities	1026.57	866.31
	Total - Equity and Liabilities	6462.15	5770.94
B	Assets		
1	Non Current Assets		
	(a) Fixed Assets	407.49	452.81
	(b) Non Current Investments	210.07	304.08
	(c) Deferred Tax Assets	421.70	421.70
	(d) Other Non Current Assets	0.00	0.00
	Sub total - Non Current Assets	1039.27	1178.58
2	Current Assets		
	(a) Trade receivables	922.14	743.30
	(b) Cash and Cash equivalents	2744.70	2154.56
	(c) Short term loan and advances	1558.03	1586.24
	(d) Interest accrued	172.92	82.86
	(e) Other current assets	1.09	1.40
	Sub total - Current Assets	5398.88	4568.36
3	Assets under Discontinuing Operations	24.00	24.00
	Total - Assets	6462.15	5770.94

INDBANK MERCHANT BANKING SERVICES LTD. CHENNAI

A V DEVEN & CO. FRN 000726S Ph: 2474 3395 Chennai - 83 Chartered Accountants

1. The Market value of quoted investments (Cost-Rs.5.44 crore) of the Company as on 31.03.2017 was Rs.0.91 Crore and the provisions held for the same was Rs.4.53 crore.

2. Exceptional item upto the year ended 31.03.2017 relates to expenses of previous years paid towards service tax and ineligible credit accounted now amounting to Rs.1.82 lakhs and revised NSDL transaction charges paid for previous years amounting to Rs.4.04 lakhs.

3. Exceptional item under discontinuing operations upto the year ended 31.03.2017 include net of investments amounting to Rs.428.53 lakhs which has been written off from the books and income from reversal of provisions no longer required on Investments amounting to Rs.580.51 lakhs consequent to sale and write off investments in the year 2016-17.

4. Tax expense under prior year relates to tax paid of Rs.29.01 lakhs for AY 2014-15 & AY 2016-17 consequent to revised computation of Book Profit and revised Statement of total income filed with Income Tax department.

5. The previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

6. The figures for the quarter ended 31.03.2017 are the balancing figures between audited figures for the year ended 31.03.2017 and the published figures upto the period ended 31.12.2016 of the current financial year.

7. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors at their meeting held on 24.05.2017.

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

Place: Chennai
Date: 24.05.2017

A K BAJPAI
PRESIDENT & WHOLE TIME DIRECTOR

INDBANK MERCHANT BANKING SERVICES LTD. CHENNAI

A V DEVEN & CO. FRN 000726S Ph: 2474 3395 Chennai - 83 Chartered Accountants

A V Deven & Co
CHARTERED ACCOUNTANTS

" NU-TECH JANAKI", Flat-E, Third Floor,
No. 9, (Old No.1), 27th Street,
Ashok Nagar, Chennai - 600 083.

Phone : 044-24743394 / 24743395
Fax : 044-24743392
E-mail : avd3@vsnl.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

1) We have audited the accompanying financial statements of **M/s. INDBANK MERCHANT BANKING SERVICES LIMITED**, which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3) Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

A V DEVEN & CO.. FRN 000726S Ph: 2474 3395 Chennai - 83 Chartered Accountants

Branch Offices at :
No. 4, Balaiah Avenue, Luz, Mylapore, Chennai - 600 004. Phone : 24992675
B-10, Pleasant Apartments, 50, Taylor's Road, Kilpauk, Chennai - 600 010. Phone : 26441721 / 22, Fax : 26441723
First Floor, Old No 14, New No 36, Ramachandran Street, (Parallel To Railway Track), T. Nagar, Chennai - 600 017 Phone : 28140109

4) We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

6) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
b) In the case of the Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

a) We draw attention to Note No.19, under Income from discontinuing operations up to the year ended 31.03.2017, investments in shares of various companies (Unquoted/Unlisted/ Non-Trade/ Shares/Bought Out Deals), Rs.428.53 lakhs which has been written off from the books and income from reversal of provisions no longer required on Investments amounting to Rs.580.51 lakhs consequent to sale and write-off of investments in the year 2016-17

Our Opinion is not qualified in respect of above.

Report on other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the *Annex-1* a statement on the matters specified in paragraphs 3 and 4 of the Order.

(2) As required by section 143(5), we have included in *Annex*-2, a statement on the matters specified in the Directions issued by The Comptroller and Auditor General Of India, and in our opinion, no action is required to be taken thereon and there is no impact on the accounts and Financial Statements of the Company.

(3) As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate Report in *Annexe-3*. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :-

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the notes of financial statements.

(ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

(iii) There are no amount which are required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 30 to the financial statements.

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

A V DEVEN & CO. FRN 000726S Ph: 2476 3395 Chennai - 83 Chartered Accountants

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

Place: Chennai – 83

Date : 24.05.2017

A V Deven & Co,
Chartered Accountants,

"Nu Tech Janaki" Flat-E, III Floor,
No.9, (Old No.1), 27th Street,
Ashok Nagar, Chennai – 600 083.
Ph:044-24743394 & 95, Fax: 044-24743392

ANNEXURE- 1 REFERRED TO IN OUR REPORT OF EVEN DATE

With reference to the Annex-1 referred to in paragraph 1 of the Auditors' Report of even date to the Members of the **M/s. Indbank Merchant Banking Services Ltd** on the accounts for the year ended **31st March 2017,** we report that:

Sl.No.	Particulars	Auditor's Remark
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company is maintaining proper records of books for fixed asset.
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	It has been reported to us that the fixed assets have been physically verified by the management on a yearly basis. No materials discrepancies were noticed on verification.
	(c)Whether title deeds of immovable property are held in name of the company. If not, provide the details thereof.	Title deeds of immovable property of the company are held in name of the company.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have properly dealt with in the books of accounts ;	Not Applicable.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. If so,	No, the company has not given loans to any other company, firms or other parties covered in the register.
	(a)Whether the terms and conditions of grant of such loans are not prejudicial to the	Not Applicable.

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Sl.No.	Particulars	Auditor's Remark
	company's interest;	
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Not Applicable.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Not Applicable.
(iv)	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	The company has not granted loans and guarantee to any director or any other person .
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No, the company has not accepted any deposits from the public.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	As informed to us, the Central Government has not prescribed maintenance of cost records by the Region under section 128 of the Companies Act, 2013 in respect of the business of the Region.
(vii)	(a) Whether the company is regular in depositing undisputed statutory dues	According to the records of the company, undisputed statutory

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<table>
<tr><th>Sl.No.</th><th>Particulars</th><th colspan="2">Auditor's Remark</th></tr>
<tr><td></td><td>including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</td><td colspan="2">dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Services Tax and Cess to the extent applicable have been regularly deposited, ESI ,Excise Duty, Customs and Cess are not applicable to this company. According to the information and explanation given to us were no outstanding statutory dues as on March 2017 for a period of more than six months from the date they become payable.</td></tr>
<tr><td></td><td>(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).</td><td>Assessment Year

1992-93
1998-99
2007-08
2008-09
2009-10</td><td>Demand (in lakhs)

115.02
32.13
617.47
1129.05
72.23</td></tr>
<tr><td>(viii)</td><td>Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</td><td colspan="2">Based on our audit procedures and on the explanation and information given by the management the company has not availed any loans from any financial institution or bank or debentures.</td></tr>
<tr><td>(ix)</td><td>Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</td><td colspan="2">The company has not made any public offer or obtained term loan during the year under review.</td></tr>
</table>

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Sl.No.	Particulars	Auditor's Remark
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	The managerial remuneration paid are in accordance with the requisite with the provisions of section 197 read with Schedule V to the Companies Act.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Not Applicable
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	We have not come across any instances of transactions with related parties.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and	The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review.

A V DEVEN & CO. FRN 000726S Ph: 2474 3395 Chennai - 83 Chartered Accountants

A V Deven & Co,
Chartered Accountants,

"Nu Tech Janaki" Flat-E, III Floor,
No.9, (Old No.1), 27th Street,
Ashok Nagar, Chennai – 600 083.
Ph:044-24743394 & 95, Fax: 044-24743392

Sl.No.	Particulars	Auditor's Remark
	nature of non-compliance;	
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	We have not come across any instances where the company has entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

A V DEVEN & CO. FRN-000726S Ph: 2474 3395 Chennai-83 Chartered Accountants

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

Place : Chennai-83
Date : 24.05.2017

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Chartered Accountants,

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ANNEXURE- 2 REFERRED TO IN OUR REPORT OF EVEN DATE

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

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We are giving below replies to the following questions and information as required under Section 143 (5) of Companies Act, 2013. Our replies are based on the basis of our examination & explanations given to us during the course of Statutory Audit of M/s **INDBANK MERCHANT BANKING SERVICES LIMITED** for the financial year **2016-17.**

1. Whether the Company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.

   Since the Company has neither freehold nor leasehold land, it is not applicable.

2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons therefore and the amount involved.

   Investments to the tune of Rs.4,28,53,810/- in shares of various companies (Unquoted/Unlisted/ Non-Trade/ Shares/Bought Out Deals) diminution of which had already been provided for in the books, have now been written off as the said companies are reported to have become either liquidated/dormant or struck off.

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

   Not Applicable.

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

(A V DEVEN & CO. ★ FRN 000726S Ph: 2474 3395 Chennai - 83 ★ Chartered Accountants)

Place: Chennai – 83.

Date : 24.05.2017

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

A V Deven & Co,
Chartered Accountants,

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ANNEXURE-3 REFERRED TO IN OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s. INDBANK MERCHANT BANKING SERVICES LIMITED** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

A V DEVEN & CO. FRN 000726S Ph: 2474 3395 Chennai-83 Chartered Accountants

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Chennai – 83.

Date : 24.05.2017

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

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

Ref: Sec/2017-18/60

May 24, 2017

The Secretary
National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Sir,

Sub: Audited Financial Results for the year ended 31.03.2017

Ref: Regulation 33 of SEBI (LODR), Regulations 2015
SEBI Circular CIR/CFD/CMD/56/2016 dated 27.05.2016

With reference to the above, we hereby declare that the Statutory Auditors have provided an unmodified opinion in their Audit Report on the financials for the year ended 31.03.2017.

Thanking you,

Yours faithfully,

K S Sujay
Vice President /CFO and Compliance Officer