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

Ref: Sec/2013-14/212

October 26, 2013

The Secretary

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

Fax No. 022-26598237-38 26598347-48

Dear Sir,

Sub: Un-Audited Financial Results for the quarter ended 30.09.2013

Ref: Our letter Sec/2013-14/201 dated 18.10.2013

We refer our letter dated 18.10.2013 and enclose herewith the Un-Audited financial results for the quarter ended 30.09.2013 along with the segment wise results for the quarter ended 30.09.2013 and the Limited Review Report of the Auditors on the Un-Audited financial results duly approved and taken on record at the Board meeting held on 26.10.2013 for your information and records.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

V.S. Srinivasan
Vice President & Company Secretary
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

Email: investors@indbankonline.com

Website: www.indbankonline.com

PART I

Statement of Un-Audited Financial Results for the Quarter ended 30.09.2013

Sl. No.	Particulars	Three months ended	Trailing three months ended	Corresponding three months ended in the previous year	Year to date for the current half year ended	Year to date for the Previous half year ended	Previous Accounting Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
		Rs. Lakhs					
1	Income from Operations	133.73	201.47	109.90	335.20	269.37	524.53
2	Expenditure						
	a) Employee Cost	77.22	75.84	80.60	153.06	164.26	335.55
	b) Depreciation	17.52	17.79	17.14	35.31	31.53	70.85
	c) Postage & Telephones	6.74	4.06	25.29	10.80	34.79	20.83
	d) Provision for Non Performing Assets/Write off	30.86	(10.99)	26.62	19.87	26.62	0.46
	e) Other expenditure	53.03	62.81	33.21	115.84	144.94	286.59
	f) Total	185.37	149.50	182.86	334.88	402.14	714.28
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(51.64)	51.97	(72.96)	0.32	(132.77)	(189.75)
4	Other Income	36.76	28.51	90.08	65.27	114.72	178.82
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(14.88)	80.48	17.12	65.59	(18.05)	(10.94)
6	Finance costs	2.68	0.88	0.00	3.56	0.00	0.63
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(17.56)	79.60	17.12	62.03	(18.05)	(11.57)
8	Exceptional items	0.00	0.00	0.00	0.00	42.86	42.86
9	Profit/(Loss) from Ordinary Activities before tax (7+8)	(17.56)	79.60	17.12	62.03	24.81	31.29
10	Tax Expense						
	(a) Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax	(7.64)	7.64	9.79	0.00	9.79	29.35
	(c) Prior years	0.00	0.00	0.00	0.00	0.00	0.00
	(d) Total	(7.64)	7.64	9.79	0.00	9.79	29.35
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(9.92)	71.96	7.33	62.03	15.02	1.94
12	Profit/(loss) from discontinuing operations	(35.49)	(66.36)	42.34	(101.85)	68.92	71.00
13	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
14	Net Profit (loss) from discontinuing operations	(35.49)	(66.36)	42.34	(101.85)	68.92	71.00
15	Net Profit/(Loss) from Ordinary Activities/discontinuing operations after tax (11+14)	(45.41)	5.60	49.67	(39.82)	83.94	72.94
16	Extraordinary items (net of tax expense Rs.Nil)	0.00	0.00	0.00	0.00	0.00	0.00
17	Net Profit/(Loss) for the period (15+16)	(45.41)	5.60	49.67	(39.82)	83.94	72.94
18	Paid up equity share capital (Face value per share - Rs. 10/-)	4437.82	4437.82	4437.82	4437.82	4437.82	4437.82
19	Reserves excluding revaluation reserves (as per balance sheet) of previous accounting year						
20	Earnings Per Share (EPS) (Rs)						(298.51)
	(a) Basic & diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualised)	(0.10)	0.01	0.11	(0.09)	0.19	0.16
	(b) Basic & diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	(0.10)	0.01	0.11	(0.09)	0.19	0.16

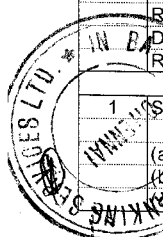
PART II

Select Information for the Quarter ended 30.09.2013

A	Particulars of Share Holding						
1	Public Shareholding						
	- Number of Shares	15604400	15604400	15604400	15604400	15604400	15604400
	- Percentage of shareholding	35.16%	35.16%	35.16%	35.16%	35.16%	35.16%
2	Promoters & Promoter Group Shareholding						
	(a) Pledged/encumbered						
	- Number of Shares	0	0	0	0	0	0
	- Percentage of shareholding as a %age of the total shareholding of promoter and promoter group	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shareholding as a %age of the total shareholding of the company	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	(b) Non-encumbered						
	- Number of Shares	28773800	28773800	28773800	28773800	28773800	28773800
	- Percentage of shareholding as a %age of the total shareholding of promoter and promoter group	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shareholding as a %age of the total shareholding of the company	64.84%	64.84%	64.84%	64.84%	64.84%	64.84%
	Particulars						
B	Investors Complaint						
	Pending at the beginning of the Quarter	0					
	Received during the Quarter	0					
	Disposed of during the Quarter	0					
	Remaining un resolved at the end of the Quarter	0					

Quarterly reporting of segment wise revenue, results and capital employed

1	Segment Revenue						
	(a) Continuing Operations-Fee Based	170.49	229.98	199.98	400.47	384.09	703.36
	(b) Discontinuing Operations-Fund Based	10.89	0.00	11.36	10.89	37.94	48.97
	Un-allocated	0.00	0.00	0.00	0.00	0.00	0.00



Sl. No.	Particulars	Three months ended	Trailing three months ended	Corresponding three months ended in the previous	Year to date for the current half year ended	Year to date for the Previous half year ended	Previous Accounting Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
		Rs. Lakhs					
	Total	181.38	229.98	211.34	411.36	422.03	752.33
	Less : Inter segment revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Income from operations	181.38	229.98	211.34	411.36	422.03	752.33
2	Segment Results - Profit/(Loss) before tax and interest from each segment						
	(a) Continuing Operations-Fee Based	(17.56)	79.60	17.12	62.03	(18.05)	(11.57)
	(b) Discontinuing Operations-Fund Based	(35.49)	(66.36)	42.34	(101.85)	68.92	71.00
	(c) Un-allocated	0.00	0.00	0.00	0.00	0.00	0.00
	Total	(53.05)	13.24	59.46	(39.82)	50.87	59.43
	Less : i) Interest (Other than pertaining to segments)	0.00	0.00	0.00	0.00	0.00	0.00
	ii) Other unallocable expenditure net off	0.00	0.00	0.00	0.00	(42.86)	(42.86)
	iii) Unallocable income	0.00	0.00	0.00	0.00	0.00	0.00
	Total profit/(Loss) before tax	(53.05)	13.24	59.46	(39.82)	93.73	102.29
3	Capital employed (Segment assets-liabilities)						
	(a) Continuing Operations-Fee Based	2200.99	2255.20	2138.49	2200.99	2138.49	2175.41
	(b) Discontinuing Operations-Fund Based	341.79	393.75	468.09	341.79	468.09	461.30
	(c) Un-allocated	1556.70	1495.91	1512.21	1556.70	1512.21	1502.60
	Total	4099.48	4144.86	4118.79	4099.48	4118.79	4139.31

Notes

Statement of Assets & Liabilities as on 30.09.2013

Sl.No.	Particulars	As on	As on
		30.09.2013	30.09.2012
		Rs.Lakhs	
A	Equity and Liabilities		
1	Shareholders' Funds		
	(a) Share Capital	4437.82	4437.82
	(b) Reserves & Surplus	(338.33)	(287.51)
	Sub-total - Shareholders funds	4099.49	4150.31
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 Liabilities		
	(a) Current Liabilities	566.06	826.76
	(b) Provisions	62.58	66.38
	Sub-total - Current Liabilities	628.64	893.14
	Total - Equity and Liabilities	4728.12	5043.45
B	Assets		
1	Non Current Assets		
	(a) Fixed Assets	611.65	699.23
	(b) Non Current Investments	317.79	444.09
	(c) Deferred Tax Assets	532.91	552.47
	(d) Other Non Current Assets	0.00	0.00
	Sub total - Non Current Assets	1462.35	1695.79
2	Current Assets		
	(a) Trade receivables	616.25	365.91
	(b) Cash and Cash equivalents	987.45	1412.17
	(c) Short term loan and advances	1586.93	1482.50
	(d) Interest accrued	49.13	61.10
	(e) Other current assets	2.01	1.98
	Sub total - Current Assets	3241.77	3323.66
3	Assets under Discontinued Operations	24.00	24.00
	Total - Assets	4728.12	5043.45

1 The Market value of quoted investments (Cost-Rs.6.23 crore) of the Company as on 30.09.2013 was Rs.1.19 Crore and the provisions held for the same was Rs.5.04 crore.

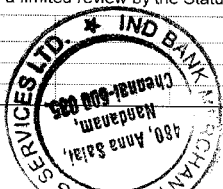
2 Exceptional item for the year ended 31.03.2013 includes (i) an amount of Rs.204.62 lakhs being part reversal of income as on 30.06.2012 to give effect to the rectification order issued by ACIT on 29.6.2012 reducing the interest on refund from income tax/interest tax from income tax department for various assessment years which was booked as on 31.03.2012 as per ACIT's order dated 22.3.2012. (ii) Correspondingly reversal of interest of Rs.247.48 lakhs payable to Indian Bank due to reduction in the expected interest refund as above was also given effect as on 30.06.2012 since the company had time upto 30.9.2013 to pay the interest. With reference to the observations of Auditors' in the Limited Review Report for the quarter ended 30.09.2013 regarding non-consideration of liability towards claim of Rs.897.48 lakhs by Indian Bank under right of recompense clause, the same has been taken up with the parent Indian Bank for waiver, which is under their consideration.

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

4 The figures for the quarter ended 30.09.2013 are the balancing figures between un-audited figures in respect of the quarter ended 30.06.2013 and the published year to date figures upto the second quarter ended 30.09.2013 of the current financial year.

5 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 26.10.2013. The same have been subjected to a limited review by the Statutory Auditors of the company.

Place: Chennai
Date: 26.10.2013




BANABIHARI PANDA
PRESIDENT & WHOLETIME DIRECTOR



A V Deven & Co

CHARTERED ACCOUNTANTS

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**Limited Review Report on the accounts of Indbank Merchant Banking Services Limited, Chennai, for
the Quarter ended 30th September, 2013**

To
The Board of Directors,
Indbank Merchant Banking Services Limited,
1st Floor, Khivraj Complex 1
No.480, Anna Salai, Nandanam,
Chennai 600 035

We have reviewed the accompanying statement of Unaudited Financial Results of Indbank Merchant Banking Financial Services Limited, Chennai for the period ended 30th September 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter group Shareholding' which have been traced from the disclosures made by the Management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2400, engagements to Review financial statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies had not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements including the manner in which it is to be disclosed, or that it contains any material misstatement, subject to Note No.2 regarding non-consideration of a liability towards claim of Rs.897.48 lakhs under the right of recompense clause on certain settled borrowings by the Holding Company, which had been permitted to the company to pay the balance on or before 30.09.2013. Had the liability been recognized in the books, the loss of Rs.39.82 Lakhs would have become a loss of Rs.937.30.

Place: Chennai
Date: 26.10.2013

For A V Deven & Co
Chartered Accountant
(Firm Reg. No. 000726S)

CA. R. Raghuraman
Partner
M.No: 201760

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