

**Registered Office :**

1<sup>st</sup> Floor, Khivraj Complex 1

No. 480, Anna Salai,

Nandanam, Chennai 600 035

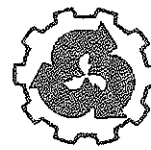
Phone : 24313094 to 97

Fax : 24313093

Email : registered@indbankonline.com

CIN No. L65191TN1989PLC017883

Ref: Sec/2020-21/70



# Indbank

**Merchant Banking Services Ltd**

(A Subsidiary of Indian Bank)

September 04, 2020

<b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 <b>Scrip Code: 511473</b>	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400 051 <b>Scrip Code: INDBANK</b>
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Dear Sir,

**Sub: Submission of Annual Report along with Notice of 31<sup>st</sup> Annual General Meeting, Intimation of Closure of Register of Members and Share Transfer Books for the purpose of Annual General Meeting and Cut-off date of E-Voting.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the 31<sup>st</sup> Annual General Meeting of the members of the Company will be held on Tuesday 29, 2020 at 11.00 a.m. through Video Conference (VC) / Other Audio Visual Means (OAVM), in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars) and other applicable provisions of the Companies Act, 2013 and circulars issued by the Securities and Exchange Board of India (SEBI).

Further pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the Financial year 2019-2020 including the Notice Convening the Meeting is attached herewith.

Further pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members & Share Transfer Books will be closed from 23<sup>rd</sup> September, 2020 to 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

Further pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will be providing the facility for voting by electronic means ("remote e-voting"). The remote e-voting period will commence on 26<sup>th</sup> September, 2020 (10.00 a.m. IST) and end on 28<sup>th</sup> September, 2020 (5.00 p.m. IST). The voting rights of Members shall be reckoned on the basis of number of equity shares held by Members of the Company as on cut-off date i.e. 22<sup>nd</sup> September, 2020.

Thanking you,

Yours faithfully,

For INDBANK MERCHANT BANKING SERVICES LIMITED

V. Balamurugan

Company Secretary and Compliance Officer



# Indbank

Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)



**Thirty-first Annual Report  
2019 - 2020**

**Registered Office :**

1<sup>st</sup> Floor, Khivraj Complex 1

No. 480, Anna Salai,

Nandanam, Chennai 600 035

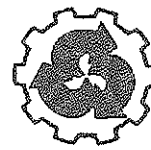
Phone : 24313094 to 97

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Email : registered@indbankonline.com

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# Indbank

**Merchant Banking Services Ltd**

(A Subsidiary of Indian Bank)

September 04, 2020

<b>Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 <b>Scrip Code: 511473</b>	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400 051 <b>Scrip Code: INDBANK</b>
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Thanking you,

Yours faithfully,

For INDBANK MERCHANT BANKING SERVICES LIMITED

V. Balamurugan

Company Secretary and Compliance Officer

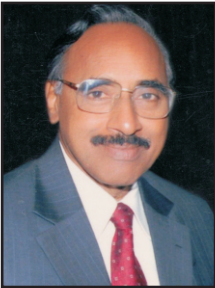
## BOARD OF DIRECTORS



**Shri. Shenoy Vishwanath Vittal**  
*(upto 16.04.2020)*



**Shri. K. Ramachandran**  
*(from 11.06.2020)*



**Shri. G.R. Sundaravadivel**



**Smt. Chitra Murali**



**Shri. Vaijinath Gavarshetty**



**Shri. P.A. Krishnan**  
*(upto 12.06.2020)*



**Shri. Arun Kumar Bansal**  
*(from 25.07.2020)*



**Shri. Sesa Sai PLVK**  
President & Whole Time Director  
*(upto 27.06.2020)*



**Shri A. Rajaraman**  
President & Whole Time Director  
*(from 03.09.2020)*

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**Board of Directors**

Shri. Shenoy Vishwanath Vittal	Nominee Director of Indian Bank (upto 16.04.2020)
Shri. K Ramachandran	Nominee Director of Indian Bank (from 11.06.2020)
Shri.G R Sundaravadivel	Independent Director
Smt.Chitra Murali	Independent Director
Shri. Vaijinath Gavarshetty	Independent Director
Shri.P A Krishnan	Nominee Director of Indian Bank (upto 12.06.2020)
Shri Arun Kumar Bansal	Nominee Director of Indian Bank (from 25.07.2020)
Shri. Sessa Sai P L V K	President and Whole Time Director (upto 27.06.2020)

**Committees of the Board**

**Audit Committee**

Shri.G R Sundaravadivel  
Smt.Chitra Murali  
Shri. Vaijinath Gavarshetty  
Shri.P A Krishnan (upto 12.06.2020)  
Shri Arun Kumar Bansal (from 25.07.2020)

**Nomination & Remuneration Committee**

Smt.Chitra Murali  
Shri.G R Sundaravadivel  
Shri. Vaijinath Gavarshetty  
Shri.P A Krishnan (upto 12.06.2020)  
Shri Arun Kumar Bansal (from 25.07.2020)

**Stakeholder Relationship Committee**

Smt.Chitra Murali  
Shri.P A Krishnan (upto 12.06.2020)  
Shri Arun Kumar Bansal (from 25.07.2020)  
Shri Sessa Sai P L V K (upto 27.06.2020)

**Corporate Social Responsibility Committee**

Shri. Vaijinath Gavarshetty  
Shri.G R Sundaravadivel  
Smt.Chitra Murali  
Shri.P A Krishnan (upto 12.06.2020)  
Shri Arun Kumar Bansal (from 25.07.2020)  
Shri. U Rajkumar (from 07.11.2019)

**Chief Financial Officer**

**Company Secretary**

**Statutory Auditors**

**Secretarial Auditors**

**Bankers**

**Registrar and Share**

**Transfer Agents**

**Registered Office**

Shri. V.Balamurugan  
M/s. M.Srinivasan & Associates, Chartered Accountants, Chennai  
M/s. SPNP & Associates, Practising Company Secretaries, Chennai  
M/s. Indian Bank

M/s. Cameo Corporate Services Limited  
First Floor,Khiviraj Complex 1  
No.480, Anna Salai, Nandanam  
Chennai - 600035

**Terminals**

**Tamil Nadu**

Nandanam, Harbour, Anna Nagar, Mylapore, CMDA-Egmore, Purasawalkam, Ashok Nagar, Nanganallur, Adyar, Thousand Lights, Chetpet, Chrompet, Coimbatore, R S Puram, Tiruppur, Tirunelveli, Sivakasi, Tuticorion, Rajapalayam, Madurai, K K Nagar-Madurai, Trichy Contonment, Srirangam, Erode, Salem, Vellore, Kumbakonam, Thanjavur, Karaikudi, Kanchipuram  
Puducherry

**Puducherry**

**Kerala**

**Telangana**

**Andhra Pradesh**

**Karnataka**

**Gujarat**

**Maharashtra**

**Delhi**

**West Bengal**

Ernakulam, Thrissur, Calicut  
Hyderabad, Srinagar Colony  
Visakhapatnam, Vijayawada, Guntur, Vijayawada One Town  
Bangalore, Mangalore  
Ashram Road  
Mumbai, Matunga, Thane, Bandra, Pune Cantonment  
Delhi, Shantiniketan, Punjabi Bagh  
Kolkata

## **NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING - 2020**

Notice is hereby given that the Thirty First Annual General Meeting of the Company will be held on Tuesday the 29th day of September 2020 at 11.00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

### **ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon

### **SPECIAL BUSINESS**

- 2 To appoint Shri K. Ramachandran, (DIN: 08589628), as Non-executive Nominee Director of the Company and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K.Ramachandran, (DIN: 08589628), who was appointed as an additional Director of the Company under Section 161 of the Companies Act, 2013 by the Board of Directors with effect from 11.06.2020 and holds office up to the date of this Annual General Meeting and Nomination and Remuneration Committee Meeting held on 11.06.2020 proposed his candidature for Office of Director, be and is hereby appointed as Non-executive Nominee Director of the Company, liable to retire by rotation."

- 3 To appoint Shri. Arun Kumar Bansal, (DIN: 08425582) and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time Shri. Arun Kumar Bansal, (DIN: 08425582), who was appointed as an Additional Director to hold office until the conclusion of the ensuing Annual General Meeting and Nomination and Remuneration Committee by resolution passed by Circulation on 17.07.2020 proposed his candidature for Office of non-executive Nominee Director, be and is hereby appointed as a Non-Executive Nominee Director of the Company, liable to retire by rotation.

- 4 To appoint Shri. A. Rajaraman, (DIN: 08854134), as a Director and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time Shri. A. Rajaraman, (DIN: 08854134), who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 with effect from 03.09.2020 and holds office up to the date of this Annual General Meeting and Nomination and Remuneration Committee Meeting held on 03.09.2020 proposed his candidature for Office of Director, be and is hereby appointed as Director of the Company, not liable to retire by rotation."

- 5 To appoint Shri. A. Rajaraman, (DIN: 08854134), as President and Whole-Time Director and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution::

**"RESOLVED THAT** pursuant to the provisions of section 196, 197 and all other provisions, if any, applicable of the Companies Act, 2013 consent of the Members of the Company be and is hereby accorded to the appointment of Shri. A. Rajaraman, (DIN: 08854134), (who is on deputation from Indian Bank) be and is hereby appointed as President and Whole-Time Director of the Company with effect from 03.09.2020 to date of retirement from the services of Indian Bank or five years whichever is earlier, on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time, but not exceeding the limits prescribed under section I part II of the Schedule V of the Companies Act, 2013 and in any financial year during the currency of tenure of him, if the company has no profits or its profits are inadequate, the Company may pay remuneration to him not exceeding the limits under (A) and (B) of Section II of Part II of Schedule V of the Companies Act, 2013.

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

**Place : Chennai  
Date : 03.09.2020**

**V. Balamurugan  
Company Secretary and Compliance Officer**

**Notes:**

**1. ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS (AGM):**

In view of the continuing Covid-19 pandemic, MCA (Ministry of Corporate Affairs) vide circular No. 14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and SEBI vide circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/ 79 dated 12th May, 2020 permitted companies to hold their AGM through VC/OAVM for the calendar year 2020 without the physical presence of the shareholders. In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA circulars, the Company is holding the Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Shareholders can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given in Note No.9. Registered office of the Company at First Floor, Khivraj Complex 1, No.480, Anna Salai, Nandanam, Chennai -600 035 shall be deemed to be the venue of the Annual general Meeting.

The Company has opted Central Depository Services (India) Limited ("CDSL"), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.

In line with the aforesaid SEBI and MCA Circulars, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories. Shareholder may note that Notice and Annual Report 2019-20 have been uploaded on the website of the Company at [www.indbankonline.com](http://www.indbankonline.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).

Shareholders holding shares in physical mode may temporarily register their e-mail Ids by clicking on the link <https://investors.cameoindia.com> or share the particulars by email to [agm@cameoindia.com](mailto:agm@cameoindia.com) get the soft copy of the Notice of AGM and the Annual Report.

**2. APPOINTMENT OF PROXIES AND AUTHORIZED REPRESENTATIVE(S):**

Pursuant to the aforesaid circulars, the facility to appoint proxy to attend and cast vote for the shareholders is not available for this AGM, as it is being held through VC/OAVM.

However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [spnpassociates@gmail.com](mailto:spnpassociates@gmail.com) and [murali@cameoindia.com](mailto:murali@cameoindia.com) with copy marked to the Company at [investors@indbankonline.com](mailto:investors@indbankonline.com) not later than four days before the date of the meeting, i.e., on or before 4.00 p.m. on September 24, 2020.

**3. BOOK CLOSURE :**

The Register of Shareholders and the Share Transfer Register of the Company will remain closed from Wednesday, the September 23, 2020 to Tuesday, the September 29, 2020 (both days inclusive) for the purpose of Annual General Meeting.

**4. UNCLAIMED DIVIDEND, IF ANY:**

As per Section 124(5) of the Companies Act, 2013 and rules made thereunder the amount of dividend remaining unpaid or unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Govt. under section 205C / 125 of the Companies Act, 1956 / 2013. As such, the unpaid / unclaimed dividend amount upto the year 2016-17 has been transferred to IEPF. The shareholders who have not claimed / received their Dividend for the years 2007-08 and 2008-09, are requested to contact the Share Transfer Agent of the Company for payment of the dividends immediately. The Company has posted the details of the Unclaimed / Unpaid Dividend Warrants on its site i.e., [www.indbankonline.com](http://www.indbankonline.com) to enable the shareholders to claim by contacting the Share Transfer Agent / or the Company.

Owing to difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's Report or other documents required to be attached therewith), the MCA has granted permission to communicate to the shareholders of the Company through their registered email ids., which helps in better and timely communication between the Company and the shareholders.

We wish to urge the shareholders for registration and/ or updation of their Permanent Account Number (PAN) and bank mandate as it ensures the receipt of dividend and/or any other consideration timely.



Accordingly, to update the details with the Company, you may follow the below procedure:

To update	Mode of Holding	Procedure	Documents Required
E-Mail id & PAN	Physical	Send an e-mail to Company's e-Mail id <a href="mailto:investors@indbankonline.com">investors@indbankonline.com</a> or to the Company's Registrar and share transfer agent, M/s. Cameo Corporate Services Limited <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>	A signed request letter mentioning your folio no. and the email id / PAN including joint holders (self-attested copy) that is to be registered
	Demat	Update the e-mail id / PAN through your Depository Participant	
Bank Mandate	Physical	Send an e-mail to Company's e-Mail id <a href="mailto:investors@indbankonline.com">investors@indbankonline.com</a> or to the Company's Registrar and share transfer agent, M/s. Cameo Corporate Services Limited <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>	A signed request letter mentioning your folio no., cancelled cheque with the name of the first / sole holder name printed on it or copy of the bank passbook showing name & account details attested by the Bank and self-attested PAN copy
	Demat	Update the Bank Mandate through your Depository Participant	

#### 5. CHANGE OF ADDRESS / NOMINATION FACILITY:

Shareholders holding shares in physical form are requested to intimate changes, if any, in their registered address, to the Share Transfer Agent of the Company at the following address: Cameo Corporate Services Limited (Unit : Indbank Merchant Banking Services Limited) Subramanian Building No.1, Club House Road Chennai - 600 002. Shareholders holding shares in electronic form are requested to intimate changes, if any, in their registered address and ECS mandate details only to their respective Depository Participant(s). Members desirous of availing nomination facility for their shareholdings, may file Nomination Forms in respect of their shareholdings. Any member willing to avail of this facility may submit the prescribed form to the Registrars & Transfer Agent of the Company.

#### 6. GREEN INITIATIVE:

To support the 'Green Initiative', shareholders who have not yet registered their email address are requested to register the same with their DPs in case the shares are held by them in electronic form and with Cameo Corporate Services Limited in case the shares are held by them in physical form.

#### 7. Information of Directors pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is furnished below:

##### Shri K.Ramachandran:

Shri K.Ramachandran, (DIN: 08589628) has been co-opted as an Additional Director on the Board with effect from 11th June, 2020. Shri K.Ramachandran, aged 59, is a Post Graduate in Science with Post Graduate Diploma in Computer Application. Shri K.Ramachandran, is an Executive Director of Indian bank from 01.04.2020. Earlier he held the office of Executive Director of Allahabad Bank since 26th December, 2018 to 31st March, 2020 (up to the merger of Allahabad Bank with Indian Bank). He joined Corporation Bank as Probationary Officer in May 1985 and had worked in Branches, Corporate Office and other Controlling Offices. He was part of the core team involved in the design, development and implementation of the total Branch Automation, Internet Banking and Mobile Banking application of Corporation Bank. As Asst. General Manager, Priority Sector he had implemented the voice enabled Point of Transaction, Hand Held Terminals used by Business Correspondents. Shri Ramachandran held independent charge of Alternate Channels, Credit Monitoring verticals and had headed Thane Zone of Corporation Bank. On elevation to General Manager Cadre, he was heading Chennai Circle of Corporation Bank from April 2016.

Shri K.Ramachandran, (DIN: 08589628), is not disqualified from being appointed as Director in terms of Section 164 of the Act. Shareholding in the Company: NIL

#### Details of other Directorships

Name of the company	Directorship	Committee Membership
Indian Bank	Executive Director	Risk Management Committee Share transfer Committee and Stakeholders Relationship Committee
Ind Bank Housing Ltd.	Nominee Director	NIL

Shri Arun Kumar Bansal:

Shri Arun Kumar Bansal (DIN: 08425582), 49 years, commenced his career at Indian Bank in the year 1991 as an Award staff. His qualifications include post graduate in Commerce, Post Graduate Diploma in Banking and Finance, CAIIB and MBA in Marketing. He is also associated with FPSB as a Certified Financial Planner. He has 29 years of experience in Corporate Banking, Retail Banking, Rural Banking and Integrated Treasury Management and is currently working with Indian Bank as General Manager / CFO of Indian Bank.

He is on the Board of Reliance Asset Reconstruction Company Limited as Nominee Director.

Shri Arun Kumar Bansal (DIN: 08425582), is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Shareholding in the Company: NIL

Details of other Directorships

Name of the company	Directorship	Committee Membership
Reliance Asset Reconstruction Company Limited.	Nominee Director	NIL
Ind Bank Housing Ltd.	Nominee Director	Audit Committee Nomination and Remuneration Committee Stakeholders' Relationship Committee

Shri. A.Rajaraman:

Shri A.Rajaraman, (DIN: 08854134), aged 56 years, holds Graduate Degree in Mathematics with CAIIB. He joined Banking service (Indian Bank) in 1991 as Clerk. He was promoted as officer in 2002 and has worked in various places like Vizag, Coimbatore, New Delhi, Chennai, Cuddalore, Bangalore, Tiruvannamalai and Villupuram. He served as Deputy Zonal Manager of Bangalore Zone and Zonal manager of Tiruvannamalai Zone. Presently, holding the designation of Assistant General Manager of Indian Bank.

Shri A.Rajaraman, (DIN: 08854134), is not disqualified from being appointed as Director in terms of Section 164 of the Act. Shareholding in the Company: NIL

Details of other Directorships

Name of the company	Directorship	Committee Membership
NA	NA	NA

8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

9. PROCEDURE & INSTRUCTIONS FOR REMOTE E-VOTING, JOINING THE AGM THROUGH VC/ OAVM AND FOR E-VOTING DURING AGM:

In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015 e-voting for resolutions to be passed at the General Meeting is mandatory for all the listed companies. Hence, the company is pleased to provide remote e-voting through Central Depository Services (India) Limited (CDSL), in respect of agenda items for all shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 31st Annual General Meeting of the company dated September 03, 2020. The Company has appointed M/s SPNP & Associates, Practicing Company Secretaries, Chennai, who have consented to act as Scrutinizer to conduct and scrutinize the remote e-voting process as well as the remote e-voting process on the date of the AGM in a fair and transparent manner.

9A: THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

**The Electronic Voting Sequence Number (EVSN) is 200902110**

- (i) The voting period begins on 26th September, 2020 at 10 A.M. and ends on 28th September, 2020 at 5.00P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com>

from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA email id** [investor@cameoindia.com](mailto:investor@cameoindia.com) / [murali@cameoindia.com](mailto:murali@cameoindia.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA email id** [investor@cameoindia.com](mailto:investor@cameoindia.com) / [murali@cameoindia.com](mailto:murali@cameoindia.com).

**9B: INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholder/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Shareholders can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 shareholders on first come first served basis

3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast on or before 20.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at [investors@indbankonline.com](mailto:investors@indbankonline.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast on or before 20.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at [investors@indbankonline.com](mailto:investors@indbankonline.com). These queries will be replied to by the company suitably at the AGM or by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. The Shareholders attending the AGM through VC/OAVM will be counted for the purpose of quorum.

**9C: INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@cameoindia.com](mailto:investor@cameoindia.com), [murali@cameoindia.com](mailto:murali@cameoindia.com), and [investors@indbankonline.com](mailto:investors@indbankonline.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**10 Voting through electronic means:**

- a. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their votes electronically.
- b. As consented to act as a scrutinizer, the Board of Directors has appointed M/s SPNP & Associates, Practicing Company

Secretaries, Chennai, as Scrutinizer, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for conducting the remote e-voting process and remote e-voting on the day of the AGM, in accordance with the law and in a fair and transparent manner.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

**Item No. 2**

Shri K.Ramachandran (DIN: 08589628), is an Additional Director of the Company. He is also presently a Director in Indian Bank and in other Boards listed below.

Name of the company	Directorship	Committee Membership
Indian Bank	Executive Director	Risk Management Committee, Share transfer Committee and Stakeholders Relationship Committee
Ind Bank Housing Ltd.	Nominee Director	NIL

Shri K.Ramachandran, (DIN: 08589628) has been co-opted as an Additional Director on the Board with effect from 11th June, 2020. Shri K.Ramachandran, aged 59, is a Post Graduate in Science with Post Graduate Diploma in Computer Application. Shri K.Ramachandran, is an Executive Director of Indian bank from 01.04.2020. Earlier he held the office of Executive Director of Allahabad Bank since 26th December, 2018 to 31st March, 2020 (up to the merger of Allahabad Bank with Indian Bank). He joined Corporation Bank as Probationary Officer in May, 1985 and had worked in Branches, Corporate Office and other Controlling Offices. He was part of the core team involved in the design, development and implementation of the total Branch Automation, Internet Banking and Mobile Banking application of Corporation Bank. As Asst. General Manager, Priority Sector he had implemented the voice enabled Point of Transaction, Hand Held Terminals used by Business Correspondents. Shri Ramachandran held independent charge of Alternate Channels, Credit Monitoring verticals and had headed Thane Zone of Corporation Bank. On elevation to General Manager Cadre, he was heading Chennai Circle of Corporation Bank from April 2016.

Shri K.Ramachandran, (DIN: 08589628), is not disqualified from being appointed as Director in terms of Section 164 of the Act. Nomination and Remuneration Committee in its meeting held on 11.06.2020, recommended to Board to propose him as a candidate for the office of Non-executive Nominee Director in the ensuing Annual General Meeting, liable to retire by rotation. The Board recommends the proposal set forth in the Notice (Item No 2) of the Notice for consideration and approval of the shareholders.

**Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives**

Except Shri K.Ramachandran, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

**Item No 3**

Shri Arun Kumar Bansal, (DIN: 08425582), is an additional Director of the Company. He is member of Audit, Nomination & Remuneration and Corporate Social Responsibility Committee and Stakeholders' Relationship Committee.

He is also presently a Director in Indian Bank and in other Boards listed below.

Name of the company	Directorship	Committee Membership
Reliance Asset Reconstruction Company Limited.	Nominee Director	NIL
Ind Bank Housing Ltd.	Nominee Director	Audit Committee Nomination and Remuneration Committee Stakeholders' Relationship Committee

Shri Arun Kumar Bansal, (DIN: 08425582), 49 years, commenced his career at Indian Bank in the year 1991 as an Award staff. His qualifications include post graduate in Commerce, Post Graduate Diploma in Banking and Finance, CAIIB and MBA in Marketing. He is also associated with FPSB as a Certified Financial Planner. He has 29 years of experience in Corporate Banking, Retail Banking, Rural Banking and Integrated Treasury Management and is currently working with Indian Bank as General Manager / CFO of Indian Bank.

He is on the Board of Reliance Asset Reconstruction Company Limited as Nominee Director.

Shri Arun Kumar Bansal, (DIN: 08425582), is not disqualified from being appointed as Director in terms of Section 164 of the Act. Shri Arun Kumar Bansal, (DIN: 08425582) was appointed as an additional Director by the Board of Directors of the Company vide resolution by circulation passed on 24.07.2020, till the conclusion of the ensuing Annual General Meeting.

Nomination and Remuneration Committee vide resolution by circulation passed on 17.07.2020, recommended to Board to propose him as a candidate for the office of Non-executive Nominee in the ensuing Annual General Meeting, liable to retire by rotation.

The Board recommends the proposal set forth in the Notice (Item No 3) of the Notice for consideration and approval of the shareholders.

**Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives**

Except Arun Kumar Bansal, (DIN: 08425582), none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

**Item No. 4**

Shri A. Rajaraman, (DIN 08854134), aged 56 years is holding a Bachelor Degree in Mathematics and CAIIB. He is currently working as Assistant General Manager, Indian Bank on deputation to the Company, was co-opted as an Additional Director on 03.09.2020 on the Board. He is also a member of Stakeholders Relationship Committee w.e.f 03.09.2020. He has more than 29 years of experience in various positions in Indian Bank. He holds office up to the date of this Annual general Meeting. It is proposed to appoint Shri.A.Rajaraman, as a director, whose period of office shall not be liable to be considered for determination of retirement of Directors by rotation.

Shri.A.Rajaraman, is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Nomination and Remuneration Committee in its meeting held on 03.09.2020, recommended to Board to propose him as a candidate for the office of President and Whole Time Director in the ensuing Annual General Meeting, not liable to retire by rotation.

Details of other directorship/ committee memberships held by him:

Name of the company	Directorship	Committee Membership
Ind Bank Housing Limited	Director	Stakeholders Relationship Committee

The Board recommends the proposal set forth in the Notice (Item No 4) of the Notice for consideration and approval of the shareholders.

**Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives**

Except Shri A.Rajaraman, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

**Item No. 5**

Shri A.Rajaraman, (DIN:08854134), Assistant General Manager, Indian Bank has been appointed as the President and Whole Time Director of the Company pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 from 03.09.2020 to date of retirement from the services of Indian Bank or five years whichever is earlier, on remuneration and perks in accordance with Indian Bank Service Regulation applicable from time to time but not exceeding the limits prescribed under Schedule V of the Companies Act, 2013 by the Board of Directors subject to the approval of the Company in general Meeting.

Concern or interest, financial or otherwise of Directors and Key Managerial Personnel and their relatives

Except Shri A.Rajaraman, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

The Board recommends the proposal set forth in the Notice (Item No 5) of the Notice for consideration and approval of the shareholders.

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

**Place : Chennai  
Date : 03.09.2020**

**V. Balamurugan  
Company Secretary and Compliance Officer**

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their Depository Participants concerned.

## BOARD'S REPORT

### To the Members,

Your Directors have pleasure in presenting before you the Thirty First Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2020.

### Operations

During the year your company has earned a gross income of Rs.1723.83 lakhs as against Rs.1244.90 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.5907.62 crore during the year as against Rs.5610,26 crore in the previous financial year. Your company also provides Depository services to institutions and retail customers and has 45546 accounts under DP operations and 26085 accounts under broking operations.

Your company reported a net profit of Rs.197.28 lakhs during the year 2019-20 as against a net profit of Rs.172.75 lakhs in the previous year as under:

Sl.No.	Rs. in Lakhs	Rs. in Lakhs	
		FY2019-20	FY2018-19
1	Income from Fee based operations	877.17	811.78
	of which income from Stock Broking	780.74	698.03
	DP	90.95	91.37
	Merchant Banking/Mutual Funds	5.48	22.38
2	Other income	846.66	433.12
3	Total income (1+2)	1723.83	1244.90
4	Employee Expenses	496.10	438.33
5	Other expenses	598.02	374.26
6	Interest Expenses	152.18	153.08
7	Depreciation	30.21	23.29
8	Provisions for NPAs/Write off	153.32	82.13
9	Total expenses (4+5+6+7+8)	1429.83	1071.09
10	Profit before exceptional items (3-9)	294.00	173.81
11	Prior period income/Exp	0.00	7.22
12	Profit before tax (10-11)	294.00	181.03
13	Current Tax	50.95	59.87
14	MAT Tax	0.00	-51.35
15	Deferred tax	34.15	-4.02
16	Prior Year tax	0.00	0.00
17	Items reclassified as per IND-AS - re-measurement of the defined benefit plans	-11.62	-3.78
18	Net profit / Loss after tax (12-13-14-15-16+17)	197.28	172.75
19	EPS	0.47	0.40

### Dividend

As your Company's profits are not adequate and for the reserves to be ploughed back to improve the network, your Directors do not recommend any dividend for the year 2019-20.

### Board Meetings:

The Board of Directors met four times during the year on 18.05.2019, 19.07.2019, 07.11.2019 & 01.02.2020.

### Directors and Key Managerial Personnel:

Shri. Shenoy Vishwanath Vittal, was appointed as an Additional Director of the Company by the Board of Directors of the Company in their meeting held on 11.02.2019, with effect from 11.02.2019, to hold office until the conclusion of the 30th Annual General Meeting and he was appointed as Non-Executive Nominee Director, liable to retire by rotation, by the shareholders of the Company in their 30th Annual General Meeting held on 21.09.2019.

Shri. Vijinath Gavarshetty, was appointed as an Additional Director of the Company by the Board of Directors of the Company in their meeting held on 19.07.2019, with effect from 19.07.2019, to hold office until the conclusion of the 30th Annual General Meeting and he was appointed as an Independent Director of the Company for the first term of five years commencing from the

conclusion of the 30th Annual General Meeting till the conclusion of 35th Annual general Meeting, not liable to retire by rotation, by the shareholders of the Company in their 30th Annual General Meeting held on 21.09.2019.

Shri. T M Nagarajan and Shri. P M Venkatasubramanian, Independent Directors, who were appointed as Non-executive Independent Directors of the Company to hold office for 5 consecutive years from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting, did not seek re-appointment consequent to their health conditions. Hence the Board did not propose them for re-appointment. As their first term of office as Independent Directors were completed at the conclusion of the 30th Annual General Meeting held on 21.09.2019, the said directors were deemed to have vacated the office.

Your Directors place on record their appreciation for the valuable contributions made by Shri. T M Nagarajan and Shri. P M Venkatasubramanian during their tenure as Independent Directors of the Company.

Shri. G.R.Sundaravivel and Smt. Chitra Murali, who were appointed as Non-executive Independent Directors of the Company, to hold office for 5 consecutive years from the conclusion of the 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting and Nomination and Remuneration Committee Meeting held on 19.07.2019, proposed their candidature for office of Non-executive Independent Director for a second term, were appointed as Non-executive Independent Directors for a second term of five years commencing from the conclusion of the 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation, by the shareholders of the Company in their 30th Annual General Meeting held on 21.09.2019.

Shri. U.Rajkumar, Vice-President (In-Charge) of the Company, was appointed as Chief Financial Officer of the Company, by the Board of Directors of the Company, with effect from 07.11.2019, which was recommended by the Nomination and Remuneration Committee in its meeting held on 07.11.2019, in place of Shri. K.S.Sujay, who resigned from the post of Chief Financial Officer of the company consequent to his repatriation to Indian Bank.

Shri. Shenoy Vishwanath Vittal, Executive Director of Indian Bank and Non-executive Nominee Director of our Company has sent resignation letter dated 16.04.2020, to the Company, which was received by the Company on 04.05.2020, consequent to the nomination of Shri.K.Ramachandran, Executive Director of Indian Bank in his place. The Board meeting held on 11.06.2020, recorded the resignation of Shri. Shenoy Vishwanath Vittal, Non-executive Nominee Director of our Company with effective from 16.04.2020 and also recorded the valuable services rendered by him during his tenure as director of the Company.

Indian Bank nominated Shri K.Ramachandran, Executive Director, Indian Bank for Co-option as a Director on the Board of the company in place of Shri Shenoy Vishwanath Vittal. Nomination & Remuneration Committee meeting held on 11.06.2020 recommended to Board for co-option of Shri K.Ramachandran, as an Additional Director with effect from 11.06.2020, who shall hold office until the conclusion of the ensuing Annual General Meeting and also recommended to Board to propose the candidature of Shri K.Ramachandran, to appoint as Non-executive Director in the ensuing Annual General Meeting under section 160 of the Companies Act, 2013 and rules and regulations made thereunder. Board of Directors in their meeting held on 11.06.2020 co-opted Shri K.Ramachandran, as an Additional Director with effect from 11.06.2020, who shall hold office until the conclusion of the ensuing Annual General Meeting and given consent to propose the candidature of Shri K.Ramachandran, to appoint as Non-executive Director in the ensuing Annual General Meeting.

#### **Retirement of Directors by rotation:**

The Company's Board consists of 3 Independent Directors who were appointed for a fixed term of 5 years and are not liable to retire by rotation as per Section 149(13) of the Companies Act, 2013. The Whole-time Director who was appointed for fixed tenure cannot retire by rotation.

There are only Additional Directors who shall hold office until the conclusion of the ensuing AGM apart from Independent Directors and Whole time Director, who are not liable to retire by rotation. Hence none of the directors are liable to retire by rotation in the ensuing Annual General Meeting.

#### **Declaration from Independent Directors on Annual Basis:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

#### **Subsidiary companies**

Your Company has no subsidiary Companies as on March 31, 2020.

#### **Vigil Mechanism:**

The Company has established a vigil mechanism called Whistle-blower Policy for its directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 of SEBI (LODR), Regulations, 2015. The details of the Whistle-blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.



**Director's Responsibility Statement:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material 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 and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**Particulars of loans & investments by company**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**Extract of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT 9 is annexed herewith.

**Auditors:**

The Auditors, M/s M. Srinivasan & Associates, Chartered Accountants, Chennai was appointed by the Office of the Comptroller and Auditor General of India, New Delhi in exercise of the powers conferred on them by section 139 of the Companies Act, 2013 as statutory auditors of the company for the financial year 2019-20.

**Auditors Observations in the Audit Report:**

There is nil observation from the Auditors.

**Secretarial Audit:**

Secretarial audit report in Form MR 3 as given by M/s. SPNP Associates, Practising Company Secretaries, who were appointed as Secretarial Auditors for the year 2019-2020 by the Board of Directors in their meeting held on 01.02.2020, is annexed to this Report.

**Information as per Section 134 (3) (m) of the Companies Act, 2013**

- a) The company has no activity relating to conservation of energy or technology absorption.
- b) The company did not have any foreign exchange earnings as well as expenses.

**Significant & Material orders passed by the Regulators:**

There is no significant and material order passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

**Details of adequacy of Internal Financial Controls:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

**Risk Management Policy:**

The company has put in place the Risk Management Policy compatible with the type and size of operations and risk perception. The said policy is drawn up based on the guidelines of SEBI and stock exchanges issued in this regard.

**Corporate Social Responsibility Policy:**

The company has put in place The Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act, 2013. The said policy is drawn up in terms of the section 135 and other relevant section/ rules of Companies Act 2013. The Annual Report on CSR activities pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 which is to be included in the Board's Report is annexed herewith.

**Related Party Transactions:**

During the year under review, there was no transaction with related party that needs to be reported in Form AOC 2 under section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules 2014.

**Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013:**

An Internal Complaints Committee (ICC) is set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year ended March 31, 2020, the ICC has received no complaints pertaining to sexual harassment / discrimination at work place.

**Management discussion and analysis report**

Management Discussion and Analysis Report of the Company for year under review is given as a separate Statement in the Annual Report

**Formal Annual Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 of SEBI (LODR), Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the President & Whole Time Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process and the performance of the Board

**Ratio of Remuneration to each Director:**

Details / Disclosures of Ratio of Remuneration of each Director to the median employee's remuneration as Annexure 1.

**Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to NSE and BSE where the Company's Shares are listed.

**Corporate Governance**

Your Company has taken adequate steps to adhere to all the stipulations laid down for Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. A report on Corporate Governance is included as a part of this Annual Report

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is attached to this report.

**Particulars of Employees:**

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, attached with this report. None of the employees of the company received remuneration in excess of the limits prescribed Under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules of the Companies Act, 2013.

**Outlook:**

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 involved management network, satisfied clientele, quality manpower and diligent internal control and cost control measures will enable your company to continue to report better performance in the coming years.

**Acknowledgements:**

Your Directors wish to place on record their gratitude to the Ministry of Finance, Government of India, SEBI and Comptroller and Auditor General of India for their valuable guidance.

Your Directors also wish to place on record their thanks to the Bankers of the Company and their appreciation for the assistance, support and guidance received from Indian Bank and its Employees.

Your Directors express their appreciation for the contribution made by the Company's dedicated Employees.

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

**For and on behalf of Board of Directors**

**ANNEXURE - I**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31.03.2020**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

CIN:-	L65191TN1989PLC017883
Registration Date	11th August 1989
Name of the Company	Indbank Merchant Banking Services Ltd.
Category / Sub-Category of the Company	-
Address of the Registered office and contact details	1st Floor, Khivraj Complex, 480, Anna Salai, Nandanam, Chennai - 600035
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Cameo Corporate Services Ltd, Subramanian Building, No.1 Club House Road, Chennai - 600 002 Phone: + 91-44-28460390 / Fax No. : +91-44-28460129 E-mail: investor@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Stock broking services	803	50.57

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Indian Bank No.66, Rajaji Salai, Chennai 600001	Not Applicable	Holding	64.84	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.Promoters									
<b>(1) Indian</b>									
a. Individual/HUF	--	--	--	--	--	--	--	--	--
b. Central Govt	--	--	--	--	--	--	--	--	--
c. State Govt	--	--	--	--	--	--	--	--	--
d. Bodies Corporate	--	--	--	--	--	--	--	--	--
e. Banks/FI	28773800	--	28773800	64.84	28773800	--	28773800	64.84	0.0000
f. Any other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A) (1)</b>	--	--	28773800	64.84	--	--	28773800	64.84	0.0000
<b>(2) Foreign</b>									
a. NRIs-Individual	--	--	--	--	--	--	--	--	--
b. Other-Individual	--	--	--	--	--	--	--	--	--
c. Bodies Corporate	--	--	--	--	--	--	--	--	--

d. Banks/Fl	--	--	--	--	--	--	--	--	--
e. Any other	--	--	--	--	--	--	--	--	--
Sub-Total (A) (2)	--	--	--	--	--	--	--	--	--
<b>Total shareholding of Promoters (A) = A(1)+A(2)</b>	28773800	--	28773800	64.84	28773800	--	28773800	64.84	0.0000
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	--	40600	40600	0.1914	--	40600	40600	0.0914	0.0000
b) Banks/Fl	44100	200	44300	0.0998	46537	200	46737	0.1053	0.0054
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others(specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total B (1)</b>	44100	40800	84900	0.1913	46537	40800	87337	0.1968	0.0054
<b>(1) Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i. Indian	809096	25100	834196	1.8797	346790	25100	371890	0.8380	-1.0417
ii. Overseas									
<b>b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	8073946	1851631	9925577	22.3658	7966871	1822731	9789602	22.0594	-0.3064
ii. Individual shareholders holding nominal share capital more than Rs. 1 lakh	2834382	0	2834382	6.3868	3378306	0	3378306	7.6125	1.2256
<b>c) Others (specify)</b>									
i. Shares held by Pakistani citizens vested with the Custodian of Enemy Property	--	--	--	--	--	--	--	--	--
ii. Other Foreign Nationals	--	--	--	--	--	--	--	--	--
iii. Foreign Bodies									
iv. NRI/OCBs	469176	0	469176	1.0572	451464	0	451464	1.0173	-0.0399
v. HUF/Resident HUF	358059	1	358060	0.8068	355831	1	355832	0.8018	-0.0050
vi. Clearing Members/ Clearing House	32271	0	32271	0.0727	104531	0	104531	0.2355	0.1628
vii. Directors & their relatives	-	-	-	-	-	-	-	-	-
viii. Trusts	6	0	6	0.0000	6	0	6	0.0000	0.0000

ix. Limited Liability Partnership	--	--	--	--	--	--	--	--	--
x. Foreign Portfolio Investors (Corporate)	--	--	--	--	--	--	--	--	--
xi. Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
xii. IEPF	1065832	0	1065832	2.4017	1065432	0	1065432	2.4008	-0.0009
<b>Sub-Total (B)(2)</b>	13642768	1876732	15519500	34.9709	13669231	1847832	15517063	34.9655	-0.0054
<b>Total Public Shareholding (B)=(B)(1)+(2)</b>	13686868	1917532	15604400	35.1623	13715768	1888632	15604400	35.1623	0.0000
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	42460668	1917532	44378200	100.00	42489568	1888632	44378200	100.00	0.0000

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	Indian Bank	28773800	64.8376	Nil	28773800	64.8376	Nil	Nil
	<b>Total</b>	28773800	64.8376	Nil	28773800	64.8376	Nil	Nil

**iii) Change in Promoters Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No change during the year			
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g., allotment/ transfer/ bonus/sweat equity etc.,)	No change during the year			
At the end of the year	No change during the year			

**iv) Share holding Pattern of Top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year 01-Apr-2019	1065832	2.4017	1065832	2.4017
	Sale 06-Dec-2019	-200	0.0004	1065632	2.4012
	Sale 13-Dec-2019	-100	0.0002	1065532	2.4010
	Sale 14-Feb-2020	-100	0.0002	1065432	2.4008
	At the end of the Year 31-Mar-2020	1065432	2.4008	1065432	2.4008
2.	KALYANI BASHYAM				
	At the beginning of the year 01-Apr-2019	153000	0.3447	153000	0.3447
	Sale 20-Dec-2019	-3000	0.0067	150000	0.3380
	At the end of the Year 31-Mar-2020	150000	0.3380	150000	0.3380

3.	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year 01-Apr-2019	151439	0.3412	151439	0.3412
	Purchase 26-Apr-2019	6994	0.0157	158433	0.3570
	Purchase 03-May-2019	2249	0.0050	160682	0.3620
	Purchase 10-May-2019	5969	0.0134	166651	0.3755
	Purchase 07-Jun-2019	2278	0.0051	168929	0.3806
	Purchase 14-Jun-2019	18703	0.0421	187632	0.4228
	Purchase 21-Jun-2019	864	0.0019	188496	0.4247
	Purchase 28-Jun-2019	4011	0.0090	192507	0.4337
	Purchase 05-Jul-2019	8690	0.0195	201197	0.4533
	Purchase 12-Jul-2019	7100	0.0159	208297	0.4693
	Purchase 10-Jan-2020	19795	0.0446	228092	0.5139
	Purchase 17-Jan-2020	1863	0.0041	229955	0.5181
	At the end of the Year 31-Mar-2020	229955	0.5181	229955	0.5181
4.	<b>RAJAN VASUDEV DAPKI JT1 : SHILPA RAJAN DAPKI</b>				
	At the beginning of the year 01-Apr-2019	137871	0.3106	137871	0.3106
	Sale 12-Jul-2019	-13240	0.0298	124631	0.2808
	Sale 26-Jul-2019	-6500	0.0146	118131	0.2661
	Purchase 20-Sep-2019	50016	0.1127	168147	0.3788
	At the end of the Year 30-Mar-2020	168147	0.3788	168147	0.3788
5.	<b>VAIDYANATHAN SUNDARESAN</b>				
	At the beginning of the year 01-Apr-2019	111300	0.2507	111300	0.2507
	At the end of the Year 31-Mar-2020	111300	0.2507	111300	0.2507
6.	<b>JYOTI HARESH SHAH JT1 : HARESH BABULAL SHAH</b>				
	At the beginning of the year 01-Apr-2019	99500	0.2242	99500	0.2242
	At the end of the Year 31-Mar-2020	99500	0.2242	99500	0.2242
7.	<b>SANJAY RAMESH BADIANI JT1 : RUPAL SANJAY BADIANI</b>				
	At the beginning of the year 01-Apr-2019	80000	0.1802	80000	0.1802
	At the end of the Year 31-Mar-2020	80000	0.1802	80000	0.1802
8.	<b>NEETA HAREN SHAH</b>				
	At the beginning of the year 01-Apr-2019	72000	0.1622	72000	0.1622
	Sale 02-Aug-2019	-6725	0.0151	65275	0.1470
	Sale 14-Sep-2019	-65275	0.1470	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
	Having Same PAN				
	NEETA HAREN SHAH				
	At the beginning of the year 01-Apr-2019	0	0.0000	0	0.0000
	Purchase 14-Sep-2019	65275	0.1470	65275	0.1470
	At the end of the Year 31-Mar-2020	65275	0.1470	65275	0.1470
9.	<b>ROBIN SIMON SEQUEIRA</b>				
	At the beginning of the year 01-Apr-2019	70001	0.1577	70001	0.1577
	At the end of the Year 31-Mar-2020	70001	0.1577	70001	0.1577
10.	<b>Anil Mohanlal Parmar</b>				
	At the beginning of the year 01-Apr-2019	70000	0.1577	70000	0.1577
	At the end of the Year 31-Mar-2020	70000	0.1577	70000	0.1577
	NEW TOP 10 AS ON (31-Mar-2020)				
	XAVIER K S				
	At the beginning of the year 01-Apr-2019	2000	0.0045	2000	0.0045
	Purchase 01-Nov-2019	52327	0.1179	54327	0.1224
	Purchase 08-Nov-2019	20000	0.0450	74327	0.1674
	Purchase 15-Nov-2019	673	0.0015	75000	0.1690
	Purchase 22-Nov-2019	15000	0.0338	90000	0.2028
	Purchase 29-Nov-2019	10000	0.0225	100000	0.2253
	Sale 06-Dec-2019	-70000	0.1577	30000	0.0676
	Purchase 17-Jan-2020	5289	0.0119	35289	0.0795
	Purchase 31-Jan-2020	60044	0.1353	95333	0.2148

	Purchase 07-Feb-2020	44340	0.0999	139673	0.3147
	Purchase 21-Feb-2020	40000	0.0901	179673	0.4048
	Purchase 28-Feb-2020	3000	0.0067	182673	0.4116
	Sale 27-Mar-2020	-50000	0.1126	132673	0.2989
	At the end of the Year 31-Mar-2020	132673	0.2989	132673	0.2989
	<b>MANU C SHAH</b>				
	At the beginning of the year 30-Mar-2019	10555	0.0237	10555	0.0237
	Sale 05-Apr-2019	-5518	0.0124	5037	0.0113
	Purchase 26-Apr-2019	6755	0.0152	11792	0.0265
	Purchase 17-May-2019	25000	0.0563	36792	0.0829
	Purchase 24-May-2019	9561	0.0215	46353	0.1044
	Purchase 31-May-2019	5000	0.0112	51353	0.1157
	Purchase 14-Jun-2019	25100	0.0565	76453	0.1722
	Purchase 05-Jul-2019	10000	0.0225	86453	0.1948
	Sale 12-Jul-2019	-54582	0.1229	31871	0.0718
	Sale 26-Jul-2019	-9500	0.0214	22371	0.0504
	Sale 02-Aug-2019	-11568	0.0260	10803	0.0243
	Sale 09-Aug-2019	-7000	0.0157	3803	0.0085
	Purchase 16-Aug-2019	2250	0.0050	6053	0.0136
	Purchase 30-Aug-2019	5000	0.0112	11053	0.0249
	Sale 06-Sep-2019	-2676	0.0060	8377	0.0188
	Purchase 13-Sep-2019	2000	0.0045	10377	0.0233
	Sale 20-Sep-2019	-3000	0.0067	7377	0.0166
	Sale 11-Oct-2019	-7377	0.0166	0	0.0000
	Purchase 25-Oct-2019	8100	0.0182	8100	0.0182
	Sale 01-Nov-2019	-7000	0.0157	1100	0.0024
	Purchase 29-Nov-2019	6666	0.0150	7766	0.0174
	Purchase 20-Dec-2019	11111	0.0250	18877	0.0425
	Purchase 27-Dec-2019	10300	0.0232	29177	0.0657
	Purchase 03-Jan-2020	25127	0.0566	54304	0.1223
	Sale 10-Jan-2020	-15154	0.0341	39150	0.0882
	Sale 17-Jan-2020	-30000	0.0676	9150	0.0206
	Sale 24-Jan-2020	-4200	0.0094	4950	0.0111
	Purchase 31-Jan-2020	19914	0.0448	24864	0.0560
	Purchase 07-Feb-2020	5000	0.0112	29864	0.0672
	Purchase 14-Feb-2020	25000	0.0563	54864	0.1236
	Purchase 28-Feb-2020	11400	0.0256	66264	0.1493
	Purchase 06-Mar-2020	7644	0.0172	73908	0.1665
	Purchase 27-Mar-2020	20630	0.0464	94538	0.2130
	Purchase 31-Mar-2020	6666	0.0150	101204	0.2280
	At the end of the Year 31-Mar-2020	101204	0.2280	101204	0.2280
	<b>SANDEEP P SHAH</b>				
	At the beginning of the year 30-Mar-2019	6300	0.0141	6300	0.0141
	Purchase 24-May-2019	14846	0.0334	21146	0.0476
	Purchase 21-Jun-2019	1779	0.0040	22925	0.0516
	Purchase 28-Jun-2019	3221	0.0072	26146	0.0589
	Purchase 12-Jul-2019	5000	0.0112	31146	0.0701
	Purchase 19-Jul-2019	5000	0.0112	36146	0.0814
	Purchase 02-Aug-2019	43854	0.0988	80000	0.1802
	Sale 06-Dec-2019	-80000	0.1802	0	0.0000
	Purchase 20-Dec-2019	80000	0.1802	80000	0.1802
	At the end of the Year 31-Mar-2020	80000	0.1802	80000	0.1802

**v) Shareholding of Directors and Key Managerial Personnel: Nil**
**V INDEBTEDNESS**
**Indebtedness of the company including interest outstanding/accrued but not due for payment**
**Rs. In lakhs**

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal amount	0.00	-	-	0.00
ii) Interest due but not paid	0.00	-	-	0.00
iii) Interest accrued but not due	0.00	-	-	0.00
Total ((I + ii + iii))	0.00	-	-	0.00
Change in indebtedness	0.00	-	-	0.00
Addition (by interest)	0.00	-	-	0.00
Reduction (repayment)	0.00	-	-	0.00
Net change	0.00	-	-	0.00
Indebtedness at the end of the year				
i) Principal amount	0.00	-	-	0.00
ii) Interest due but not paid	0.00	-	-	0.00
iii) Interest accrued but not due	0.00	-	-	0.00
Total ((I + ii + iii))	0.00	-	-	0.00

**VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A.Remuneration to Managing Director, Whole-time Director and/or Manager**

Sl.No	Particulars of Remuneration	Name & Designation
1.	Salary - 15.89 lakhs Contribution to PF - 0.83 lakhs	Mr. Sesha Sai P L V K President & Whole Time Director
2.	Ceiling as per the Act	Rs.14.02 Lakhs

**B.Remuneration to other Directors:**
**1.Independent Directors**

Sl.No	Particulars of Remuneration	Name of Directors					Total
		Shri T M Nagarajan	Shri P M Venkata subramanian	Shri G R Sundara vadivel	Smt Chitra Murali	Shri Vajjinath Gavarshetty	
Amount Rs. In lakhs							
1.	Fee for attending Board/ Committee meetings	0.28	0.32	0.74	0.36	0.50	2.20
2.	Commission	--	--	--	--	--	--
3	Others, please specify	--	--	--	--	--	--
	Total B (1)	0.28	0.32	0.74	0.36	0.50	2.20

**2.Other Non Executive Directors**

Sl.No	Particulars of Remuneration	Name of the Directors			Total
		Shri Shenoy Vishwanath Vittal	Shri A S Rajeev	Shri P A Krishnan	
1.	Fee for attending Board/Committee meetings	NIL			
2.	Commission				
3.	Others, please specify				
	Total B (1)				



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President & CFO	Company Secretary & Compliance Officer	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the IT Act, 1961	600451	655570	1256021
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	• Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- As % of profit	--	--	--
	- Others, specify	--	--	--
5.	Others,(specify)	--	--	--
	<b>Total (C)</b>	<b>600451</b>	<b>655570</b>	<b>1256021</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

TYPE	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTOR</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

As per section 92 (3) of the Companies Act, 2013, the copy of the Annual report is placed at the website of the company Under the Link : <https://corporate.indbankonline.com/an-31.03.2020.pdf>

**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**

FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members**

**Indbank Merchant Banking Services Limited**

**480, Anna Salai**

**Chennai - 600 035**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indbank Merchant Banking Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of Indbank Merchant Banking Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

1. The Companies Act, 2013(the Act)and the rules made there under;
2. The Securities Contracts(Regulation) Act, 1956("SCRA") and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading)Regulations, 1992;
  - c. The Securities and Exchange Board of India(Issue of Capital and Disclosure Requirements) Regulations,2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. Securities And Exchange Board Of India (Merchant Bankers) Regulations, 1992
  - f. Securities And Exchange Board Of India (Stock Brokers and Sub-Brokers) Regulations, 1992
  - g. Securities And Exchange Board of India (Depositories and Participants) Regulations, 1996 read with amendments thereto.
  - h. Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them., rules, regulations and guidelines.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there were no instances of:

- i. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

**Place : Chennai**  
**Date : 11.06.2020**

**For SPNP & Associates**  
**Nithya Pasupathy**  
**FCS No. 10601**  
**CP No: 22562**

#### **Annexure A**

#### **The Members**

**Indbank Merchant Banking Services Limited**  
**480, Anna Salai**  
**Chennai - 600 035**

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Chennai**  
**Date : 11.06.2020**

**For SPNP & Associates**  
**Nithya Pasupathy**  
**FCS No. 10601**  
**CP No: 22562**

**THE ANNUAL REPORT ON CSR ACTIVITIES AS PART OF THE BOARD'S REPORT**  
**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of**  
**the Companies (Corporate Social Responsibility) Rules, 2014]**

**1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or program**

Indbank Merchant Banking Services Ltd (IBMBS) Corporate Social Responsibility Policy (CSR) encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large. This policy is rooted in the Company's core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business.

The objective of the Company's CSR policy is driven by the intent to make a material, visible and lasting difference to the lives of disadvantaged sections of society and a sustained positive contribution to the welfare of society at large. In the conduct of its CSR intervention, IBMBS aims to act as a good corporate citizen and a socially responsible entity, identify the gaps and extend need-based contribution for the betterment of the society, contribute for the sustainable and holistic development of the underserved communities through various programs having multi-dimensional impact and generate community goodwill by making proactive interventions.

The policy applies to all CSR initiatives and activities to be undertaken by IBMBS at various locations, within India, for the benefit of targeted segments of the society.

The policy would pertain to all activities undertaken by IBMBS towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with section 135 of the Companies Act, 2013 and would include the activities as covered under Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.

Website of the Company: [www.indbankonline.com](http://www.indbankonline.com) ' Policy & Procedure

**2. The Composition of the CSR Committee**

The CSR Committee is consisting Shri. Vajjinath Gavarshetty, Independent Director, Chairman of the Committee, Shri. G R Sundaravadivel, Independent Director, Member of the Committee, Smt. Chitra Murali, Independent Director, Member of the Committee and Shri P A Krishnan, Nominee Director, Member of the Committee.

**3. Average net profit of the Company for last three financial years. - Rs. 374.69 Lakhs**

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - Rs. 7.49 lakhs**

**5. Details of CSR spent during the financial year:**

- a) Total amount spent for the financial year: - NIL
- b) Amount unspent, if any: Rs. 7.49 lakhs
- c) Manner in which the amount spent during the financial year is detailed below

Sr. No	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other(2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
NIL							

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.**

IBMBS considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. The Company is identifying the areas and opportunities for spending the unspent amount of Rs.20.62 lakhs including the unspent amount of Rs.13.13 lakhs pertaining to the previous years. The Company is making all efforts to ensure full utilization of the allocated CSR budget.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

**Sesha Sai P L V K**  
**President & Whole Time Director**

**Vajinath Gavarshetty**  
**Director/Chairman CSR Committee**

**ANNEXURE - 1**  
**Ratio of Remuneration**

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; The Directors other than President & Whole Time Director & Nominee Directors are not drawing any remuneration other than sitting fees. Hence the computation relates to the remuneration of President & Whole Time Director in relation to the median remuneration of the employee.	5.35
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	President & Whole Time Director - 13.96% (The increase is due to increase in dearness allowance) Vice President & CFO - (17.40)%. (The decrease is due to casual vacancy of VP & CFO for 4 months during the year 2019-20) Company Secretary & Compliance Officer - 52.66%. (The increase is due to casual vacancy of Company Secretary for 6 months during 2018-19)
(iii) The percentage increase in the median remuneration of employees in the financial year;	12.29
(iv) The number of permanent employees on the rolls of company;	93
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase / decrease in the salaries of employees other than managerial position and that of managerial remuneration are 7% and 1.82% respectively. Hence this provision is not applicable.
(vi) The key parameters for any variable component of remuneration availed by the directors;	Not applicable.
(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the remuneration policy of the company.

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Code of Governance

Your Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations. Your Company's Corporate Governance practices emanate from its commitment towards accountability, transparency and fairness. Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements. Your Company believes that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

### 2. BOARD OF DIRECTORS

#### a. Composition of the Board:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. The Board consists of 6 Directors as on 31st March 2020. The day-to-day management of the company is carried on by the President & Whole Time Director of the company.

Category	No of Directors
President & Whole Time Director	1
Nominee Directors	2
Non-executive Independent Directors	2
Non-executive Independent woman Director	1

All Independent Directors possess the requisite qualifications and are very experienced in their own fields and are not liable to retire by rotation. All Nominee Directors except the President & Whole Time Director are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

**The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2020 is given below:**

Name of Director	Category	Number of Directorships in other companies		Number of Committee Memberships in other companies		Details of Directorship in other listed entities other than Indbank Merchant Banking Services Limited
		Chairman	Member	Chairman	Member	
1. Shri Shenoy Vishwanath Vittal	Nominee of Indian Bank	--	1	--	--	1. Executive Director in Indian Bank. 2. Nominee Director in Ind Bank Housing Limited
2. Shri G R Sundaravadivel	Independent Director	--	1	1	1	Independent Director in Repco Home Finance Limited
3. Smt. ChitraMurali	Independent Director	--	--	--	--	NIL
4. Shri P A Krishnan	Nominee of Indian Bank	--	1	--	3	Nominee Director in Ind Bank Housing Limited
5. Shri.Vajjinath Gavarshetty	Independent Director	--	--	--	--	NIL
6. Shri Sesha Sai P L V K	President & Whole Time Director - Nominee of Indian Bank	--	1	--	1	Managing Director in Ind Bank Housing Limited

**Notes:**

- i. Other directorships exclude foreign companies, private limited companies and alternate directorships.
- ii. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

**List of core skills / Experience / Competencies of the directors identified by the Board:**

S.No	Name of the Director	Skills / Experience / Competencies
1	Shenoy Vishwanath Vittal	Banking, Accounts, Finance, Human Resource, Risk Management
2	G.R Sundaravadivel	Banking, Securities Market, Accounts, Finance
3	Chitra Murali	Accounts, Audit
4	Vaijinath Gavarshetty	Banking, Accounts, Finance, Retail loan
5	P.A.Krishnan	Banking, Accounts, Finance, Human Resource
6	Sesha Sai P L V K	Banking, Securites Market, Accounts, Finance

"A Certificate has been received from Ms.Nithya Pasupathy, Partner of M/s. SPNP & Associates, Practising Company Secretaries, Chennai that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed as directors of the Company by the securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority."

**b. Board Meetings and Attendance at Board Meetings:**

The Board met 4 times during the financial year 2019-2020. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S.No	Date	Board Strength	No. of Directors present
1	18-05-2019	7	7
2	19-07-2019	8	7
3	07-11-2019	6	6
4	01-02-2020	6	5

The company places before the Board all those details as required under Part A of Schedule II to the SEBI (LODR), Regulations 2015. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The President & Whole Time Director appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

**c. Disclosure of relationship between directors inter-se:**

There is no inter-se relationship within the Directors of the company

**d. Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM):**

S.No.	Name	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Attended the last AGM as on 21st September 2019
1	Shri Shenoy Vishwanath Vittal	4	4	Yes
2	Shri T M Nagarajan	2	2	No
3	Shri P M Venkatasubramanian	2	2	No
4	Shri G R Sundaravadivel	4	4	Yes
5	Smt. Chitra Murali	4	2	No
6	Shri Vaijinath Gavarshetty (from 19.07.2019)	3	3	Yes
7	Shri P A Krishnan	4	4	Yes
8	Shri Sesha Sai P L V K	4	4	Yes

**e) Familiarization Programme:**

Pursuant to Regulation 25(7) of the Listing Regulations, all new Independent Directors inducted on the Board are given an orientation. Presentations are made by Executive Director and senior management giving an overview of the Company, operations, finance and other important aspects.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a Director.

The Independent Directors are updated regularly on changes / developments in the industry scenario to enable them to take well informed and timely decisions.

The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads. On the matters of specialized nature, the Company engages external experts/consultants for presentation and discussion with the Board members. The detailed overview of the familiarization program is available on the Company's website:

**3.AUDIT COMMITTEE**

**a. Reference:**

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of SEBI (LODR), Regulations 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board.

**b. Composition:**

**The audit committee comprised of the following directors for the year ended 31st March 2020:**

Name of the Director	Position
Shri T M Nagarajan (upto 21.09.2019)	Chairman
Shri P M Venkatasubramanian (upto 21.09.2019)	Member
Shri G R Sundaravadivel	Member
Shri G R Sundaravadivel (from 07.11.2019)	Chairman
Smt.Chitra Murali	Member
Shri. Vajjinath Gavarshetty (from 19.07.2019)	Member
Shri P A Krishnan	Member

As on 31st March 2020 the committee comprised of three independent directors and one nominee director, all of whom are financially literate and have relevant finance / audit exposure. The President & Whole Time Director is a permanent invitee to the meetings of the committee. The Company Secretary acts as the Secretary to the committee. The composition of the audit committee is as per Regulation 18 of SEBI (LODR), Regulations 2015.

**c. Meetings and Attendance:**

The audit committee met 4 times during the year on 18-05-2019, 19-07-2019, 07-11-2019 and 01-02-2020. The details are as follows:

**Attendance of each Director at Audit Committee Meetings**

Name of the Director	No. of Meetings entitled to attend	Number of audit committee meetings attended
Shri T M Nagarajan	2	2
Shri P M Venkatasubramanian	2	2
Shri G R Sundaravadivel	4	4
Smt Chitra Murali	4	2
Shri P A Krishnan	4	2
Shri Vajjinath Gavarshetty	2	2

**4.NOMINATION AND REMUNERATION COMMITTEE**

**a. Reference:**

The Committee was constituted in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Section 178 of the Companies Act, 2013 it shall include the following



- Formulation of the criteria for determining qualifications of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

This committee recommends the appointment/reappointment of executive directors and the appointments of Key Managerial Personnel (KMP) from the level of CFO and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry and service regulations relating to the organization from where KMP is on deputation.

**b. Composition:**

**The Nomination & Remuneration Committee comprised of the following directors for the year ended 31st March 2020:**

Name of the Director	Position
Shri P M Venkatasubramanian (upto 21.09.2019)	Chairman
Shri G R Sundaravadivel	Member
Smt Chitra Murali (from 07.11.2019)	Chairperson
Shri Vaijinath Gavarshetty (from 19.07.2019)	Member
Shri P A Krishnan	Member

As on 31st March 2020 the committee comprised of three independent directors and one nominee director. Smt Chitra Murali (from 07.11.2019), is the Chairperson of the committee. Shri G R Sundaravadivel, Shri Vaijinath Gavarshetty and Shri P A Krishnan are the other members. The Company Secretary is the secretary to the committee.

**c. Meetings and Attendance**

The Committee met 2 times on 19.07.2019 & 07.11.2019 during the financial year 2019-20. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	No.of Meetings entitled to attend	Number of N & R committee meetings attended
Shri P M Venkatasubramanian	1	1
Shri G R Sundaravadivel	2	2
Shri P A Krishnan	2	2
Shri Vaijinath Gavarshetty	1	1
Smt Chitra Murali	0	0

**d. Performance evaluation of Independent Directors**

The criteria for evaluation of the Independent Directors will be attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013. The Board carried out evaluation of the performance of the Independent Directors on the basis of the criteria laid down.

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Committee is constituted as mandated under Section 135 (3) of the Companies Act, 2013:

**a. Composition:**

The Corporate Social Responsibility Committee comprised of the following directors for the year ended 31st March 2020:

Name of the Director	Position
Shri G R Sundaravadivel (upto 07.11.2020)	Chairman
Shri G R Sundaravadivel (after 07.11.2020)	Member
Shri Vaijinath Gavarshetty (from 19.07.2019)	Member
Shri Vaijinath Gavarshetty (from 07.11.2019)	Chairman
Smt Chitra Murali (from 07.11.2019)	Member
Shri T M Nagarajan (upto 21.09.2019)	Member
Shri P A Krishnan	Member

As on 31st March 2020 the committee comprised of three independent directors and one nominee director. The Company Secretary is the secretary to the committee.

**b. Reference:**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, brief description of terms of reference of CSR Committee includes the following:

- (i) To formulate and recommend to the Board, a Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, including any amendments thereto;
- (ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause above;
- (iii) To monitor CSR policy of the Company including instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

**c. Meetings and Attendance**

The Committee met 1 time on 01.02.2020 during the financial year 2019-20. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	No. of Meetings entitled to attend	Number of CSR committee meetings attended
Shri G R Sundaravadivel	1	1
Shri T M Nagarajan	0	0
Shri Vajjinath Gavarshetty	1	1
Smt Chitra Murali	1	0
Shri P A Krishnan	1	1

**6. REMUNERATION OF DIRECTORS**
**a. REMUNERATION POLICY:**

The Remuneration Policy of the company provides for the following:

1. Criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. Determination of remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies,
3. Evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
4. Provision of reward to them linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**b. Details of Remuneration to all the Directors**

Of the total 6 directors, one is President & Whole Time Director. The 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 members of the company. The non-executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**1. Managerial Remuneration:**

Rs. Lakhs

Name	Designation		2019-20	2018-19
Mr. Sessa Sai P L V K	President & Whole Time Director (From 06.08.2018)	Salary	15.89	9.77
		Contribution to PF	0.83	0.55
Mr. K S Sujay	Vice President & CFO (upto 09.07.2019)	Salary	2.48	8.10
		Contribution to PF	0.22	0.70
Mr. U. Rajkumar	Vice President (In-Charge) & CO (from. 07.11.2019)	Salary	3.52	0.22
		Contribution to PF	0.30	0.03
Mr. V Balamurugan	Company Secretary & Compliance Officer	Salary	6.56	3.20
		Contribution to PF	0.76	0.37

**2. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2019-2020**

(Rs.)

Name of the Director	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Independent Directors' Meeting	CSR Committee Meeting	Total
Shri T M Nagarajan (upto 21.09.2019)	16000	12000	0	0	0	0	28000
Shri P M Venkatasubramanian (upto 21.09.2019)	16000	12000	4000	0	0	0	32000
Shri G R Sundaravadivel	32000	24000	8000	0	6000	4000	74000
Smt ChitraMurali	16000	12000	0	8000	0	0	36000
Shri Vaijinath Gavarshetty (from 19.07.2019)	24000	12000	4000	0	6000	4000	50000
	104000	72000	16000	8000	12000	8000	220000

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2020.

**3. CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:**

A Non-Executive Director shall be entitled to receive only sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**c. Details of shareholding of Directors as on 31st March 2020**

None of the Directors hold shares of your Company.

**Note:** The Company has not issued any stock options to any of the directors.

**7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Committee looks into redressal of grievances of the investors and the functions of the Committee include the following:

1. Approval of share transfers & share transmission/share transposition.
2. Issue of duplicate share certificates
3. Issue of share certificates for split
4. Rematerialization and consolidation of shares
5. Redressal of shareholders/ stake holders grievances

**The Stakeholders' Relationship Committee comprised of the following directors for the year ended 31st March 2020:**

Smt. Chitra Murali, non-executive director is the Chairperson of the committee. Shri P A Krishnan and Shri Sessa Sai P L V K are the other members of the committee.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, re-materialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 9 times during the year 2019-2020. The committee approved the transfer of 3800 shares in physical form.

**Complaints received and redressed during the year 2019-2020**

S.No.	Nature of Complaints	Number of Complaints
1	Regarding annual report	Nil
2	Revalidation of dividend warrant	Nil
3	Issue of duplicate share certificate	Nil
4	Issue of duplicate dividend warrant	Nil
5	Procedure for transmission	1
6	General queries - IEPF	Nil
7	Non receipt of refund order	Nil
8	Non receipt of dividend	Nil
9	Correction in share certificate	Nil

S.No.	Nature of Complaints	Number of Complaints
10	Change of address	Nil
11	Unclaimed dividend	Nil
12	Correction in dividend cheque	Nil
13	Sending physical copy of Annual Report	Nil
	Total	1

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Balamurugan V., Company Secretary is the Compliance Officer of the Company.

#### 8. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 01.02.2020 to review the performance of non-Independent Directors and the Board as a whole, to review the performance of the President & Whole Time Director of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### 9. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

a. The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

Venue	Financial Year	Date & Time
"IMAGE" M.R.C Nagar, R A Puram, Santhome, Chennai - 600 028	2016-2017	16th September, 2017 at 11 a.m.
	2017-2018	10th September, 2018 at 11 a.m.
	2018-2019	21st September, 2019 at 11 a.m.

b. The details of special resolutions passed in AGM/EGM in the last 3 years are as follows:

AGM/EGM	Subject
30th AGM held on 21.09.2019	3 nos of special resolutions were passed at the AGM 1. To re-appoint Shri G R Sundaravidel (DIN:00353590), as an independent Director of the Company. 2. To approve the continuance of Directorship of Shri G R Sundaravidel (DIN:00353590) in the second tenure. 3. To re-appoint Smt. Chitra Murali (DIN: 06751105), as an Independent Director.
29th AGM held on 10.09.2018	3 nos of special resolutions were passed at the AGM 1. Continuation of Directorship of Shri P M Venkatasubramanian (DIN 00124505), Non-Executive Independent Director from April 1, 2019 for the remaining period of his present tenure, i.e. till the conclusion of 30th Annual General Meeting. 2. Continuation of Directorship of Shri T M Nagarajan (DIN 00518074), Non-Executive Independent Director from April 1, 2019 for the remaining period of his present tenure, i.e. till the conclusion of 30th Annual General Meeting. 3. Continuation of Directorship of Shri G R Sundaravidel (DIN 00353590), Non-Executive Independent Director from April 1, 2019 for the remaining period of his present tenure, i.e. till the conclusion of 30th Annual General Meeting.
28th AGM held on 16.09.2017	No special resolution was passed at the AGM

#### c. E-Voting/Poll: (Details of E-voting/Poll carried out at AGM/EGM)

No item was approved by the shareholders of the company through special resolutions for the year 2016-17. 3 items were approved by the shareholders of the Company through special resolutions for the year 2017-18 and 2018-19 respectively.

## 10. MEANS OF COMMUNICATION

- Quarterly / half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (English) and Malai Sudar (Vernacular).
- The company's website address is: [www.indbankonline.com](http://www.indbankonline.com) The website contains basic information about the company and such other details as required under SEBI (LODR) Regulations, 2015. The company ensures periodical updation of its website. The company has designated the email-id [investors@indbankonline.com](mailto:investors@indbankonline.com) to enable the shareholders to register their grievances.
- The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- No presentations were made to institutional investors / analysts

## 11. GENERAL INFORMATION TO SHAREHOLDERS

### a. Annual General Meeting

Date and time:	29/09/2020
Venue:	IMAGE, MRC Nagar, Chennai 600028
Book Closure Date :	23/09/2020 to 29/09/2020
Financial Year:	1st April 2019 to 31st March 2020

### b. Board Meetings during the Financial Calendar 2020-2021 (tentative)

1st Quarter	In the first week of August 2020
2nd Quarter	In the first week of November 2020
3rd Quarter	In the first week of February 2021
4th Quarter	In the second week of May 2021

### c. Particulars of Dividend for the year ended 31.03.2020 - Nil

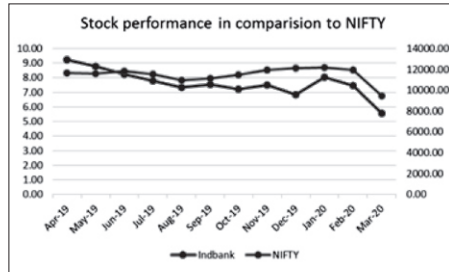
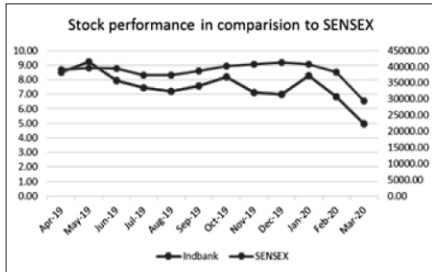
### d. Listing of Shares

The company's shares are listed in Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Listing fees for the financial year 2020-21 have been paid to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) where the company's shares are listed.

Name of the Stock Exchange	Address	Script Code/Stock Symbol
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 01	511473
The National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	INDBANK

### e. Stock Market Data

Market price data								
Performance in comparison with stock exchange index								
Month	Indbank Merchant Banking Services Ltd				BSE Sensex		NSE Nifty	
	BSE		NSE		BSE		NSE	
	High	Low	High	Low	High	Low	High	Low
April 2019	11.00	8.35	10.30	8.20	38858.88	39487.45	11856.15	11549.10
May 2019	9.99	7.65	10.10	8.00	39036.51	40124.96	12041.15	11108.30
June 2019	9.88	7.61	9.60	7.20	39806.86	40312.07	12103.05	11625.10
July 2019	9.99	6.71	10.05	6.70	39543.73	40032.41	11981.75	10999.40
August 2019	8.00	6.72	8.35	6.25	37387.18	37807.55	11181.45	10637.15
September 2019	9.02	6.97	9.00	6.95	37181.76	39441.12	11694.85	10670.25
October 2019	8.30	6.31	8.35	6.50	38813.48	40392.22	11945.00	11090.15
November 2019	9.00	6.40	9.75	6.20	40196.07	41163.79	12158.80	11802.65
December 2019	8.40	6.44	8.00	6.40	41072.94	41809.96	12293.90	11832.30
January 2020	9.50	6.80	9.70	6.80	41349.36	42273.87	12430.50	11929.60
February 2020	8.40	6.80	8.60	6.70	40753.18	41709.3	12246.70	11175.05
March 2020	7.40	4.16	7.35	4.35	38910.95	39083.17	11433.00	7511.10



#### f. Registrar and Share Transfer Agents

M/s Cameo Corporate Services Limited, having its registered office at "Subramaniam Building" No.1, Club House Road, Chennai - 600002 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

#### g. Shareholding Pattern as on 31st March 2020

	Category	No. of Share holders	No. of shares held in physical form	No. of Shares held in demat	Total No. of shares held	% of shareholding
<b>A</b>	<b>Promoters holding</b>					
	Promoters					
1	-Indian Promoters - Indian Bank	1	--	28773800	28773800	64.84
	-Foreign Promoters	--	--	--	--	--
2	Person acting in concert	--	--	--	--	--
	Sub-total	1	--	28773800	28773800	64.84
<b>B</b>	<b>Non-Promoters holding</b>					
	Institutional Investors					
	A Mutual funds and UTI	5	40600	--	40600	0.09
	B Banks, financial institutions, insurance companies, Central / State Government institutions / Non-Government institutions	4	200	46537	46737	0.11
	Sub-total	9	40800	46537	87337	0.20
<b>C</b>	<b>Others</b>					
	A Private Corporate Bodies	141	25100	346790	371890	0.84
	B Indian Public	35320	1822731	11345177	13167908	29.66
	C NRIs/OCBs	135	0	451464	451464	1.02
	D Clearing Member and others	347	1	460368	460369	1.04
	E IEPF	1	0	1065432	1065432	2.40
	Sub-total	35944	1847832	13669231	15517063	34.97
	Grand Total	35954	1888632	42489568	44378200	100.00

#### h. Distribution of Shareholding as on 31st March 2020

Number of Equity Shares held	Number of Share holders (Folio wise)	Number of Shares	% of Capital
Up to 100	27344	2330459	5.25
101-500	6045	1772642	3.99
501-1000	1713	1488485	3.36
1001-2000	816	1279454	2.88
2001-3000	319	832511	1.88
3001-4000	144	527996	1.19
4001-5000	168	803121	1.81
5001-10000	187	1399197	3.15
10001 AND ABOVE	152	33944335	76.49
Total	36888	44378200	100.00

**i. Dematerialization of Shares and Liquidity:**

A total number of 42489568 equity shares representing 95.73% of the paid up equity capital have been dematerialized as on 31st March 2020.

**j. Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares	M/s Cameo Corporate Services Ltd, "Subramaniam Building" No 1, Club House Road, Chennai - 600002. Email : cameo@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr.Balamurugan V. Company Secretary and Compliance Officer Fax : 044 24313093 E-mail : cs@indbankonline.com

**k. Information in respect of unclaimed dividends / shares due for remittance / transfer into Investor Education and Protection Fund (IEPF) is given below:**

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. There is no unclaimed dividend as on March 31, 2020 remaining to be transferred to Investor Education and Protection Fund (IEPF).

Since the Company has already transferred the unclaimed dividends of the shareholders due for the financial years 2007-08 and 2008-09 after 7 years from the date of declaration of the same, to IEPF on their respective dues dates as per the Companies Act, 2013, all shares in respect of these shareholders are liable to be transferred to IEPF Suspense account Pursuant to Section 124 (6) of the Companies Act, 2013 read with the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 notified by the Ministry of Corporate Affairs effective from February 28, 2017. Accordingly the company has transferred the shares to IEPF suspense account.

It is informed to the shareholders that they can claim both the unclaimed dividends and the shares transferred to IEPF / IEPF Suspense Account including all benefits accruing on such shares, if any, by making an application in IEPF-5 as prescribed under the Rules.

**l. Request to Investors**

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs immediately as request for effecting transfer of securities shall not be processed except in case of transmission or transposition of securities unless the securities are in demat form pursuant to notification issued by SEBI dated 08.06.2018 amending Regulation 40 of SEBI (LODR), Regulations 2015.
- To avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the nomination in Form 2B. The form will be made available on request. Those holding shares in electronic form are advised to contact their DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc

## 12. OTHER DISCLOSURES

- a. There have been no related party transactions with the company's promoters, directors, the management or relatives which may have potential conflict with the interests of the company at large. However there is an arrangement of overdraft against own deposits of the company with Indian Bank to meet the requirement of its operations in normal course of business. The necessary disclosures regarding this arrangement is given in the notes to accounts.
- b. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- c. The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The key directions/actions will be informed to the President & Whole Time Director of the Company. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. The same is available in the company's website address [www.indbankonline.com](http://www.indbankonline.com)
- d. The Company has complied with the mandatory requirements of Corporate Governance prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- e. The company does not have any subsidiary.
- f. Policy on dealing with related parties is displayed on the Company's website: [www.indbankonline.com](http://www.indbankonline.com) - ' Policies and Procedures - ' Policy on related party transactions
- g. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee etc., and clauses (b) to (i) of sub - regulation (2) of Regulation 46
- h. The Company has formulated various policies pursuant to Companies Act, SEBI regulations and other regulations and same are available in the website of the Company [www.indbankonline.com](http://www.indbankonline.com) under policies and procedures.

## 13. DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015:

- a. Office for Non-Executive Chairman at company's expense: Not Applicable
- b. Half-yearly declaration of financial performance including summary of the significant events in last six-months to each household of shareholders:  

The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website [www.indbankonline.com](http://www.indbankonline.com) and in stock exchange websites namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Therefore, no individual communications are sent to the shareholders in this regard.
- c. Modified opinion(s) in audit report: The Auditors of the Company have issued an unmodified report on financial statements for FY 2019-2020.
- d. Separate posts of Chairman & Chief Executive Officer: Complied
- e. Reporting of Internal Auditors directly to the Audit Committee: Complied

## 14. CODE OF CONDUCT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.indbankonline.com](http://www.indbankonline.com). As provided under SEBI (LODR), Regulations 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2019-2020.

## 15. CEO /CFO CERTIFICATION

Mr. Sesa Sai P L V K, President & Whole Time Director and Mr. U Rajkumar, Chief Financial Officer have certified to the Board regarding the financial statements for the period ended 31st March, 2020 in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.



## 16. AUDITOR'S CERTIFICATION ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

## 17. DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors and select employees have confirmed Compliance with the Code of Conduct.

## DECLARATION BY PRESIDENT & WHOLE TIME DIRECTOR ON CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2020.

Place : Chennai  
Date : 31.03.2020

President & Whole Time Director

## INDBANK MERCHANT BANKING SERVICES LIMITED

### CERTIFICATION BY PRESIDENT & WHOLE TIME DIRECTOR and CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, Sessa Sai P L V K, President & Whole Time Director and U Rajkumar, Chief Financial Officer of Indbank Merchant Banking Services Ltd., certify that:

1. We have reviewed the financial statements and the cash flow statement for the year 2019-2020 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place: Chennai  
Date: 11.06.2020

President & Whole Time Director

Chief Financial Officer

## 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 2020 as stipulated in SEBI (Listing Obligations Disclosure Requirements) Regulation, 2015 of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations Disclosure Requirements) Regulation, 2015.

We further state that 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.

**For M.Srinivasan & Associates**  
**Chartered Accountants**  
**FRN 004050S**

**Date : 11.06.2020**  
**Place : Chennai**

**S.Santhosh, Partner**  
**M.No : 230839**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Areas of Business Operations

Your company is engaged in Merchant Banking, Stock Broking, Depository Participant and allied activities. Your company is registered with SEBI as a Merchant Banker. Your company is a member of NSE (Equity, Derivatives & Debt segments), BSE (Equity & Derivatives) 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.

### Operations during the year

During the year your company has earned a gross income of Rs.1723.83 lakhs as against Rs.1244.90 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.5907.62 crores during the year as against Rs.5610.26 crores. Your company also provides Depository services to Institutions and retail customers and has 45546 accounts under DP operations and 26085 accounts under broking operations.

### Opportunities and Threats

#### Opportunities

Indian economy is fast growing and amongst top growing economies in the world. Seeing the recent trends of money inflow into various mutual funds, it is evident that there is a significant shift from physical assets to financial assets. We are seeing large number of corporates both SMEs and large companies prefer raising funds from the capital markets. There has been robust retail participation in good quality IPOs. Going forward there lies a huge potential and unmatched opportunities for stock broking firms given the steady increase in institutional and public activity in the financial markets..

#### Threats

Industry as a whole is seeing significant shift and usage of latest and modern technology such as Artificial Intelligence (AI), Data Analytics and various other applications in broking business irrespective of their costs. Online Zero/free brokerages pose a serious threat and disruption for the industry as a whole.

### Segment-wise or product-wise performance.

1. Due to increase in the volume of business in stock broking activities and better performance by some of our terminals, the fee based income from stock broking operations has increased to Rs.780.74 lakhs for FY 2019-20 from Rs.698.03 lakhs for the pervious FY 2018-19 registering an increase of 11.85%.
2. Income from DP operations has decreased by 0.46% to Rs.90.95 lakhs from Rs.91.37 lakhs for the previous year ended 31.03.2019.
3. Income under Merchant Banking and Mutual Fund distribution has decreased by 75.50% to Rs.5.48 lakhs from Rs.22.38 lakhs for the previous year ended 31.03.2019.

4. Other income has increased by 95.48% to Rs.846.66 lakhs from Rs.433.12 lakhs for the previous year ended 31.03.2019. To comply with IND-AS disclosure requirements other income also includes income from discontinued fund based operations including reversal of provisions due to sale of quoted investments apart from the major components like interest received from Term deposits and rental income.
5. On the basis of the aforesaid segmental income, total income has increased by 38.47% to Rs.1723.83 lakhs from Rs.1244.90 lakhs for the previous year ended 31.03.2019.

#### Risk Management & Internal Control Systems

The major risks among others that your company manages include credit risk, liquidity risk, interest rate risk and operational risk. In view of the discontinuance of fund based activities the credit risks on appraisal and disbursement do not arise. The company has put in place an aggressive recovery mechanism for realisation of existing fund-based exposures.

Your company has detailed operating manuals and well laid down delegation of powers to ensure that operational controls are maintained on the business. The policies and procedures are continuously reviewed through interaction between office heads and other support functional heads. Your company also has an adequate internal audit system to ensure feedback on adherence to the defined policies and procedures and regulatory guidelines.

#### Human Resources

Human Resources of your company comprise a mix of 4 Officers on deputation from Indian Bank and 93 employees on direct rolls. The employees are well qualified and experienced in their field of operations.

#### Financial Performance

##### **Balance Sheet**

##### Share Capital

The Share Capital of your company comprises 44378200 number of Equity shares of Rs.10/- each. Your company's shares are listed in BSE and The National Stock Exchange. There is no change in share capital of the company during the year.

##### Reserves & Surplus

The accumulated profits of the pervious years has been carried over to the reserves and the Reserves & surplus stands at Rs.1582.85 lakhs as on 31.03.2020.

##### Current Liabilities

The current liabilities have increased to Rs.1394.13 lakhs from Rs.931.51 lakhs mainly in view of increase in credit balances available in clients' accounts under Stock Broking compared to previous year. The provision for leave encashment has increased from Rs.74.87 lakhs to Rs.91.76 lakhs on account of additional provisions made for encashment of leave on actuarial valuation as at the end of the year.

##### Fixed Assets

Property plant and equipment have decreased by Rs.20.33 lakhs in view of disposal of old and unusable items and provision for depreciation. Investment property has decreased by Rs 7.78 lakhs due to provision of depreciation and impairment.

##### Investments

Other Investments at FVTPL of your company comprise of quoted shares and unquoted investments. Gross investments have decreased from Rs.1312.14 lakhs as on 31.03.2019 to Rs.925.30 lakhs as on 31.03.2020 due to disinvestments of quoted shares. Net investments after adjusting provisions have decreased in view of fall in the market price of quoted shares necessitating additional provisions in the value of the investments. The market value of quoted investments (cost - Rs.51.76 lakhs) of the company as on 31.03.2020 was Rs.18.39 lakhs compared to Rs.45.06 lakhs as on 31.03.2019 for the quoted shares which are held by the company as on 31.03.2020.

##### Non-current Other Financial Assets

Non-current Other Financial Assets have increased from Rs.454.05 lakhs to Rs.1407.62 lakhs due to increase in fixed deposits having maturity period above 12 months.

##### Deferred Tax Assets

During the year the company has provided Rs.34.15 lakhs towards deferred tax asset in the profit and loss account. Accordingly, the net deferred tax assets have decreased from Rs.420.89 lakhs in the previous year to Rs.386.74 lakhs in the current year.

##### Current Assets

The current assets have decreased from Rs.4283.36 lakhs as on 31.03.2019 to Rs.3956.99 lakhs as on 31.03.2020 in view of decrease in fixed deposits having maturity period above 3 months.

## Profit and Loss account

### Revenue from Operations

Stock Broking / DP income has increased from Rs.789.40 lakhs in 2018-19 to Rs.871.68 lakhs in 2019-20 in view increase in the volume of business in stock broking activities and better performance by some of our terminals,

Merchant Banking and MF income has decreased from Rs.22.38 lakhs in 2018-19 to Rs.5.48 lakhs in 2019-20.

Other income includes, rental income, income from fixed deposits, dividend income and income from discontinued fund based activity. Other income has increased from Rs.433.12 lakhs to Rs.846.66 lakhs mainly due to reversal of provisions on sale of quoted investments and increase in interest on fixed deposits due to fresh deposits placed with Indian Bank during last one year.

### Expenses

Direct cost has increased from Rs.36.26 lakhs to Rs.37.03 lakhs due to increase in volume of transactions as compared to the previous year.

Employee benefit expenses have increased from Rs.438.33 lakhs in the previous year to Rs.496.10 lakhs in the current year mainly due to periodic revision in DA payable to employees, absorption of contract employees on the rolls of the company during the year, increase in provision for PL encashment, incentive paid to staff and increase in gratuity provision made during the year.

Depreciation and amortization expenses has increased to Rs.30.21 lakhs in FY 2019-20 from Rs.23.29 lakhs in FY 2018-19.

Finance Cost has decreased from Rs.153.08 lakhs to Rs.152.18 lakhs.

Provision and write offs has increased from Rs.82.13 lakhs to Rs.153.32 lakhs mainly due to write off of Lease/HP/ICD and Client dues amounting to Rs.136.30 lakhs made during the year.

Other expenses have increased from Rs.338.00 lakhs to Rs.561.00 lakhs mainly due to increase of Rs.247.36 lakhs in the year 2019-20 towards loss on sale of quoted investments.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Particulars	2018-19	2018-19	Variance in %	Reason for change
(i)Interest Coverage Ratio	3.05	2.31	32.21	Due to higher income from stock broking operations and increase in reversal of provisions that are no longer required.
(ii)Current Ratio	2.84	4.60	(38.26)	Due to decrease in Current Asset.

### Details of change in Return on Net Worth:

Particulars	2018-19	2018-19	Variance in %	Reason for change
(i) Return on Net Worth	0.032	0.029	10.46	Due to higher income from stock broking operations and increase in reversal of provisions that are no longer required.

## Financial Results

Rs.Lakhs

Sl.No.	Rs. in Lakhs	FY2019-20	FY2018-19
1	Income from Fee based operations	877.17	811.78
	Of which income from Stock Broking	780.74	698.03
	DP	90.95	91.37
	Merchant Banking/Mutual Funds	5.48	22.38
2	Other income	846.66	433.12
3	Total income (1+2)	1723.83	1244.90
4	Employee Expenses	496.10	438.33
5	Other expenses	598.02	374.26
6	Interest Expenses	152.18	153.08
7	Depreciation	30.21	23.29
8	Provisions for NPAs/Write off	153.32	82.13
9	Total expenses (4+5+6+7+8)	1429.83	1071.09
10	Profit before exceptional items (3-9)	294.00	173.81
11	Prior period income/Exp	0.00	7.22
12	Profit before tax (10-11)	294.00	181.03

13	Current Tax	50.95	59.87
14	MAT Tax	0.00	(51.35)
15	Deferred tax	34.15	(4.02)
16	Prior Year tax	0.00	0.00
17	Items reclassified as per IND-AS - re-measurement of the defined benefit plans	(11.62)	(3.78)
18	Net profit / Loss after tax (12-13-14-15-16+17)	197.28	172.75
19	EPS	0.47	0.40

## Outlook

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 involved management network, satisfied clientele, quality manpower, profitable expansion and diligent internal control and 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 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDBANK MERCHANT BANKING SERVICES LTD FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Indbank Merchant Banking Services Ltd for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Indbank Merchant Banking Services Ltd for the year ended 31 March 2020 under section 143 (6) (a) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

**(S. SURESHKUMAR)  
DIRECTOR GENERAL OF COMMERCIAL  
AUDIT AND EX-OFFICIO MEMBER, ADUIT  
BOARD, CHENNAI**

Place : Chennai  
Date : 10.07.2020

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDBANK MERCHANT BANKING SERVICES LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **INDBANK MERCHANT BANKING SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profits and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Contingent Liability</b> The contingent liability as defined in AS 29 - provisions, contingent liability and contingent assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by management.</p> <p>( Refer Note 28 )</p>	<p>We have carried out the validation of information provided by the management by performing the following procedures</p> <ul style="list-style-type: none"> <li>• Evaluating reasonableness of the underlying assumptions</li> <li>• Understanding the current status of the litigations/tax assessments.</li> <li>• Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.</li> <li>• Examining the relevant documents on record</li> <li>• Getting management confirmation where-ever necessary.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### **Report on Other Legal and Regulatory Requirements**

1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) 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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e) On the basis of written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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, we give our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in Note 28 to its standalone financial statements
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) As required by section 143(5) we have included in "**Annexure C**", 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 the financial statements of the company.

**For M.Srinivasan & Associates**  
**Chartered Accountants**  
**FRN 004050S**

**S.Santhosh**  
**Partner**  
**M.No : 230839**

**Date : 11.06.2020**  
**Place : Chennai**

#### **ANNEXURE A**

##### **Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' of our report of even date**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) The Company is in the business of providing broking Depository Participant services and Merchant banking services. Accordingly, reporting under clause 3 (ii) of the order is not applicable to the Company. Also, the Company are into the proprietary investment in the shares. These shares are part of the inventory and disclosed in the financials accordingly.
- 3) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to any company, firms or any other party covered in the register maintained u/s 189 of the companies act.
- 4) According to the information and explanations given to us, the Company has not directly or indirectly advanced loan to the persons covered under section 185 and 186 of the Act or given guarantees or securities in connection with the loan taken by such persons
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) According to information and explanations given to us and on the basis of our examination of the books of account, and records,



- a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- c) According to the information and explanation given to us, there are no dues of Custom duty, Service Tax, Value added Tax, Sales Tax and Goods and Service Tax which have not been deposited with the relevant authorities. Details of dues of Income tax and Excise duty together with cess there on which have not been deposited as at 31st March 2020 on account of disputes are as stated below:

Name of the Statute	Nature of Dues	Disputed dues (Rs in lakhs)	Period which it relates	Forum where the dispute is pending	Remarks
Income Tax act, 1961	Income tax and interest	115.02	1992-93	Income Tax Appellate Tribunal	
	Income tax and interest	32.13	1998-99	Commissioner of income tax	
	Income tax and interest	617.47	2007-08	High court - Madras	The company has paid Rs.18 Lakhs as per CIT Order for stay in petition filed by the company
	Income tax and interest	1129.05	2008-09	High court - Madras	The company has paid Rs.132 Lakhs as per CIT Order for stay in petition filed by the company
	Income tax and interest	96.27	2009-10	Income Tax Appellate Tribunal	
	Income tax and interest	24.81	2014-15	Assessing Officer	
Sales tax and VAT Laws	Sales tax / Additional Sales tax, Penalty and Interest	14.20	1998-99	Commercial Tax Officer Tamil Nadu	
	Sales tax / Additional Sales tax, Penalty and Interest	12.05	1995-96	Commercial Tax Officer Tamil Nadu	
	Sales tax / Additional Sales tax, Penalty and Interest	10.48	1994-95	Commercial Tax Officer Tamil Nadu	

- 8) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial Institution(s) and bank(s).
- 9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the 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;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For M. Srinivasan & Associates**  
**Chartered Accountants**  
**FRN 004050S**

**Date : 11.06.2020**  
**Place : Chennai**

**S.Santhosh**  
**Partner**  
**M.No : 230839**

#### **ANNEXURE B**

**Referred to in paragraph 2(f) under "Report on other Legal and Regulatory Requirements" of our report of even date**  
**Report on the Internal Financial Controls over financial Reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of "**INDBANK MERCHANT BANKING SERVICES LIMITED**" as of 31st March, 2020 in conjunction with our audit of the standalone 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 Control 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 issued by the ICAI. 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 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 risk 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 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 purpose 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 expenditure 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.

**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 control 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, to the best of our information and according to the explanations given to us, 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, 2020, 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 control Over Financial Reporting issued by The Institute of Chartered Accountants of India.

**For M.Srinivasan & Associates  
Chartered Accountants  
FRN 004050S**

**Date : 11.06.2020  
Place : Chennai**

**S.Santhosh  
Partner  
M.No : 230839**

**ANNEXURE 'C'****For the directions issued by the Comptroller and Auditor General of India, under section 143(5)  
of Companies Act 2013**

The replies to the following questions and information, required under section 143(5) of the Companies Act, 2013 are given based on our examination and explanation given to us during the course of statutory audit of M/s Indbank Merchant Banking Services Limited.

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.

**Yes the company has system in place to process all the accounting transactions through IT system**

2. Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

**No such waiver / write off of debts /loans /interest etc made by the lender to the company during the financial year.**

3. Whether fund received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.

**Not applicable to this company**

**For M.Srinivasan & Associates  
Chartered Accountants  
FRN 004050S**

**Date : 11.06.2020  
Place : Chennai**

**S.Santhosh  
Partner  
M.No : 230839**

**BALANCE SHEET AS AT 31 MARCH 2020**

	Notes	in Rs.	
		As at 31-03-2020	As at 31-03-2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	4a	39,52,432	59,85,858
Investment Property	4b	2,88,25,085	2,96,02,662
Other Intangible Assets	5	5,51,131	2,39,818
<b>Financial Assets</b>			
(b) Investments	6a		
Other Investments at Amortised Cost		-	-
Other Investments at FVTPL		18,39,462	45,06,258
Other Investments at FVTOCI		15,000	15,000
(c) Other financial assets	6b	14,07,61,547	4,54,05,322
Deferred tax assets	14	3,86,74,320	4,20,89,332
Other non-current assets	7	13,11,62,774	11,93,09,673
		<b>34,57,81,751</b>	<b>24,71,53,923</b>
<b>Current Assets</b>			
Inventories	8	-	-
<b>Financial Assets</b>			
(a) Loans	9a	5,26,386	4,87,691
(b) Trade receivables	9b	91,79,128	5,25,49,906
(c) Investment	6a	-	-
(d) Cash and Cash Equivalents	9d	11,51,73,344	6,91,08,482
(e) Other Bank Balances	9e	23,80,46,405	27,27,35,666
(f) Other financial assets	9c	2,99,38,922	2,95,85,491
Other current assets	10	28,34,346	38,69,209
		<b>39,56,98,531</b>	<b>42,83,36,445</b>
<b>Total Assets</b>		<b>74,14,80,282</b>	<b>67,54,90,368</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	44,37,82,000	44,37,82,000
Other Equity	12	15,82,84,867	13,85,57,005
<b>Total Equity</b>		<b>60,20,66,867</b>	<b>58,23,39,005</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
(a) Borrowings		-	-
(b) Other financial liabilities		-	-
Deferred Tax Liabilities (Net)		-	-
		-	-

	Notes	in Rs.	
		As at 31-03-2020	As at 31-03-2019
<b>Current Liabilities</b>			
Financial Liabilities			
(a) Borrowings	13	27,282	-
(b) Other financial liabilities	14a	1,80,03,717	1,72,08,036
Short Term Provisions	15	91,75,621	74,87,157
Current Tax Liabilities	9f	1,68,47,358	61,76,495
Other Current Liabilities	16	9,53,59,437	6,22,79,675
		<b>13,94,13,415</b>	<b>9,31,51,363</b>
<b>Total Liabilities</b>		<b>13,94,13,415</b>	<b>9,31,51,363</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,14,80,282</b>	<b>67,54,90,368</b>

**P A KRISHNAN**  
DIRECTOR

**SESHA SAI P L V K**  
PRESIDENT AND WHOLE TIME DIRECTOR

**U RAJKUMAR**  
VICE PRESIDENT (IC) & CFO

**As per our report of even date attached**  
**For M. SRINIVASAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
(FRN 004050S)

**CS. BALAMURUGAN V**  
COMPANY SECRETARY

**CA. S SANTHOSH**  
PARTNER  
(M.No:230839)

Place : Chennai  
Date : 11.06.2020

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

in Rs.

	Notes	For the Period ended	
		31-03-2020	31-03-2019
<b>Revenue from Operations</b>			
Income from Operations	17	8,77,16,654	8,11,77,976
Other Income	18	8,46,66,162	4,33,12,249
<b>Total Income</b>		<b>17,23,82,816</b>	<b>12,44,90,225</b>
<b>Expenses</b>			
Direct Costs	19	37,02,639	36,25,850
Finance Costs	22	1,52,17,558	1,53,08,400
Employee Benefits Expense	20	4,96,10,258	4,38,33,084
Depreciation and Amortisation Expense	21	30,20,945	23,28,755
Provisions and Write Offs	25	1,53,31,741	82,12,958
Other Expenses	23	5,60,99,623	3,37,99,684
<b>Total Expense</b>		<b>14,29,82,764</b>	<b>10,71,08,731</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>2,94,00,053</b>	<b>1,73,81,494</b>
<b>Exceptional Items</b>	24	-	7,22,154
<b>Profit Before Tax</b>		<b>2,94,00,053</b>	<b>1,81,03,648</b>
<b>Income Tax</b>			
- Current Year		50,95,318	59,87,434
- MAT Tax		-	(51,35,036)
- Adjustment of tax relating to earlier years		-	-
- Deferred Tax (Net)		34,15,012	(4,02,018)
		<b>85,10,330</b>	<b>4,50,380</b>
<b>Profit for the year (I)</b>		<b>2,08,89,723</b>	<b>1,76,53,268</b>
<b>Other Comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(11,61,862)	(3,78,206)
Income tax effect		-	-
		(11,61,862)	(3,78,206)
Net loss/gain on FVTOCI equity security			
Income tax effect		-	-
		-	-
<b>Other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>(11,61,862)</b>	<b>(3,78,206)</b>
<b>Total comprehensive income for the year, net of tax (I + II)</b>		<b>1,97,27,861</b>	<b>1,72,75,062</b>
Earnings per Equity Share of ₹ 10 each			
Basic		0.47	0.40
Diluted		0.47	0.40

**P A KRISHNAN**  
DIRECTOR

**SESHA SAI P L V K**  
PRESIDENT AND WHOLE TIME DIRECTOR

**U RAJKUMAR**  
VICE PRESIDENT (IC) & CFO

**As per our report of even date attached**  
**For M. SRINIVASAN & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
(FRN 004050S)

**CS. BALAMURUGAN V**  
COMPANY SECRETARY

**CA. S SANTHOSH**  
PARTNER  
(M.No:230839)

Place: Chennai  
Date : 11.06.2020

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2020**

	2019-20 as on 31-03-2020 Rs. in Lakhs	2018-19 as on 31-03-2019 Rs. in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after tax	197.28	172.75
Adjustments for:		
Add : Depreciation/Lease Adjustments	30.21	23.29
Provision for taxation - Current	50.95	59.87
- Mat Tax	0.00	(51.35)
- Deferred	34.15	(4.02)
- Prior Year taxes	0.00	0.00
Loss on sale of assets (net)	0.00	0.00
Interest expense	152.18	153.08
	464.77	353.63
Less:		
Profit on sale of investments(net)	(377.35)	(129.94)
Dividend income	0.90	0.71
Profit on sale of assets	1.12	1.11
	(375.33)	(128.12)
Operating Profit before working capital changes	840.09	481.75
Less : Decrease in Current liabilities	(417.15)	8.92
	1257.24	472.83
Add:		
Decrease in other current assets	438.04	184.11
Cash generated from operations	1695.28	656.94
Less : Interest expense	152.18	153.08
Less : Taxes	50.95	8.52
Cash Flow before Extraordinary Items	1492.15	495.33
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(8.77)	(9.09)
Decrease in Term Deposits with banks	(674.23)	(289.72)
Sale of Fixed Assets	4.68	1.48
Decrease in Investments net of provision	(350.68)	(44.49)
Dividend received	0.90	0.71
Net cash from Investing Activities	(1028.10)	(341.11)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short term loans & Adv.	0.27	0.00
Dividend paid(including taxes thereon)	0.00	0.00
Net Cash used in Financing Activities	0.27	0.00
Net increase in cash & cash equivalents	464.32	154.22
Cash & Cash equivalents as at 01.04.19 (opg.bal.)	197.40	43.18
Cash & Cash equivalents as at 31.03.20 (clg. bal.)	661.72	197.40

**P A KRISHNAN**  
DIRECTOR

**SESHA SAI P L V K**  
PRESIDENT AND WHOLE TIME DIRECTOR

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**CA. S SANTHOSH**  
PARTNER  
(M.No:230839)

Place: Chennai  
Date : 11.06.2020

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
Note 1 to 3

**1 General Information**

Indbank Merchant Banking Services Limited ("the Company") is a listed Company incorporated in India. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is engaged in Merchant Banking, Stock Broking, Depository Participant services and allied activities. The Company is a member of NSE (Equity, Derivatives and Debt Segments), BSE (Equity) and registered with NSDL as a Depository Participant. It is also registered with Association of Mutual Funds of India (AMFI) for distribution of Mutual Fund products.

**2 Application of new and revised Ind ASs**

The company has applied all the Ind ASs notified by MCA. There are no Ind AS that have not been applied by the company.

**3 Significant accounting policies**

**3.1 Statement of compliance**

The financial statements have been prepared in accordance with Ind ASs notified under section 133 of Companies Act, 2013 read with relevant rules specified thereunder.

**3.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

**3.3 Revenue recognition**

**3.3.1 Rendering of services**

"Revenue primarily comprises the following incomes:1. Issue Management Fee and other Managerial Services - Considered on the completion of assignment.2. Underwriting Commission and brokerage on distribution of financial products - Considered on receipt of subscription particulars3. Brokerages under stock broking operations - On completion of contracts 4. Annual Maintenance and Transaction charges under Depository Participant operations are considered yearly and on completion of transactions respectively.5. Interest on overdue lease rentals and hire purchase instalments - On receipt basis. Since the outstanding amount is fully provided for in the books of accounts, the amounts received are adjusted towards the principal outstanding and balance if any towards interest. 6. Dividend Income - When right to receive is established."

**3.4 Employee benefits**

**3.4.1 Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon the completion of five years of service. The Company makes an 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 the reporting date using the Project Unit Credit (PUC) method. Actuarial gains and losses on gratuity are recognised in Other Comprehensive Income as per Ind AS 19.

**3.4.2 Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.



Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 3.4.3 **Contribution to Provident Fund and Leave Encashment**

The eligible employees of the Company are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the company makes monthly contributions at a specified percentage of the covered employees' salary, the contributions as specified under the Law are paid to the Provident Fund and Pension Fund to the provident fund authorities.

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 unutilised leave at each reporting date. The actuarial gain or loss is recognised in the Statement of Profit and Loss as per Ind AS 19.

### 3.5 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 3.5.1 **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 3.5.2 **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### 3.5.3 **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.6 **Property, plant and equipment**

Fixtures, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### **Estimated useful lives of the assets are as follows:**

	<b>No. of Years</b>
Plant & Machinery	3
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3.7 Investment Property

Investment Properties are properties held to earn rentals and / or for capital appreciation. These are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 3.8 Intangible assets

#### 3.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### 3.8.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### 3.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows: - (No. of Years)

Computer Software	3
-------------------	---

### 3.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at

fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.11.1 **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### 3.11.2 **Classification of financial assets**

Bought out deals that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Bought out deals that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI instruments. Other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value at Profit or Loss.

### 3.11.3 **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Company has equity investments in entities which not held for trading. The Company has accounted the investments at FVTPL.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### 3.11.4 **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 3.11.5 **Impairment of financial assets** **Depository Participant Receivables**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **Stock Broking Receivables**

The Company has obtained power of attorney from the clients to block or debit the securities available in their demat account, when there is delay in payment of dues from them. Hence, the Management has a policy to make provision for the difference between the value of security (Marked to Market as on the reporting date) and the amount receivable as at the end of the reporting date.

### 3.11.6 **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

### 3.11.7 **Financial liabilities**

All financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### 3.11.7.1 **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

### 3.11.7.2 **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3.12 **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 3.12.1 **Useful lives of property, plant and equipment**

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

#### 3.12.2 **Fair value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in "Financial Instruments" note.

#### 3.12.3 **Employee Benefits**

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### 3.12.4 **Litigations**

"1. Income tax demands for various assessment years is contested by the company and are pending before various forums including Hon'ble High Court, Madras.2. The Company has filed cases before various Courts for recovery of dues under discontinued fund based operations and are being pursued."

#### 3.13 **Payment of Interest to Indian Bank under Right to Recompense**

The Company had a balance liability of Rs.897.48 lakhs as on 31.03.2013 to Indian Bank towards payemnt of interest under Right to Recompense. Indian Bank approved a moratorium period of 3 years from September 2013 to September 2016 for payment of the above amount and repayment of Rs.75 lakhs per half year commencing from the half year ended 31.03.2017 without any interest charge for the period of moratorium/repayment. Accordingly the company has paid two half yearly instalments of Rs.75 lakhs each in the financial year 2019-20.

#### 3.14 **Prior Period adjustment**

Nil during the year 2019-20. (previous year – (Rs.7.22 lakhs)).

#### 3.15 **Expenditure on Corporate Social Responsibility**

The prescribed expenditure towards Corporate Social Responsibility to be incurred by the company for the year 2019-20 is Rs.7.49 lakhs. Out of the same the company has not spent any amount during the year 2019-20. The same is carried forward to be spent in the next financial year.

#### 3.16 **Impact of COVID-19 Pandemic**

Due to COVID-19 pandemic the operations are effected due to restricted availability of manpower. However the impact of this on the operations of company and on the profitability for the financial year 2019-20 is not significant.

#### 3.17 **General**

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.

**P A KRISHNAN**  
DIRECTOR

**SESHA SAI P L V K**  
PRESIDENT AND WHOLE TIME DIRECTOR

**U RAJKUMAR**  
VICE PRESIDENT (IC) & CFO

**As per our report of even date attached  
For M. SRINIVASAN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(FRN 004050S)**

**CS. BALAMURUGAN V**  
COMPANY SECRETARY

**CA. S SANTHOSH**  
PARTNER  
(M.No:230839)

Place: Chennai  
Date : 11.06.2020

Note 4a

**Note 4a - Property Plant & Equipment**

in Rs.

Particulars	Gross Block at Cost			Depreciation / Amortisation			Net Block	
	As at 01.04.2019	Additions	As at 31.03.2020	As at 01.04.2019	For the Year	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Plant & Machinery (DPM)	2,23,43,416	87,000	2,16,76,049	1,91,01,312	16,59,346	2,00,35,026	16,41,023	32,42,104
Office Equipment	66,81,369	2,46,743	66,14,653	59,66,809	1,93,037	2,93,472	7,48,278	7,14,560
Furniture & Fixtures	89,85,130	83,280	90,51,050	73,52,339	1,76,376	15,634	15,37,969	16,32,791
Vehicles	13,65,766	0	5,03,233	9,69,361	73,553	5,64,843	25,162	3,96,405
<b>TOTAL</b>	<b>3,93,75,682</b>	<b>4,17,023</b>	<b>3,78,44,985</b>	<b>3,33,89,822</b>	<b>21,02,312</b>	<b>15,99,581</b>	<b>39,52,432</b>	<b>59,85,860</b>

Particulars	Gross Block at Cost			Depreciation / Amortisation			Net Block	
	As at 01.04.2018	Additions	As at 31.03.2019	As at 01.04.2018	For the Year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Plant & Machinery (DPM)	2,30,06,195	6,06,124	2,23,43,416	1,94,66,585	8,94,774	12,60,047	32,42,102	35,39,609
Office Equipment	68,05,372	1,02,879	66,81,369	59,92,099	1,90,460	2,15,750	7,14,560	8,13,273
Furniture & Fixtures	88,09,142	1,75,988	89,85,130	69,93,139	3,59,200	0	16,32,791	18,16,003
Vehicles	16,80,620	0	13,65,766	11,66,003	1,02,469	2,99,111	3,96,405	5,14,617
<b>TOTAL</b>	<b>4,03,01,329</b>	<b>8,84,991</b>	<b>3,93,75,682</b>	<b>3,36,17,827</b>	<b>15,46,903</b>	<b>17,74,908</b>	<b>59,85,858</b>	<b>66,83,502</b>

	As at 31-03-2020	As at 31-03-2019
Assets on Lease	16,52,52,964	17,39,29,644
Less: Depreciation on Lease	17,67,08,159	18,48,56,130
Less: Lease terminal adjustment	(8,85,74,264)	(9,11,18,801)
Less: Provision for NPAs - Lease	7,71,19,068	8,01,92,315
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Note 4b. Investment Property**
**Note 4b**

Depreciation and impairment	in Rs.
<b>I. Cost</b>	
<b>Balance as at 1 April, 2018</b>	4,84,78,385
Additions for the year	-
Disposals or classified as held for sale	-
<b>Balance as at 31 March 2019</b>	4,84,78,385
Additions for the year	-
Disposals or classified as held for sale	-
<b>Balance as at 31 March 2020</b>	<b>4,84,78,385</b>
<b>II. Accumulated depreciation and impairment</b>	
<b>Balance as at 1 April, 2018</b>	1,80,98,146
Amortisation expense for the year	7,77,577
Disposals or classified as held for sale	-
<b>Balance as at 31 March 2019</b>	1,88,75,723
Amortisation expense for the year	7,77,577
Disposals or classified as held for sale	-
<b>Balance as at 31 March 2020</b>	<b>1,96,53,300</b>
<b>Carrying amount</b>	
<b>Balance at March 31, 2019</b>	<b>2,96,02,662</b>
<b>Balance at March 31, 2020</b>	<b>2,88,25,085</b>

**Information regarding income and expenditure of Investment property**

Particulars	For the Period ended	
	31-03-2020	31-03-2019
Rental income derived from investment properties	43,48,708	49,90,966
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(11,44,662)	(10,59,595)
Profit arising from investment properties before depreciation and indirect expenses	32,04,046	39,31,371
Less – Depreciation	(7,77,577)	(7,77,577)
Profit arising from investment properties before indirect expenses	24,26,469	31,53,794

**Other information regarding Investment Property**

Particulars	For the Period ended	
	31-03-2020	31-03-2019
Fair Market Value of the Properties	3,08,69,753	3,08,69,753
Percentage of Depreciation	1.63%	1.63%
Method of Depreciation	Straight Line	Straight Line
Basis of arriving at the fair value	As per the valuation report of Chartered Accountant	As per the valuation report of Chartered Accountant

**Note 5. Other intangible Assets**
**in Rs.  
Note 5**

	As at 31-03-2020	As at 31-03-2019
<b>Carrying amounts of :</b>		
Computer software	5,51,131	2,39,818
	<b>5,51,131</b>	<b>2,39,818</b>

<b>I. Cost</b>	<b>Computer Software</b>
<b>Balance as at 1 April, 2018</b>	57,40,529
Additions for the year	23,750
Disposals or classified as held for sale	(1,30,656)
<b>Balance as at 31 March 2019</b>	56,33,623
Additions for the year	4,60,244
Disposals or classified as held for sale	(1,57,500)
<b>Balance as at 31 March 2020</b>	<b>59,36,367</b>

<b>II. Accumulated depreciation and impairment</b>	
<b>Balance as at 1 April, 2018</b>	55,18,877
Amortisation expense for the year	4,275
Disposals or classified as held for sale	(1,29,347)
<b>Balance as at 31 March 2019</b>	53,93,805
Amortisation expense for the year	1,41,056
Disposals or classified as held for sale	(1,49,625)
<b>Balance as at 31 March 2020</b>	<b>53,85,236</b>
<b>Carrying amount</b>	
<b>Balance at March 31, 2019</b>	<b>2,39,818</b>
<b>Balance at March 31, 2020</b>	<b>5,51,131</b>



Note 6a

**Note 6a. Financial assets - Investments - Non Current**

in Rs.

	Number of Shares	Nominal Value per unit	Cost		Provisions		Cost net of Provisions	
			As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Investments at Cost - Bought Out Deals:</b>								
Amaravathi Sri Venkatesa Paper Mills	2,62,390	10	1,15,45,423	1,15,45,423	1,15,45,423	1,15,45,423	-	-
<b>Investments at FVTOCI - Bought Out Deals</b>								
Armour Pharmaceuticals Ltd	15,87,500	10	2,54,00,000	2,54,00,000	2,54,00,000	2,54,00,000	-	-
Madras Stock Exchange Ltd	2,85,000	1	15,000	15,000	-	-	15,000	15,000
			<b>2,54,15,000</b>	<b>2,54,15,000</b>	<b>2,54,00,000</b>	<b>2,54,00,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Investments at FVTOCI - Debentures</b>								
14% Khaitan Hostombe Spinners - Debentures	1,25,000	100	1,11,41,400	1,11,41,400	1,11,41,400	1,11,41,400	-	-
NTPC Ltd SR-54.8.49 NCD- Bonus	5,000	12.50	-	-	-	-	-	-
<b>Investments at FVTPL - Quoted Equity Shares</b>								
NHPC Ltd	35,000	10	12,76,343	12,76,343	5,78,093	4,11,843	6,98,250	8,64,500
Punj Lloyd Ltd	-	2	-	3,65,57,380	-	3,60,27,224	-	5,30,156
Seasons Furnishings Ltd	-	10	-	12,82,780	-	9,63,368	-	3,19,412
Steel Authority of India Ltd	1,000	10	2,23,100	2,23,100	2,00,050	1,69,350	23,050	53,750
DLF Ltd	-	2	-	7,97,755	-	1,90,405	-	6,07,350
Hindustan Copper Ltd	2,000	5	1,89,100	1,89,100	1,46,500	91,200	42,600	97,900
Indiabulls Real Estate Ltd	2,800	2	6,20,367	6,20,367	5,05,987	3,62,207	1,14,380	2,58,160
Vodafone Idea Ltd	16,736	10	6,36,120	5,78,450	5,84,238	4,68,950	51,882	1,09,500
The India Cements Ltd	1,500	10	2,53,400	2,53,400	94,625	90,950	1,58,775	1,62,450
Indian Oil Corporation Ltd (includes 500 bonus shares)	1,000	10	2,11,000	2,11,000	1,29,350	48,150	81,650	1,62,850
LIC Housing Finance Ltd	-	2	-	5,23,300	-	44,320	-	4,78,980
MMTC Ltd (includes 4000 bonus shares)	12,000	1	5,50,425	5,50,425	4,02,825	2,14,425	1,47,600	3,36,000
Punjab National Bank	5,500	2	7,97,325	7,97,325	6,19,400	2,72,075	1,77,925	5,25,250
SBI Cards and Payment Services Limited	555	10	4,19,025	-	75,674	-	3,43,351	-
			<b>51,76,205</b>	<b>4,38,60,725</b>	<b>33,36,743</b>	<b>3,93,54,467</b>	<b>18,39,462</b>	<b>45,06,258</b>

..Contd

in Rs.

	Number of Shares	Nominal Value per unit	Cost		Provisions		Cost net of Provisions	
			As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Investments at FVTPL - Un-Quoted Equity Shares</b>								
Alan Scot Industries Ltd	3,906	10	2,72,942	2,72,942	2,72,942	2,72,942	-	-
Datar Switchgear	40,100	10	19,04,750	19,04,750	19,04,750	19,04,750	-	-
Doon Valley Rice	2,54,300	10	76,29,000	76,29,000	76,29,000	76,29,000	-	-
GSL (India) Ltd.	12,00,000	10	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	-	-
Greenfield Corp. Ltd	84,600	10	8,46,000	8,46,000	8,46,000	8,46,000	-	-
Indo Gulf Industries	2,000	10	1,95,250	1,95,250	1,95,250	1,95,250	-	-
Krisons Electronics Ltd	1,62,416	10	16,24,160	16,24,160	16,24,160	16,24,160	-	-
K J International	5,300	10	1,32,500	1,32,500	1,32,500	1,32,500	-	-
Kamav Leather Chem.	70,800	10	7,08,000	7,08,000	7,08,000	7,08,000	-	-
Malanpur Leathers	2,25,000	10	25,87,500	25,87,500	25,87,500	25,87,500	-	-
Nova Dhatu Udyog	4,69,700	10	46,97,000	46,97,000	46,97,000	46,97,000	-	-
Tebma Shipyard (OTC)	41,699	10	17,59,748	17,59,748	17,59,748	17,59,748	-	-
Veekay Fibres	1,96,400	10	43,20,800	43,20,800	43,20,800	43,20,800	-	-
Sri Jayalakshmi Spinning Mills	57,400	10	5,74,000	5,74,000	5,74,000	5,74,000	-	-
			<b>3,92,51,650</b>	<b>3,92,51,650</b>	<b>3,92,51,650</b>	<b>3,92,51,650</b>	-	-
<b>Total investments</b>			<b>9,25,29,678</b>	<b>13,12,14,198</b>	<b>9,06,75,216</b>	<b>12,66,92,940</b>	<b>18,54,462</b>	<b>45,21,258</b>

**Note 6b. Other Financial assets - Non Current**
**Note 6b  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
<b>Other financial assets - amortized cost</b>		
Fixed Deposits with maturity more than 12 months	13,49,92,760	4,14,38,888
Interest on Fixed Deposits with maturity more than 12 months	33,68,787	15,66,434
Lease Rent Receivables - Considered Good	24,00,000	24,00,000
Lease Rent Receivables - Considered Doubtful	1,35,07,403	1,35,07,403
Less: Provision	(1,35,07,403)	(1,35,07,403)
Inter Corporate Deposits	82,76,380	1,04,41,421
Provision for Inter Corporate Deposits	(82,76,380)	(1,04,41,421)
<b>Total Other financial assets</b>	<b>14,07,61,547</b>	<b>4,54,05,322</b>

**Note 7. Other non-current assets**
**Note 7**

(Considered Good, Unsecured unless stated otherwise)

**in Rs.**

	As at 31-03-2020	As at 31-03-2019
<b>Deposits with Government, Public bodies and others:</b>		
Advance Income Tax (Net of Provision)	11,61,62,774	10,43,09,673
Disputed Tax Paid AY2007-08	18,00,000	18,00,000
Disputed Tax Paid AY2008-09	1,32,00,000	1,32,00,000
<b>Total non-current assets</b>	<b>13,11,62,774</b>	<b>11,93,09,673</b>

**Note 8. Inventories**
**Note 8**
**in Rs.**

	As at 31-03-2020	As at 31-03-2019
Stock on Hire	12,45,70,228	14,16,34,978
Stock on hire receivables	86,07,150	86,07,150
<b>Total</b>	<b>13,31,77,379</b>	<b>15,02,42,129</b>
Less: Unmatured finance charges	(3,57,01,639)	(4,61,66,383)
Less: Provision for Derecognition	(50,98,830)	(50,98,830)
Less: Provision for NPAs	(9,23,76,910)	(9,89,76,916)
Stock in trade	-	-
Total inventories at the lower of cost and net realisable value	-	-

**Note 9a. Loans - Current**
**Note 9a**
**in Rs.**

	As at 31-03-2020	As at 31-03-2019
IBMBS CCIL	69,223	86,359
IBMBS Clean Loan	1,49,337	1,26,165
IBMBS Silver Jubilee Personal Loan	1,97,232	1,25,796
IBMBS Vehicle Loan	7,400	24,457
Staff Housing Loan	1,03,194	1,24,914
<b>TOTAL</b>	<b>5,26,386</b>	<b>4,87,691</b>

**Note 9b. Trade Receivables**
**Note 9b  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Stock Broking Clients - Considered Good		
Secured	88,85,944	5,19,46,857
Unsecured	-	-
Depository Participants - Considered Good	-	-
Secured	-	-
Unsecured	2,93,184	4,26,049
Merchant Banking Services - Considered Good	-	-
Secured	-	-
Unsecured	-	1,77,000
Non-Performing Assets - Considered Doubtful(Unsecured)	2,52,94,690	2,61,93,990
	<b>3,44,73,818</b>	<b>7,87,43,896</b>
Provision for doubtful receivables	(2,52,94,690)	(2,61,93,990)
<b>Total Trade Receivables</b>	<b>91,79,128</b>	<b>5,25,49,906</b>

**Note 9c. Other Financial assets - Current**
**Note 9c  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
<b>Other financial assets - amortized cost</b>		
Margin Money with exchanges	2,42,10,000	2,42,16,000
Deposits with stock exchanges	21,60,000	21,60,000
Security deposit - Clients	10,33,520	10,33,520
Security deposits - Internet, lease line deposits, etc	2,66,475	3,66,475
Other Deposits	3,26,564	3,44,430
Rent receivable	3,15,246	3,00,233
<b>Advance Recoverable in cash or kind</b>		
Travel Advance	-	-
Rent Advance	6,03,300	6,51,300
Festival Advance	5,70,573	2,84,200
Receivable from stock exchanges	3,93,845	2,38,454
Sundry Receivables	59,399	1,09,346
Clearing Settlement account	50,42,931	50,42,931
Less: Provision for Clearing Settlement	(50,42,931)	(50,42,931)
Customer Complaint Claims Receivable	-	25,99,896
Less: Provision for Customer Complaint Claims Receivable	-	(27,18,363)
<b>Total Other financial assets</b>	<b>2,99,38,922</b>	<b>2,95,85,491</b>

**Note 9d. Cash and Cash Equivalents-Current**
**Note 9d  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Balances with banks:		
On current accounts	6,56,18,769	1,92,32,951
On Fixed deposit accounts - Original maturity 3 months or less	4,63,49,406	4,49,35,121
Interest on Fixed deposit accounts - Original maturity 3 months or less	26,51,874	44,33,588
Funds allocated for Proprietary Trading in current account	-	-
Cash on hand	29,495	29,222
Stamps on hand	5,23,800	4,77,600
<b>Total</b>	<b>11,51,73,344</b>	<b>6,91,08,482</b>

**Note 9e**  
 in Rs.

**Note 9e. Other Bank Balances - Current**

	As at 31-03-2020	As at 31-03-2019
Other bank balances:		
Unpaid dividend accounts	-	-
Fixed Deposits with maturity more than 3 months and less than 12 months	23,06,94,186	25,82,38,970
Interest on Fixed Deposits with maturity more than 3 months and less than 12 months	73,52,219	1,44,96,696
<b>Total</b>	<b>23,80,46,405</b>	<b>27,27,35,666</b>

**Note 9f. Current Tax Assets / (Liabilities)**
**Note 9f**  
 in Rs.

	As at 31-03-2020	As at 31-03-2019
Advance Tax & TDS - AY 20-21	15,00,000	83,75,000
Less: Provision for tax	(1,83,47,358)	(1,45,51,495)
<b>Total Current Tax Assets / (Liabilities)</b>	<b>(1,68,47,358)</b>	<b>(61,76,495)</b>

**Note 10. Other current assets**

(Considered Good, Unsecured unless stated otherwise)

**Note 10**

## in Rs.

	As at 31-03-2020	As at 31-03-2019
Prepaid expenses	21,90,000	17,82,382
MAT Credit Entitlement A/c	-	13,03,722
GST input credit	3,55,226	3,90,233
GST TDS Receivable	-	1,00,313
Sales Tax Recoverable	2,80,889	2,80,889
Others	8,231	11,670
<b>Total other current assets</b>	<b>28,34,346</b>	<b>38,69,209</b>

**Note - 11. Equity Share Capital**
**Note 11**  
 in Rs.

	As at 31-03-2020	As at 31-03-2019
<b>Authorised Capital</b>		
100000000 Equity Shares of Rs.10 each	1,00,00,00,000	1,00,00,00,000
<b>Issued Capital</b>		
44410000 Equity Shares of Rs.10 each	44,41,00,000	44,41,00,000
<b>Subscribed and Paid-up Capital</b>		
44378200 Equity Shares of Rs.10 each fully paid up	44,37,82,000	44,37,82,000

**Note - 12. Other equity**
**Note 12**  
 in Rs.

	As at 31-03-2020	As at 31-03-2019
<b>Retained earnings</b>		
Balance at the beginning of the year	13,85,57,005	12,22,52,193
Add: Current year Profits	2,08,89,723	1,76,53,268
Balance at the end of the Quarter/year	<b>15,94,46,728</b>	<b>13,99,05,461</b>
<b>Other reserves - Other Comprehensive Income</b>		
Opening Balance	(134,84,56.00)	(97,02,50.00)
Remeasurement of Defined Benefit Obligation	<b>(116,18,62.00)</b>	<b>(37,82,06.00)</b>
	<b>(251,03,18.00)</b>	<b>(134,84,56.00)</b>
General reserve	15,82,84,867	13,85,57,005
<b>Total other equity</b>	<b>15,82,84,867</b>	<b>13,85,57,005</b>

**Note 13 Current Borrowings**
**Note 13  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Cash credit and overdrafts facilities from banks	27,282	-
Credit balance in current accounts	-	-
<b>Total</b>	<b>27,282</b>	<b>-</b>

The overdraft balances disclosed above are fully secured by the Fixed deposits held with the respective banks.

**Note 14. Deferred tax liabilities**
**in Rs.**

Nature - (Liability) / Asset	As at 31-03-2020	As at 31-03-2019
<b>Deferred Tax Liabilities</b>	(2,60,67,924)	(3,21,53,096)
<b>Deferred Tax Assets</b>	6,47,42,244	7,42,42,428
<b>Net Deferred Tax (Liabilities)/Assets</b>	<b>3,86,74,320</b>	<b>4,20,89,332</b>

**2019-2020**

	Opening Balance	Recognised in Profit or Loss	Closing Balance
Property, plant and equipment	(3,21,53,096)	60,85,172	(2,60,67,924)
Provisions	28,90,939	1,81,798	30,72,737
Provision for doubtful debts	7,13,51,489	(96,81,982)	6,16,69,507
<b>Total</b>	<b>4,20,89,332</b>	<b>(34,15,012)</b>	<b>3,86,74,320</b>

**Note 14a. Other Financial Liabilities**
**Note 14a  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Security Deposit received - Others	12,88,805	14,01,965
Unclaimed Dividend	-	-
Rental Deposits received	29,27,442	35,51,142
Other Deposits	2,68,342	5,04,008
Outstanding Liabilities	1,18,62,725	1,02,42,868
Dividend / Rights payable to Clients	11,30,242	10,97,031
Credit Card Payable	74,009	1,04,883
Other Payables to Exchanges and clients	4,52,152	3,06,139
<b>Total other financial liabilities</b>	<b>1,80,03,717</b>	<b>1,72,08,036</b>

**Note 15. Short Term Provisions**
**Note 15  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Provision for Leave Encashment	91,75,621	74,87,157
<b>Total</b>	<b>91,75,621</b>	<b>74,87,157</b>

**Note 16. Other current liabilities**
**Note 16  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Payable to Indian Bank	-	-
Credit Balances in Broking and DP Accounts	9,20,73,883	5,93,06,287
Cash Margin deposit	-	-
Advance from customers	-	-
Provident Fund Payable	6,63,181	5,96,912
Bonus Payable	7,07,580	7,46,424
GST Payable	14,81,089	13,30,392

**Note 16. Other current liabilities**
**Note 16  
in Rs.**

	As at 31-03-2020	As at 31-03-2019
Payable to Indian Bank	-	-
Credit Balances in Broking and DP Accounts	9,20,73,883	5,93,06,287
Cash Margin deposit	-	-
Advance from customers	-	-
Provident Fund Payable	6,63,181	5,96,912
Bonus Payable	7,07,580	7,46,424
GST Payable	14,81,089	13,30,392
Stamp Duty to be remitted to Government	3,95,747	2,09,662
Professional Tax Payable	4,180	-
Other liabilities	33,777	89,998
<b>Total</b>	<b>9,53,59,437</b>	<b>6,22,79,675</b>

**Note 17. Revenue from Operations**
**Note 17  
in Rs.**
**For the period ended**

	31-03-2020	31-03-2019
<b>Income from Operations</b>		
Merchant Banking Income	75,000	17,50,000
Income from Mutual Fund distribution	4,73,344	4,88,007
Stock Broking Membership Operations	7,80,73,766	6,98,03,339
Depository Participant Operations	90,94,544	91,36,630
<b>Total</b>	<b>8,77,16,654</b>	<b>8,11,77,976</b>

**Note 18. Other Income**
**Note 18  
in Rs.**
**For the period ended**

	31-03-2020	31-03-2019
Rental Income	43,48,708	49,90,966
Reversal of Provisions	5,31,75,793	1,50,62,594
Profit on Tangible Assets Sold / Discarded (Net)	1,11,868	1,10,531
Profit on Sale of Investments	-	-
Miscellaneous Income	60,794	3,95,620
Interest Income		
Fixed Deposits with Banks	2,65,06,807	2,26,21,349
Others	4,62,192	1,31,189
<b>Total</b>	<b>8,46,66,162</b>	<b>4,33,12,249</b>

**Note 19. Cost of Services**
**Note 19  
in Rs.**
**For the period ended**

	31-03-2020	31-03-2019
NSDL Transaction Charges	11,95,733	10,65,522
Share Transfer Fees	3,06,919	3,04,478
Unrealised GST/Transaction charges/Stamp charges borne on behalf of clients	21,99,987	22,55,850
<b>Total Cost of Services</b>	<b>37,02,639</b>	<b>36,25,850</b>

**Note 20. Employee Benefit Expense**
**Note 20  
in Rs.**
**For the period ended**

	31-03-2020	31-03-2019
Salaries, Wages and Bonus	4,25,02,392	3,73,70,414
Gratuity Expenses	20,35,543	13,49,278
Contribution to Provident and Other Funds	32,21,205	35,62,636
Staff Welfare Expenses	18,51,118	15,50,756
<b>Total</b>	<b>4,96,10,258</b>	<b>4,38,33,084</b>

**Indbank Merchant Banking Services Limited**  
**Note 21. Depreciation and amortization expense**
**Note 21**  
**in Rs.**
**For the period ended**

	<b>31-03-2020</b>	<b>31-03-2019</b>
Depreciation of tangible assets (Note 4a)	21,02,312	15,46,903
Depreciation on Investment Properties (Note 4b)	7,77,577	7,77,577
Amortisation of Intangible Assets (Note 5)	1,41,056	4,275
<b>Total</b>	<b>30,20,945</b>	<b>23,28,755</b>

**Note 22. Finance Costs**
**Note 22**  
**in Rs.**
**For the period ended**

	<b>31-03-2020</b>	<b>31-03-2019</b>
Interest Expense	1,50,00,000	1,50,00,000
Other Borrowing Costs	2,17,558	3,08,400
<b>Total</b>	<b>1,52,17,558</b>	<b>1,53,08,400</b>

**Note 23. Other Expense**
**Note 23**  
**in Rs.**
**For the period ended**

	<b>31-03-2020</b>	<b>31-03-2019</b>
Rent	26,31,830	30,67,206
Postage and Telephone	10,60,462	14,62,568
MPLS & other connectivity charges	15,38,385	24,02,394
Data Center Charges	7,70,400	7,70,400
Repairs and maintenance - Machinery	22,76,455	16,60,100
Repairs and maintenance - Vehicles	94,509	1,24,059
Electricity Charges	11,66,647	10,05,566
Subscription Charges	9,86,953	7,10,929
Listing Fees	5,40,000	5,40,000
Swacch Bharat Cess	-	-
Bank Charges	5,558	7,314
Insurance	71,790	61,944
Professional charges - BODs	-	21,300
Rates and Taxes	3,87,982	3,96,855
Travelling and Conveyance	25,49,726	24,56,170
Printing, Stationery and Communication	7,86,080	7,19,803
Advertisement and Publicity	3,53,852	4,23,240
Business Development Expense	2,21,974	2,26,052
Loss on Tangible Assets Sold / Discarded (Net)	-	-
Auditor's Remuneration (Note a)	6,30,000	6,18,100
Professional Charges	13,43,680	19,14,048
Internal Audit Fees	3,60,000	3,60,000
Directors' Sitting Fees	2,20,000	2,92,000
Expenditure on Corporate Social Responsibility (Refer Note b below)	-	-
Loss on Sale of Investments	3,77,34,819	1,29,98,885
Other Expenses	3,68,521	15,60,751
<b>Total</b>	<b>5,60,99,623</b>	<b>3,37,99,684</b>

**(a) Auditor's Remuneration**
**For the period ended**

	<b>31-03-2020</b>	<b>31-03-2019</b>
<b>As Auditor:</b>		
Audit fee	4,00,000	4,00,000
Tax audit fee	80,000	80,000



Limited review	1,20,000	1,20,000
<b>In other capacity:</b>		
Company law matters		
Other services (Certification fees)	30,000	18,100
<b>Total</b>	<b>6,30,000</b>	<b>6,18,100</b>
<b>Details of CSR expenditure:</b>		
	<b>For the period ended</b>	
	<b>31-03-2020</b>	<b>31-03-2019</b>
a) Gross amount required to be spent by the group during the year	-	-
(b) Amount Spent During the Year:		
	<b>For the period ended</b>	
	<b>31-03-2020</b>	<b>31-03-2019</b>
(i) Education		
(ii) Others	-	-
<b>Total</b>	-	-

**Note 24. Exceptional Items**
**Note 24**  
 in Rs.

	<b>For the period ended</b>	
	<b>31-03-2020</b>	<b>31-03-2019</b>
Profit on sale of Non Current Investment	-	-
Provision for Impairment of Tangible Assets	-	-
Prior year expenses	-	(7,22,154)
<b>Total</b>	-	<b>(7,22,154)</b>

**Note 25. Provisions and Write Offs**
**Note 25**  
 in Rs.

	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Provision for NPAs on Stock Broking & DP operations	49,778	10,96,432
Provision for Customer Complaint Claims Settlement	-	-
Provision for diminution on investments	16,52,335	70,27,942
Write off of Client Dues	27,35,335	88,584
Write off of Other Dues	1,08,94,294	-
<b>Total</b>	<b>1,53,31,741</b>	<b>82,12,958</b>

**Note 26. Income Tax Expense**
**Note 26**  
 in Rs.

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>Current Tax:</b>		
Current income tax charge	50,95,318	59,87,434
Mat Tax credit utilised for the year	0	(51,35,036)
Adjustments in respect of current income tax of previous year	0	0
Deferred Tax:	34,15,012	(4,02,018)
<b>Income Tax expense reported in the statement of profit and loss</b>	<b>85,10,330</b>	<b>4,50,380</b>
<b>Other Comprehensive Income(OCI) section</b>	-	-

**Employee benefit plans**  
**Defined contribution plans**
**Note 27**

The eligible employees of the Company are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the company makes monthly contributions at a specified percentage of the covered employees' salary, the contributions as specified under the Law are paid to the Provident Fund and Pension Fund to the provident fund authorities.

**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 unutilised leave at each reporting date. The actuarial gain or loss is recognised in the Statement of Profit and Loss as per Ind AS 19.

The total expense recognised in profit or loss of Rs. 43,83,067 (for the year ended March 31, 2019 Rs.39,40,842) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

**Defined benefit plans**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon the completion of five years of service. The Company makes an 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 the reporting date using the Project Unit Credit (PUC) method. Actuarial gains and losses on gratuity are recognised in Other Comprehensive Income as per Ind AS 19.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Since the company contributes to an approved Gratuity Fund, it is not exposed to any risk.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

in Rs.

Valuation as at

	31-Mar-20	31-Mar-19
Discount rate(s)	7.25%	7.50%
Expected rate(s) of salary increase	5%	5%
<b>Amounts recognised in Statement of profit and loss in respect of defined benefit plans are as follows.</b>		
	31-Mar-20	31-Mar-19
<b>Service cost:</b>		
Current service cost	8,75,494	7,96,422
Expected Return on Plan Assets	7,58,843	(7,63,672)
Net interest expense	7,81,818	6,90,367
Net Actuarial (gain) / loss recognised in the year	11,61,862	3,78,206
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>35,78,017</b>	<b>11,01,323</b>
The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.		
<b>The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:</b>		
	31-Mar-20	31-Mar-19
Present value of funded defined benefit obligation	1,25,41,285	1,04,24,236
Fair value of plan assets	1,16,07,030	1,15,50,312
<b>Net Asset arising from defined benefit obligation</b>	<b>(9,34,255)</b>	<b>(11,26,076)</b>
<b>Movements in the present value of the defined benefit obligation are as follows.</b>		
	31-Mar-20	31-Mar-19
Opening defined benefit obligation	1,04,24,236	86,29,583
Current service cost	8,75,494	7,96,422
Interest cost	7,81,818	6,90,367
Remeasurement (gains)/losses:	11,61,862	3,78,206
Benefits paid	(7,02,125)	(70,342)
<b>Closing defined benefit obligation</b>	<b>1,25,41,285</b>	<b>1,04,24,236</b>

in Rs.

<b>Movements in the fair value of the plan assets are as follows.</b>		
	<b>Year ended 31-Mar-20</b>	<b>Year ended 31-Mar-19</b>
Opening fair value of plan assets	1,15,50,311	96,30,893
Expected Return on Plan Assets	7,58,843	7,63,672
Actuarial Gain or (Loss) on Plan Assets	-	-
Contributions	-	12,26,088
Benefits paid	(7,02,125)	(70,342)
<b>Closing fair value of plan assets</b>	<b>1,16,07,029</b>	<b>1,15,50,311</b>

**Note:**  
 The valuation of Gratuity under Defined Benefit Plans has been obtained as per AS-15 (Revised 2005) from Life Insurance Corporation of India and the entity is in the process of obtaining valuation as per IND-AS19. The Management does not foresee any material impact of the same and if so will be suitably effected in the next financial year.

<b>Contingent Liabilities</b>							<b>Note 28</b>
A Disputed demand on taxes							
<b>i) Income Tax</b>							<b>Rs.Lakhs</b>
	2019-20			2018-19			
Asst Year	Tax Demand	Interest	Total	Tax Demand	Interest	Total	
1992-93	71.59	43.43	115.02	71.59	43.43	115.02	
1998-99	32.13	0.00	32.13	32.13	0.00	32.13	
2007-08*	462.02	155.45	617.47	462.02	155.45	617.47	
2008-09**	832.56	296.49	1129.05	832.56	296.49	1129.05	
2009-10	76.40	19.87	96.27	76.40	19.87	96.27	
2014-15	18.72	6.09	24.81	18.72	6.09	24.81	
Total	1493.42	521.33	2014.75	1493.42	521.33	2014.75	

\* The company has paid Rs. 18 lakhs for this Assessment Year in terms of the orders passed by the CIT on the stay petition filed by the company.

\*\* The company has paid Rs. 132 lakhs for this Assessment Year in terms of the orders passed by the CIT and High Court, Madras on the stay petition filed by the company.

**ii) Sales Tax demand disputed in appeal** – Rs.36.73 lakhs (Previous year Rs.42.78 lakhs).

"B Guarantees - Counter guarantee issued to bank for guarantees – Nil (Previous Year- Nil)

C Estimated amount of contracts remaining to be executed on capital account and not provided for – Nil (Previous Year - Nil).

D The other financial assets include an amount of Rs.24 lakhs due towards lease rent receivables (considered good) in account Hico Products Ltd. In terms of the judgment pronounced (08 June 2015) by the Honorable High court Bombay, the Official Liquidator disposed off the machinery leased by the company and the sale proceeds of Rs.24 lakhs is held by Official Liquidator pending final outcome of the suit.

#### **Note 29. Disclosure in respect of Related Parties pursuant to Ind AS 24**

**Note 29**

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
Key Management Personnel	Mr. Sessa Sai P L V K, President & Whole Time Director
Key Management Personnel	Mr. U Rajkumar, Vice President (IC) & CFO
Key Management Personnel	CS. Balamurugan V, Company Secretary & Compliance Officer

#### **Transactions with Holding Company – Indian Bank**

**Rs.Lakhs**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Borrowings – OD With Indian Bank, Nandanam	0.27	0.00
Deposit – Current Accounts	305.55	38.09
Placement of Deposits	3316.93	2889.03
Interest paid on overdraft facilities	2.18	3.08
Interest paid on Right to Recompense	150.00	150.00
Interest received on Fixed Deposits Placed	216.26	185.91
Receiving of services – Rent Paid	23.24	27.03

Transactions with fellow subsidiary – Ind Bank Housing Limited - Nil					
<b>Managerial Remuneration:</b>				<b>Rs.Lakhs</b>	
<b>Name</b>	<b>Designation</b>		<b>2019-20</b>	<b>2018-19</b>	
Mr. A K Bajpai	President & Whole Time Director (Upto 30.06.2018)	Salary	0.00	4.17	
		Contribution to PF	0.00	0.24	
Mr. Sesa Sai P L V K	President & Whole Time Director	Salary	15.89	9.77	
		Contribution to PF	0.83	0.55	
Mr. K S Sujay	Vice President & CFO (Upto 09.07.2019)	Salary	2.48	8.10	
		Contribution to PF	0.22	0.70	
Mr. U Rajkumar	Vice President & CFO (From 07.11.2019)	Salary	3.52	0.00	
		Contribution to PF	0.30	0.00	
Ms. S S Deepthi	Company Secretary & Compliance Officer (Upto 23.04.2018)	Salary	0.00	0.22	
		Contribution to PF	0.00	0.03	
Mr. V Balamurugan	Company Secretary & Compliance Officer	Salary	6.56	3.20	
		Contribution to PF	0.76	0.37	
Sitting Fees paid to Non – Whole Time Independent Directors			2.20	2.92	

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. Vice President & CFO of the Company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of the said Bank.

Company Secretary & Compliance Officer has been recruited directly by the company and the remuneration is in accordance with the terms of offer of employment given by the company.

### Note 30

#### Note 30. Segment information

Information reported to the Chief Operating Decision Maker (CODM - Board of Directors) for the purposes of resource allocation and assessment of segment performance focusses on the Company as a whole. Hence, the management has concluded that the Company has only one segment.

		in Rs.	
<b>Note. 31</b>		<b>Note 31</b>	
<b>Earnings per Share</b>			
	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>	
Basic earnings per share			
From continuing operations	0.47	0.40	
From discontinued operations	-	-	
<b>Total basic earnings per share</b>	<b>0.47</b>	<b>0.40</b>	
Diluted earnings per share			
From continuing operations	0.47	0.40	
From discontinued operations	-	-	
<b>Total diluted earnings per share</b>	<b>0.47</b>	<b>0.40</b>	
<b>Basic earnings per share</b>			
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.			
Profit for the year attributable to owners of the Company	2,08,89,723	1,76,53,268	
Earnings used in the calculation of basic earnings per share	2,08,89,723	1,76,53,268	
<b>Earnings used in the calculation of basic earnings per share from continuing operations</b>	<b>2,08,89,723</b>	<b>1,76,53,268</b>	

Weighted average number of equity shares for the purposes of basic earnings per share	4,43,78,200	4,43,78,200
<b>Diluted earnings per share</b>		
The earnings used in the calculation of diluted earnings per share are as follows.		
Earnings used in the calculation of basic earnings per share	2,08,89,723	1,76,53,268
Interest on convertible notes (after tax at 30%)	-	-
Earnings used in the calculation of diluted earnings per share Profit for the year from discontinued operations attributable	2,08,89,723	1,76,53,268
Others [describe]	-	-
<b>"Earnings used in the calculation of diluted earnings pershare from continuing operations"</b>	<b>2,08,89,723</b>	<b>1,76,53,268</b>
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
"Weighted average number of equity shares used in the calculation of basic earnings per share"	4,43,78,200	4,43,78,200
Shares deemed to be issued for no consideration in respect of:		
- employee options	-	-
- partly paid equity shares	-	-
- convertible notes	-	-
- others [describe]	-	-
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>	<b>4,43,78,200</b>	<b>4,43,78,200</b>

**Note. 32**
**Note 32**
**Financial instruments**
**Capital management**

The Company manages its Capital to ensure that it continues as a Going Concern while maximising the return to its stakeholders through the optimisation of equity balance.

The capital structure of the Company does not consist of any debt. The business activities are carried out using internal accruals and the equity balance of the Company.

in Rs.

Categories of financial instruments	As at 31 March 2020	As at 31 March 2019
<b>Financial Assets - Non-current</b>		
<b>(a) Investments</b>		
Other Investments mandatorily measured at Amortised Cost	-	-
Other Investments mandatorily measured at FVTPL	18,39,462	45,06,258
Other Investments mandatorily measured at FVTOCI	15,000	15,000
<b>(b) Other financial assets - Mandatorily measured at Amortised Cost</b>	<b>14,07,61,547</b>	<b>4,54,05,322</b>
<b>Financial Assets - Current</b>		
(a) Loans	5,26,386	4,87,691
(b) Trade receivables	91,79,128	5,25,49,906
(c) Investment - mandatorily measured at FVTPL	-	-
(d) Cash and Cash Equivalents	11,51,73,344	6,91,08,482
(e) Other Bank Balances	23,80,46,405	27,27,35,666
(f) Other financial assets	2,99,38,922	2,95,85,491
<b>Financial Liabilities - Current</b>		
(a) Borrowings	27,282	-
(c) Other financial liabilities	1,80,03,717	1,72,08,036
The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.		

## Financial risk management objectives

The Company has fixed prudential limits for giving exposure to its clients and also has an elaborate collection process for mitigating the risks. The exposure norms prescribed by various statutory authorities (SEBI, NSDL and RBI) are being adhered to. The risk management policy shall be reviewed every two years. The risks include market risk, credit risk and liquidity risk.

### Market Risk

The Company is not exposed to market risks due to foreign currency exchange rates and interest rates as there are no borrowings and no transactions in foreign currency.

### Credit risk management

The credit risk associated with broking comprises failure of the client, intermediary, clearing agents and the exchanges in meeting their respective payment obligations. The Company has a power of attorney to sell the underlying securities when there is delay in receipts from the customers at its discretion. The Company also has fixed margin requirements which have to be adhered to by the customers in order to transact with the Company. Hence, the Company's exposure to credit risk is minimal.

### Interest Rate Risk Management

The Company has not obtained any borrowings. Hence, it has no exposure due to interest rate fluctuations.

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term funding and liquidity management requirements. The liquidity management requirements for the Company are minimal as there are no fund based operations.

### Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-03-2020	31-03-2019		
1) Investments in equity instruments - FVTPL (quoted)	Listed equity securities in various companies - aggregate fair value of Rs.18,39,462	Listed equity securities in various companies - aggregate fair value of Rs.45,60,248	Level 1	Quoted prices in active market
2) Investments in Bought Out Deals - FVTOCI (Unquoted)	Bought Out Deals in various companies - aggregate fair value of Rs. 15,000	Bought Out Deals in various companies - aggregate fair value of Rs. 15,000	Level 2	Prices quoted by an independent valuer

Footnote 2: These investments in Bought out deals are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has accounted these investments in equity instruments as at FVTOCI.

### Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

in Rs.

Particulars	As at 31 March 2020		As at 31 March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets - Non-Current</b>				
(a) Investments				
Other Investments at Amortised Cost	-	-	-	-
Other Investments at FVTPL	18,39,462	18,39,462	45,06,258	45,06,258
Other Investments at FVTOCI	15,000	15,000	15,000	15,000
(b) Other financial assets	14,07,61,547	14,07,61,547	4,54,05,322	4,54,05,322
<b>Financial Assets - Current</b>				
(a) Loans	5,26,386	5,26,386	4,87,691	4,87,691
(b) Trade receivables	91,79,128	91,79,128	5,25,49,906	5,25,49,906
(c) Investment at FVTPL	-	-	-	-
(d) Cash and Cash Equivalents	11,51,73,344	11,51,73,344	6,91,08,482	6,91,08,482
(e) Other Bank Balances	23,80,46,405	23,80,46,405	27,27,35,666	27,27,35,666
(f) Other financial assets	2,99,38,922	2,99,38,922	2,95,85,491	2,95,85,491
<b>Financial liabilities</b>				
<b>Financial liabilities held at amortised cost:</b>				
Financial Liabilities				
(a) Borrowings	27,282	27,282	-	-
(b) Other financial liabilities	1,80,03,717	1,80,03,717	1,72,08,036	1,72,08,036

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
(a) Investments				
Other Investments at FVTPL	18,39,462	-	-	18,39,462
Other Investments at FVTOCI	-	15,000	-	15,000
(b) Other financial assets	-	14,07,61,547	-	14,07,61,547
<b>Financial Assets - Current</b>				
(a) Loans	-	5,26,386	-	5,26,386
(b) Trade receivables	-	91,79,128	-	91,79,128
(c) Investment at FVTPL	-	-	-	-
(d) Cash and Cash Equivalents	-	11,51,73,344	-	11,51,73,344
(e) Other Bank Balances	-	23,80,46,405	-	23,80,46,405
(f) Other financial assets	-	2,99,38,922	-	2,99,38,922
<b>Total</b>	<b>18,39,462</b>	<b>53,36,40,732</b>	<b>-</b>	<b>53,54,80,194</b>
<b>Financial liabilities held at amortised cost:</b>				
Financial Liabilities				
(a) Borrowings	-	27,282	-	27,282
(b) Other financial liabilities	-	1,80,03,717	-	1,80,03,717
<b>Total</b>	<b>-</b>	<b>1,80,30,999</b>	<b>-</b>	<b>1,80,30,999</b>

Rs.

Particulars	31 March 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
(a) Investments				
Other Investments at FVTPL	45,06,258	-	-	45,06,258
Other Investments at FVTOCI	-	15,000	-	15,000
(b) Other financial assets	-	4,54,05,322	-	4,54,05,322
<b>Financial Assets - Current</b>				
(a) Loans	-	4,87,691	-	4,87,691
(b) Trade receivables	-	5,25,49,906	-	5,25,49,906
(c) Investment at FVTPL	-	-	-	-
(d) Cash and Cash Equivalents	-	6,91,08,482	-	6,91,08,482
(e) Other Bank Balances	-	27,27,35,666	-	27,27,35,666
(f) Other financial assets	-	2,95,85,491	-	2,95,85,491
<b>Total</b>	<b>45,06,258</b>	<b>46,98,87,558</b>	-	<b>47,43,93,816</b>
Financial liabilities held at amortised cost:				
Financial Liabilities				
(a) Borrowings	-	-	-	-
(b) Other financial liabilities	-	1,72,08,036	-	1,72,08,036
<b>Total</b>	-	<b>1,72,08,036</b>	-	<b>1,72,08,036</b>



## NSDL Star Performer Awards



Indbank Merchant Banking Services Ltd., receiving the trophy for First position "Top Performer in Active Accounts (Big DPs)" from Mr Sameer Gupte, Senior Vice President, NSDL at the 34th DP Conference held at Chennai.



Indbank Merchant Banking Services Ltd., was awarded First position for "Top Performer in Active Accounts (Big DPs)" and Third position for "Top Performer in New Accounts Opened (Non- Bank Category)". We thank all our esteemed customers for keeping faith in us and look forward for continued patronage in the years to follow.

## **PIONEER IN PROVIDING THE FOLLOWING SERVICES**

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- ❖ **Online Share Trading Services- Cash and Derivative Segment of NSE and BSE.**
- ❖ **Mobile Share Trading Services**
- ❖ **Offline Share Trading Services**
- ❖ **Research Calls and Reports**
- ❖ **Demat Services**
- ❖ **Distribution of Mutual Funds and other Investments Products**
- ❖ **Merchant Banking and Advisory Services**



**Indbank**

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

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