

INDBANK MERCHANT BANKING SERVICES LIMITED

(A Subsidiary of Indian Bank)

Regd. Office : First Floor, Khivraj Complex I, No. 480, Anna Salai, Nandanam, Chennai 600035

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PART I

Statement of Audited Financial Results for the Quarter/Year ended 31.03.2026

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date for the current year ended	Previous Accounting Year ended
		31-03-2026	31-12-2025	31-03-2025	31-03-2026	31-03-2025
		Audited	Un-Audited	Audited	Audited	Audited
		Rs.Lakhs				
(I)	Revenue from operations					
	(A) Interest Income	173.83	164.36	166.05	684.30	626.51
	(B) Dividend Income	-	0.02	-	1.38	1.49
	(C) Rental Income	4.85	3.75	5.25	16.73	21.00
	(D) Fees and commission Income	456.64	449.60	369.59	1,818.89	2,010.62
	(E) Net gain on fair value changes	(45.84)	7.50	(9.88)	(10.03)	17.93
(I)	Total Revenue from Operations (A+B+C+D+E)	589.48	625.23	531.01	2,511.27	2,677.55
(II)	Other Income	2.84	0.05	0.29	4.02	3.35
	Reversal of Provisions	(0.27)	-	(0.02)	0.00	(0.02)
(III)	Total Income (I+II)	592.05	625.28	531.28	2,515.29	2,680.88
(IV)	Expenses					
	Finance Costs	0.92	1.65	3.59	18.73	12.18
	Fees and commission expense	27.72	36.19	24.30	132.54	157.49
	Impairment on financial instruments	(9.90)	11.08	(1.57)	5.43	25.13
	Provisions and Write Offs	0.00	-	-	0.20	-
	Employee Benefits Expenses	261.71	202.50	225.85	928.45	897.50
	Depreciation, amortization and impairment	6.76	5.83	9.65	23.96	43.79
	Others expenses	127.50	109.84	117.39	440.60	394.86
(IV)	Total Expenses	414.71	367.09	379.21	1,549.91	1,530.95
(V)	Profit / (loss) before exceptional items and tax (III-IV)	177.34	258.19	152.07	965.38	1,149.93
(VI)	Exceptional items	-	-	-	-	-
(VII)	Profit/(loss) before tax (V -VI)	177.34	258.19	152.07	965.38	1,149.93
(VIII)	Tax Expense:					
	(1) Current Tax	51.98	66.73	32.92	256.97	304.82
	Current Tax - Previous years	-	-	-	-	12.19
	(2) Deferred Tax	14.74	(0.20)	5.36	6.68	(13.41)
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)	110.62	191.66	113.79	701.73	846.33
(X)	Profit/(loss) for the period from discontinued operations(After tax)	10.75	-	-	10.75	-
(XI)	Profit/(loss) for the period	121.37	191.66	113.79	712.48	846.33
(XII)	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the defined benefit plans-Net of tax impact	9.98	(4.52)	(7.93)	(3.56)	(18.05)
	Items that may be reclassified to profit/loss	-	-	-	-	-
(XIII)	Total Other Comprehensive Income	9.98	(4.52)	(7.93)	(3.56)	(18.05)
(XIV)	Total Comprehensive Income for the period	131.35	187.14	105.86	708.92	828.28
(XV)	Paid up equity share capital	4,437.82	4,437.82	4,437.82	4,437.82	4,437.82
(XVI)	Earnings per equity share - Basic and Diluted	0.27	0.43	0.26	1.61	1.91



Notes			
Statement of Assets & Liabilities as on 31.03.2026			
Sl.No.	Particulars	As on 31.03.26 Rs.Lakhs	As on 31.03.25 Rs.Lakhs
	ASSETS		
(1)	Financial Assets		
(a)	Cash and cash equivalents	141.06	100.24
(b)	Bank Balance other than (a) above	8,530.54	8,581.43
	Derivative Financial Instruments	-	-
(c)	Receivables		
	(I) Trade Receivables	638.26	596.46
	(II) Other Receivables	-	-
(d)	Loans	36.25	40.33
(e)	Investments	301.96	182.86
(f)	Other Financial assets	872.69	425.90
		10,520.76	9,927.22
(2)	Non-financial Assets		
	Inventories	-	-
(a)	Current tax assets (Net)	1,110.77	1,123.75
(b)	Deferred tax Assets (Net)	157.12	163.80
(c)	Investment Property	242.04	249.70
	Biological Plants other than bearer plants	-	-
(e)	Property, Plant and Equipment	53.45	53.46
(f)	Capital work-in-progress	-	-
	Intangible Assets under development	-	-
	Goodwill	-	-
(g)	Other Intangible assets	9.43	9.36
(h)	Other non-financial assets	220.35	261.66
		1,793.17	1,861.73
	Total Assets	12,313.93	11,788.95
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial Liabilities		
	Derivative Financial Instruments	-	-
(a)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	50.90	89.07
	Debt Securities	-	-
(b)	Borrowings (Other than Debt Securities)	-	0.62
	Deposits	-	-
	Subordinated Liabilities	-	-
(c)	Other financial liabilities	2,169.58	2,320.52
(2)	Non-Financial Liabilities		
(a)	Current tax liabilities (Net)	-	-
(b)	Provisions	174.30	172.25
(c)	Deferred tax liabilities (Net)	-	-
(c)	Other non-financial liabilities	45.06	41.32
		2,439.84	2,623.78
(3)	EQUITY		
(a)	Equity Share capital	4,437.82	4,437.82
(b)	Other Equity	5,436.27	4,727.35
	Total Liabilities and Equity	12,313.93	11,788.95



Notes

1. The Quoted shares held by the company are valued at Fair value as at 31.03.2026 as required by Ind AS 109.
2. Gratuity and Leave Encashment liability has been valued as on 31.03.2026 as per actuarial valuation done consequent to changes in labour code with effect from November 2025.
3. The Company filed a civil suit against M/s Shreeji Investments for recovery of ₹45.21 lakhs relating to transactions prior to year 2000, as per the oral order of High Court of Bombay in Suit No.1854 of 2001. The company sold the shares held in the name M/s Sreeji Investments and created fixed deposits of ₹68.10 lakhs with Indian Bank, Cumballa Hill Branch. As at 31 March 2026 the Company is holding Indian Bank deposit accreted to ₹270.17 lakhs, TDS on accrued interest of ₹18.33 lakhs claimed in income tax return with corresponding liability recognised to the extent of TDS claimed. The City Civil Court, Bombay, by order dated 11 January 2019, decreed in favour of the Company, awarding 16% interest per annum from date of decree instead of filing date (7 June 2001). As review was not maintainable under Code of Civil Procedure, 1908, an appeal filed on 11 March 2024, delay condoned on 2 September 2024, admitted on 2 February 2026. Pending final adjudication, the Company continues to hold fixed deposits as security, intends to recognise upon conclusion of proceedings.
4. TDS and advance tax receivable balances aggregating to ₹1,322.21 lakhs are carried in the books as at 31 March 2026, pertaining to assessment years from AY 1990-91 onwards. For AY 2007-08, 2008-09, 2009-10, 2010-11, related demands are under dispute, pending adjudication before the Hon'ble High Court of Madras, while for other years matters remain at various stages with the Income Tax Department, mainly relating to orders giving effect, adjustment of refunds against settled cases. The Company has engaged a legal, taxation consultant to represent before authorities, expedite resolution, with progress in certain cases including AY 1996-97 where a rectification order has been issued. Based on consultant advice, current status of proceedings, management expects a favourable outcome.
5. Lease and hire purchase receivables amounting to ₹470.07 lakhs (12 accounts) relating to discontinued fund-based operations as at 1 April 2025. During the year, ₹162.08 lakhs (2 accounts) written off pursuant to Board approval dated 18 March 2026, considering borrowers are dormant, inactive, liquidated or under process of liquidation. Further, additional provision of ₹24.00 lakhs made due to uncertainty of recovery. Balance 10 accounts remain fully provided, Company has engaged professionals to evaluate recovery or write-off, based on which proposals will be placed before Board for approval in due course.
6. The Company holds unquoted investments, bought-out deals, debentures amounting to ₹870.80 lakhs as at 31 March 2026, classified as long-term investments. These are fully provided in books due to diminution in value, as investee companies are dormant, inactive, liquidated or is under process of liquidation, no viable exit or disinvestment route available. Considering non-recoverability, Management is preparing a detailed proposal supported by expert evaluation on status, recoverability, to be placed before Board of Directors for approval of write-off in ensuing quarters, as the matter falls within Board powers.
7. As of 31 March 2026, the Company holds ₹15.93 lakhs under the Dividend Adjustment Account. This amount represents dividends on client shares held in a fiduciary capacity, relating to untraceable demat holdings from FY 2006-07 DP operations, which were subsequently merged into the Chennai DP ID. Since the beneficial ownership of these shares remains unidentified, the dividends are classified as a liability. The demat account was suspended by the National Stock Exchange in 2020, and the linked bank account has been restricted. No TDS credits have been claimed against these dividends. While the fair value of the underlying shares stands at ₹104.94 lakhs, however these shares are not recognized in the Company's accounts, as they do not pertain to the Company itself. According to communication from the National Stock Exchange, the account is to be maintained under a dummy PAN until the rightful beneficiaries are identified.
8. During the year, the Company revised estimates relating to Expected Credit Loss (ECL) rates in accordance with Ind AS 109 – Financial Instruments, based on updated assessment of credit risk parameters, historical experience, forward-looking information. As a result, provision for expected credit losses reduced by ₹6.85 lakhs compared to earlier estimate, recognised as credit in Statement of Profit, Loss for current year. This change in estimate accounted prospectively in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates, Errors. Impact of revised ECL rates on future periods not determinable, dependent on actual credit performance, recoverability of receivables in subsequent reporting periods.
9. The Company has pending litigation relating to disputed income tax demands amounting to Rs. 1842.78 Lakhs, regarding the company claiming an exemption under section 10(38) (Exemption on Long-Term Capital Gains from Sale of Equity Shares on which the Securities Transaction Tax paid), however the income is treated has been Business income by the Assessing officer for the assessment years 2007-08 to 2009-10 for which an appeal has been filed with Hon'ble high court of Madras. Provision has not been made in the accounts as the management believes, based on legal advice, that liability may not arise.
10. The previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.
11. Under IND-AS it has been identified that the company operates only at one segment and hence there is no separate reportable segments as per Indian Accounting Standard 108 (Ind AS) on "Operating Segment".
12. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors at their meeting held on 20.04.2026. The statutory auditors have issued an unmodified audit opinion on the financial results.
13. The figures for the quarter ended 31.03.2026 are the balancing figures between Audited figures for the year ended 31.03.2026 and the published un-audited figures upto the quarter ended 31.12.2025.

Place: Chennai
Date: 20.04.2026



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

V HARIBABU
PRESIDENT AND WHOLE TIME DIRECTOR

Indbank Merchant Banking Services Limited

Cash flow statement for the year ended March 31, 2026

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

	Particulars	For the period ended 31-03-2026	For the year ended 31-03-2025
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax from continuing operations	965.38	1,149.93
	Adjustments for:		
	Add : Depreciation/Lease Adjustments	23.96	43.79
	Interest paid	18.73	12.18
	Loss on sale of assets (net)	0.36	0.03
	Provision for leave encashment	(6.19)	5.52
	Impairment on financial instruments	5.43	25.13
	Provisions and Write Offs	(23.80)	-
		983.87	1,236.58
	Less:		
	Net gain on fair value changes	(10.03)	17.93
	Dividend income	1.38	1.49
	Profit on sale of assets	-	-
	Re-measurement gains and (losses) on defined benefit obligations (net)	4.75	24.12
	Reversal of Provisions	0.00	(0.02)
		(3.90)	43.52
	Operating Profit before working capital changes	987.77	1,193.06
	(Increase)/decrease in other bank balances	50.89	(1,552.49)
	(Increase)/decrease in Trade receivable	(47.42)	(163.35)
	(Increase)/decrease in Loans	4.08	(9.00)
	(Increase)/decrease in Other Financial assets	(446.79)	573.22
	(Increase)/decrease in Other non-financial assets	41.31	(36.13)
	Increase/(decrease) in other payable	(38.17)	47.00
	Increase/(decrease) in Other financial liabilities	(150.94)	289.15
	Increase/(decrease) in Provisions	8.21	7.43
	Increase/(decrease) in Other non-financial liabilities	3.74	(2.95)
		(575.09)	(847.13)
	Cash generated from operations	412.68	345.93
	Direct taxes paid, net	(208.04)	(353.00)
	Cash Flow before Extraordinary Items	204.64	(7.07)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(17.11)	(24.97)
	Sale of Fixed Assets	0.38	0.33
	Purchase of Investments	(248.61)	(195.61)
	Sale of Investments	119.47	274.92
	Dividend received	1.38	1.49
	Net cash from Investing Activities	(144.50)	56.16
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest paid	(18.73)	(12.18)
	Net Cash used in Financing Activities	(18.73)	(12.18)
	Net Increase/(decrease) in cash and cash equivalents	41.44	36.91
	Cash and Cash equivalents as at the beginning of the year	99.62	62.71
	Cash and Cash equivalents as at the end of the year	141.06	99.62
	Components of cash and cash equivalents		
	Cash on hand	0.01	-
	With banks - in current accounts	141.05	100.24
	Sub-total	141.06	100.24
	Less: Bank overdraft	-	0.62
	Total cash and cash equivalents	141.06	99.62



ANAND & PONNAPPAN

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of Indbank Merchant Banking Services Limited
Report on Audit of the Standalone Financial Results.

Opinion

We have audited the accompanying Standalone financial results of **Indbank Merchant Banking Services Limited** (referred to as the "Company") for the quarter and period ended 31st March, 2026, (the "Statement") attached herewith, being prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- ii. gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013 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 31st March, 2026, the total comprehensive income, and other financial information of the company for the year ended 31st March, 2026;

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matters:

1. We draw attention to the Note No.5 Lease and hire purchase receivables amounting to ₹470.07 lakhs (12 accounts) relating to discontinued fund-based operations as at 1 April 2025. During the year, ₹162.08 lakhs (2 accounts) written off pursuant to Board approval dated 18 March 2026, considering borrowers are dormant , inactive , liquidated or under process of liquidation. Further, additional provision of ₹24.00 lakhs made due to uncertainty of recovery. Balance 10 accounts remain fully provided, Company has engaged professionals to evaluate recovery or write-off.
2. We draw attention to the Note No.9 litigation relating to disputed income tax demands amounting to Rs 1842.78 Lakhs , regarding the company claiming an exemption under section 10(38) (Exemption on Long-Term capital Gains from sale of Equity Shares on which the Securities Transaction Tax paid) , however the income is treated has been Business income by the Assessing officer for the assessment year 2007-08 to 2009-10 for which an appeal has been filed with the Hon'ble high court of Madras , Provision has not been made in the accounts as the management believes, based on legal advice, that liability may not arise.

Our opinion is not modified in respect of this matter

Responsibility of Management for the Standalone Financial Results:

These standalone annual financial results have been prepared on the basis of the standalone financial results.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the total comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatements, whether due to fraud or error.



In preparing the standalone annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Results:

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatements, 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 results.

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

- a. Identify and assess the risks of material misstatements of the standalone financial results, 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;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d. 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 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;



e. Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation;

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

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.

Other Matters:

The standalone annual financial results include the results for the quarter ended 31st March, 2026 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of these matters.

For Anand and Ponnappan,
Chartered Accountants,
FRN: 000111S



B. Hariharan
Partner

MRN: 207896

Place: Chennai

Date: 20.04.2026

UDIN:26207896QMEEJG3289