



Indbank

Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)



Thirtieth Annual Report 2018 - 2019

BOARD OF DIRECTORS



Shri. A.S. Rajeev
(upto 30.11.2018)



Shri. Shenoy Vishwanath Vittal
(from 11.02.2019)



Shri. T.M. Nagarajan



Shri. P.M. Venkatasubramanian



Shri. G.R. Sundaravadivel



Smt. Chitra Murali



Shri. Vaijinath Gavarshetty
(from 19.07.2019)



Shri. P.A. Krishnan



Shri. Sesa Sai PLVK
President & Whole Time Director

CONTENTS

Notice to Shareholders	03
Board's Report	09
Report on Corporate Governance	23
Management Discussion & Analysis Report	35
Auditors' Report	39
Balance Sheet	46
Profit and Loss Account	48
Cash Flow Statement	49
Schedules	50

Board of Directors

Shri.A S Rajeev	Nominee Director of Indian Bank (up to 30.11.2018)
Shri. Shenoy Vishwanath Vittal	Additional Director (Nominee of Indian Bank - from 11.02.2019)
Shri.T M Nagarajan	Independent Director
Shri.P M Venkatasubramanian	Independent Director
Shri.G R Sundaravadivel	Independent Director
Smt.Chitra Murali	Independent Director
Shri. Vaijinath Gavarshetty	Additional Director (from 19.07.2019)
Shri.P A Krishnan	Nominee Director of Indian Bank
Shri. Sesha Sai P L V K	President and Whole Time Director (from 06.08.2018)

Committees of the Board Audit Committee

Shri.T M Nagarajan
 Shri.P M Venkatasubramanian
 Shri.G R Sundaravadivel
 Smt.Chitra Murali
 Shri. Vaijinath Gavarshetty (from 19.07.2019)
 Shri.P A Krishnan

Nomination & Remuneration Committee

Shri.P M Venkatasubramanian
 Shri.G R Sundaravadivel
 Shri. Vaijinath Gavarshetty (from 19.07.2019)
 Shri.P A Krishnan

Stakeholder Relationship Committee

Smt.Chitra Murali
 Shri.P A Krishnan
 Shri Sesha Sai P L V K

Corporate Social Responsibility Committee

Shri.G R Sundaravadivel
 Shri.T M Nagarajan
 Shri. Vaijinath Gavarshetty (from 19.07.2019)
 Shri.P A Krishnan

Chief Financial Officer Company Secretary

Shri. K.S.Sujay (upto 09.07.2019)
 Smt. S.S.Deepthi (upto 23.04.2018)
 Shri. V.Balamurugan (from 23.10.2019)

Statutory Auditors Secretarial Auditors Bankers

M/s. M.Srinivasan & Associates, Chartered Accountants, Chennai
 M/s. P. Sriram & Associates, Practicing Company Secretaries, Chennai
 M/s. Indian Bank

Registrar and Share Transfer Agents Registered Office Terminals Tamil Nadu

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

Nandanam, Harbour, Anna Nagar, Mylapore, CMDA-Egmore, Purasawalkam, Ashok Nagar, Nanganallur, Adyar, Thousand Lights, Chetpet, L B Road, 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

Ernakulam, Thrissur, Calicut

Telangana

Hyderabad, Secunderabad, Srinagar Colony

Andhra Pradesh

Visakhapatnam, Vijayawada, Guntur, Vijayawada One Town

Karnataka

Bangalore, Mangalore

Gujarat

Ashram Road - Ahmedabad

Maharashtra

Mumbai, Matunga, Thane, Bandra, Pune Cantonment

Delhi

Delhi, Shantiniketan, Punjabi Bagh

West Bengal

Kolkata

NOTICE OF 30th ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Saturday the 21st day of September, 2019 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence (IMAGE), MRC Nagar, Raja Annamalaipuram, Chennai 600 028 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri P A Krishnan (DIN : 07572747), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Shri. Shenoy Vishwanath Vittal (DIN: 07561455), 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 read with Schedule IV 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, as amended from time to time, Shri Shenoy Vishwanath Vittal (DIN: 07561455), 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 11.02.2019 and holds office up to the date of this Annual General Meeting and Nomination and Remuneration Committee Meeting held on 19.07.2019 proposed his candidature for Office of Director, be and is hereby appointed as Non-executive Nominee Director, liable to retire by rotation."
4. To appoint Shri. Vajinath Gavarshetty (DIN: 08502484) 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 and 152 read with Schedule IV and 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri. Vajinath Gavarshetty (DIN:08502484), who was appointed as an Additional Director to hold office until the conclusion of the ensuing Annual General Meeting and Nomination and Remuneration Committee Meeting held on 19.07.2019 proposed his candidature for Office of non-executive Independent Director, be and is hereby appointed as a non-executive Independent Director of the Company for a first term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation."
5. To re-appoint Shri G R Sundaravadivel (DIN:00353590) and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as special resolution:
 "RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri. G R Sundaravadivel (DIN:00353590), who was appointed as a non-executive Independent Director of the Company to hold office for 5 consecutive years from the conclusion of 25th Annual General Meeting till this 30th Annual General Meeting and Nomination and Remuneration Committee Meeting held on 19.07.2019 proposed his candidature for Office of non-executive Independent Director for a second term, be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation."
6. To approve the continuance of Directorship of Shri. G R Sundaravadivel (DIN:00353590) in the second tenure and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as special resolution:
 "RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended on May 9, 2018 and the applicable provisions of the Companies Act, 2013, if any / Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded for continuance of Directorship of Shri G R Sundaravadivel (DIN:00353590), aged 78 years, as a Non-Executive Independent Director of the Company as long as he continues in the office of Director of the Company."
7. To re-appoint Smt. Chitra Murali (DIN: 06751105) and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as special resolution:
 "RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Smt. Chitra Murali (DIN:06751105), who was appointed as a non-executive Independent Director of the Company to hold office for 5 consecutive years from the conclusion of 25th Annual General Meeting till this 30th Annual General Meeting and Nomination and Remuneration Committee Meeting held on 19.07.2019 proposed her candidature for Office of non-executive Independent Director for a second term, be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation."

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

Place : Chennai
Date : 19.07.2019

V. Balamurugan
Company Secretary and Compliance Officer

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member.
2. Proxies should be lodged at the Corporate Office of the Company at 'Khivraj Complex – I, 480 Anna Salai, Nandanam, Chennai – 600035 at least 48 hours before the commencement of the meeting.
3. Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
4. Members holding shares in physical form are requested to notify to the Company's Registrar and Transfer Agent of any change in their address and update their Bank account details. Members holding shares in electronic form are requested to notify any change of address and update bank account details to their respective depository participants directly.
5. The Register of Members and Share Transfer Books of the company will remain closed from 15.09.2019 to 21.09.2019 (both days inclusive).
6. 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 is furnished below:

Shri P A Krishnan:

Shri P A Krishnan, (DIN: 07572747), aged 59 years is a Bachelor of Commerce, Chartered Accountant and currently working as General Manager and Chief Financial Officer, Indian Bank. He has 34 years of experience in various positions in the banking industry.

Shri P A Krishnan, (DIN: 07572747), 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
Ind Bank Housing Ltd.,	Director	Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee

Shri G R Sundaravadivel:

Shri G R Sundaravadivel, (DIN: 00353590), 78 years holds Post Graduate Degree in Commerce with B.G.L. and CAIIB. He has more than 40 years of experience in various positions in the Banking industry and is a retired Executive Director of United Bank of India.

Shri. G R Sundaravadivel (DIN: 00353590) was a Whole Time Director of United Bank of India, appointed by Govt. of India, Ministry of Finance. He served as Director at the following Boards of the Banks: (1) Gilt Securities Ltd - A Subsidiary of Canara Bank, (2) Oriental Bank of Commerce, (3) Punjab National Bank, (4) Andhra Bank. He was also Banking Ombudsman for the State of Kerala & UT of Lakshadweep, appointed by the Reserve Bank of India. Presently he is on the Board of Repco Home Finance Ltd., as Independent Director.

Shareholding in the Company: NIL

Details of other Directorships

Name of the company	Directorship	Committee Membership
Repco Home Finance Limited.	Independent Director	Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee

Smt. Chitra Murali:

Smt Chitra Murali, (DIN: 06751105), aged 56 years holds Post Graduate Degree in Commerce with CISA (ISCA, USA), CIA and other qualifications. She served in Indian Audit and Accounts Department for 21 years. She has around 25 years of experience in the field of audit with hands on experience in various facets of audit including information System Audit and Internal Audit.

Smt. Chitra Murali, (DIN: 06751105), 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 : NIL

Shri Shenoy Vishwanath Vittal:

Shri Shenoy Vishwanath Vittal, (DIN: 07561455), Executive Director, Indian Bank, aged 56, is a commerce graduate from Mumbai University. He joined as Probationary Officer in Union Bank of India on 17th January, 1985. He is also an Associate member of Indian Institute of Bankers and successfully underwent one year Management Education Programme conducted internally by the Union Bank of India. He is a career Banker since last 35 years.

Shri. Shenoy Vishwanath Vittal, (DIN: 07561455), 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	Audit Committee, Risk Management Committee Share transfer Committee & Stakeholders Relationship Committee
Ind Bank Housing Ltd.	Nominee Director	NIL

Shri Vaijinath Gavarshetty:

Shri Vaijinath Gavarshetty, (DIN: 08502484), aged 61, B.Sc.,(Agri), MBA (Banking & Finance), CAIIB and other qualifications. He has over 33 years of experience in Banking with State Bank of India (SBI) from 08.03.1985 to 30.06.2018, in various capacities & positions, including as Chief General Manager & head of Bank's Real Estate & Housing Finance Business for the whole Bank, as a Zonal Head of one of the largest & most vibrant Zones of SBI.

Shri Vaijinath Gavarshetty, (DIN: 08502484), 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 : NIL

7. 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.
8. Electronic Copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form are being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above document are being sent in the permitted mode.
9. As a measure of economy, copies of the Annual Report will not be distributed at the annual general meeting. Members are, therefore, requested to bring their copies of the Annual Report to the meeting.
10. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the board resolution / power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
11. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.indbankonline.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office in Chennai for inspection during normal business hours on working days up to the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form; upon making a request for the same, by post free of cost.
12. Members holding shares in electronic form are requested to register their e-mail address with their respective depository participants and members holding shares in Physical form are requested to register their e-mail address with the Company's Registrar and Transfer Agents and participate in the "Green initiative" launched by the Ministry of Corporate Affairs, in future.
13. 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 scrutiner, the Board of Directors has appointed Shri. P. Sriram, Practicing Company Secretary (Membership No. FCS 4862) as the Scrutiniser for conducting the remote e-voting process and voting in accordance with the law and in a fair and transparent manner.
 - c. The facility for voting shall be made available at the meeting. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their votes again at the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday, September 18, 2019 at 10.00 A.M and ends on Friday, September 20, 2019 at 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 14, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of '0s' before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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 the same password has 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Indbank Merchant Banking Services Ltd> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Any person who acquires shares of the company and becomes a member after dispatch of the notice, but holding shares as on the cutoff date for remote e-voting i.e., Saturday, September 14, 2019 may obtain the login ID and password by sending a request to our RTA at the address in the Annual Report.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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. 3

Shri Shenoy Vishwanath Vittal (DIN: 07561455), is an Additional Director of the Company. He is also presently a Director in other Boards listed below.

Directorship	Audit Committee
Indian Bank Ind Bank Housing Ltd	Indian Bank

Shri. Shenoy Vishwanath Vittal, (DIN: 07561455), Executive Director, Indian Bank, aged 56, is a commerce graduate from Mumbai University. He joined as Probationary Officer in Union Bank of India on 17th January, 1985. He is also an Associate member of Indian Institute of Bankers and successfully underwent one year Management Education Programme conducted internally by the Union Bank of India. He is a career Banker since last 35 years.

Shri. Shenoy Vishwanath Vittal was appointed as an additional Director by the Board of Directors of the Company in its meeting held on February 11, 2019, till the conclusion of the ensuing Annual General Meeting.

Nomination and Remuneration Committee in its meeting held on 19.07.2019, recommended to Board to propose him as a candidate for the office of Non-executive Nominee Director in the ensuing Annual General Meeting.

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 Shri Shenoy Vishwanath Vittal, 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. Vaijinath Gavarshetty, (DIN: 08502484) is an additional Director of the Company. He is member of Audit, Nomination & Remuneration and Corporate Social Responsibility Committee of the Board.

He is presently a Director in our Company only.

Shri. Vaijinath Gavarshetty, (DIN: 08502484), aged 61, is a B.Sc., (Agri), MBA (Banking & Finance), CAIIB and other qualifications. He has over 33 years of experience in Banking with State Bank of India (SBI) from 08.03.1985 to 30.06.2018, in various capacities & positions, including as Chief General Manager & head of Bank's Real Estate & Housing Finance Business for the whole Bank, as a Zonal Head of one of the largest & most vibrant Zones of SBI.

Shri. Vaijinath Gavarshetty, (DIN: 08502484) was appointed as an additional Director by the Board of Directors of the Company in its meeting held on July 19, 2019, till the conclusion of the ensuing Annual General Meeting.

Nomination and Remuneration Committee in its meeting held on 19.07.2019, recommended to Board to propose him as a candidate for the office of Non-executive Independent Director in the ensuing Annual General Meeting, for a period of five years from the conclusion of the 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company, not liable to retire by rotation.

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. Vaijinath Gavarshetty, (DIN: 08502484), 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. G R Sundaravadivel (DIN: 00353590) is a Non-Executive Independent Director of the Company. He is also the chairman of the Corporate Social Responsibility Committee and member of Nomination & Remuneration Committee and Audit Committee. He is also presently a Director in the following Company.

Directorship	Audit Committee
Repco Home Finance Ltd	Repco Home Finance Ltd

Shri. G R Sundaravadivel aged 78 years holds Post Graduate Degree in Commerce with BGL and CAIIB. He has more than 40 years of experience in various positions in the Banking industry and he is a retired Executive Director of United Bank of India.

Shri. G R Sundaravadivel (DIN: 00353590) was a Whole Time Director of United Bank of India, appointed by Govt. of India, Ministry of Finance. He served as Director at the following Boards of the Banks: (1) Gilt Securities Ltd - A Subsidiary of Canara Bank, (2) Oriental Bank of Commerce, (3) Punjab National Bank, (4) Andhra Bank. He was also Banking Ombudsman for the State of Kerala & UT of Lakshadweep, appointed by the Reserve Bank of India. Presently he is on the Board of Repco Home Finance Ltd., as Independent Director.

Shri. G R Sundaravadivel was appointed as a non-executive and Independent Director by the shareholders at the 25th Annual General Meeting held on September 27, 2014, for a consecutive term of five years from the conclusion of the 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company, not liable to retire by rotation.

Nomination and Remuneration Committee in its meeting held on 19.07.2019, recommended to Board to propose candidature of Shri. G R Sundaravadivel (DIN: 00353590), Independent Director of the Company to re-appoint as Independent Director of the Company, for second term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation, in the ensuing Annual General Meeting..

The Board recommends the proposal set forth in the Notice (Item No 5) 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. G R Sundaravadivel, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

Item No. 6

Shri. G R Sundaravadivel (DIN 00353590) is a Non-Executive Independent Director of the Company. He is also the chairman of the Corporate Social Responsibility Committee and member of Nomination & Remuneration Committee and Audit Committee. He is also presently a Director in the following Company.

Directorship	Audit Committee
Repco Home Finance Ltd	Repco Home Finance Ltd

Shri G R Sundaravadivel aged 78 years holds Post Graduate Degree in Commerce with BGL and CAIIB. He has more than 40 years of experience in various positions in the Banking industry and is a retired Executive Director of United Bank of India.

Shri. G R Sundaravadivel (DIN: 00353590) was a Whole Time Director of United Bank of India, appointed by Govt. of India, Ministry of Finance. He served as Director at the following Boards of the Banks: (1) Gilt Securities Ltd - A Subsidiary of Canara Bank, (2) Oriental Bank of Commerce, (3) Punjab National Bank, (4) Andhra Bank. He was also Banking Ombudsman for the State of Kerala & UT of Lakshadweep, appointed by the Reserve Bank of India. Presently he is on the Board of Repco Home Finance Ltd., as Independent Director.

Shri. G R Sundaravadivel was appointed as a non-executive and Independent Director by the shareholders at the 25th Annual General Meeting held on September 27, 2014, for a consecutive term of five years from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting, not liable to retire by rotation.

Shri. G R Sundaravadivel may be appointed as a non-executive and Independent Director by the shareholders at the ensuing Annual General Meeting, for second term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation,.

Shri. G R Sundaravadivel is aged more than 75 years and hence his continuation of Directorship as a Non-Executive Independent Director, with effect from April 1, 2019 requires the approval of members by way of a special resolution, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Board of Directors are of the opinion that in view of the vast managerial experience and expertise of Shri G R Sundaravadivel, his continued association with the company would be of immense benefit and this will enable the Board to discharge its functions and duties effectively. The Board recommends the proposal set forth in the Notice (Item No 6) 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. G R Sundaravadivel, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

Item No 7

Smt. Chitra Murali (DIN: 06751105), is a Non-Executive Independent Director of the Company. She is also the chairman of the Stakeholders Relationship Committee and member of the Audit Committee.

She is presently a Director in our Company only.

Smt. Chitra Murali, (DIN: 06751105), aged 56 years holds Post Graduate Degree in Commerce with CISA (ISCA, USA), CIA and other qualifications. She served in Indian Audit and Accounts Department for 21 years. She has around 25 years of experience in the field of audit with hands on experience in various facets of audit including information System Audit and Internal Audit.

Smt. Chitra Murali, was appointed as a non-executive and Independent Director by the shareholders at the 25th Annual General Meeting held on September 27, 2014, for a consecutive term of five years from the conclusion of the 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company, not liable to retire by rotation.

Nomination and Remuneration Committee in its meeting held on 19.07.2019, recommended to Board to propose candidature of Smt. Chitra Murali, Independent Director of the Company to re-appoint as Independent Director of the Company, for second term of five years commencing from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting, not liable to retire by rotation, in the ensuing Annual General Meeting.

The Board recommends the proposal set forth in the Notice (Item No 7) 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 Smt Chitra Murali, none of the Directors / Key Managerial Personnel of the company and their relatives is concerned or interested in this item of business.

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

Place : Chennai
Date : 19.07.2019

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 Thirtieth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2019.

Operations

During the year your company has earned a gross income of Rs.1114.91 lakhs as against Rs.1463.44 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.5610.26 crore during the year as against Rs.7570.42 crore in the previous financial year. Your company also provides Depository services to institutions and retail customers and has 34045 accounts under DP operations and 23839 accounts under broking operations.

Your company reported a net profit of Rs.172.75 lakhs during the year 2018-19 as against a net profit of Rs.215.06 lakhs in the previous year as under:

Rs. In lakhs

Sl. No.	Description	FY 2018-19	FY 2017-18
1	Income from Fee based operations	811.78	1166.59
	of which income from Stock Broking	698.03	1035.89
	DP	91.37	106.19
	Merchant Banking/Mutual Funds	22.38	24.51
2	Other income	303.13	296.85
3	Total income (1+2)	1114.91	1463.44
4	Employee Expenses	438.33	425.82
5	Other expenses	245.15	271.03
6	Interest Expenses	153.08	157.65
7	Depreciation	23.29	43.43
8	Provisions for NPAs/Write off	81.24	168.94
9	Total expenses (4+5+6+7+8)	941.09	1066.87
10	Profit before exceptional items (3-9)	173.82	396.57
11	Prior period income/Exp	7.22	(0.06)
12	Profit before tax (10-11)	181.04	396.51
13	Current Tax	59.87	110.80
14	MAT	(51.35)	0.00
15	Deferred tax	(4.02)	4.83
16	Prior Year tax	--	58.84
17	Items reclassified as per IND-AS - re-measurement of the defined benefit plans	(3.78)	(6.98)
18	Net profit / Loss after tax (12-13-14-15-16+17)	172.75	215.06
19	EPS	0.39	0.48

Dividend

As your Company's profits are not adequate and for the reserves to be ploughed back to improve the network, your Directors did not recommend any dividend for the year 2018-19.

Board Meetings:

The Board of Directors met four times during the year on 04.05.2018, 06.08.2018, 23.10.2018 & 11.02.2019.

Directors and Key Managerial Personnel:

Shri. Ashwini Kumar Bajpai, President & Whole Time Director (Deputy General Manager, Indian Bank on deputation to the Company) has been relieved from the company with effect from 30.06.2018 on his retirement from the services of Indian Bank on superannuation.

Shri. Sessa Sai P L V K, Assistant General Manager, Indian Bank was co-opted as an Additional Director on the Board of the company (nominee of Indian Bank) with effect from 06.08.2018.

At the Annual General Meeting held on 10.09.2018, Shri. Sesha Sai P L V K, Assistant General Manager, Indian Bank was appointed as President and Whole Time Director of the Company with effect from 06.08.2018 for a period upto 31.07.2021.

At the annual general meeting held on 10.09.2018 the existing Independent Directors i.e. Shri. T M Nagarajan, Shri. P M Venkatasubramanian & Shri. G R Sundaravadivel were approved to continue as Independent Directors till the conclusion of their present tenure i.e. till the conclusion of 30th Annual General Meeting. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and the rules made there under and are independent of the management. They are not liable to retire by rotation.

Shri. Balamurugan V., was appointed as Company Secretary & Compliance Officer w.e.f 23.10.2018 in place of Ms. S.S.Deepthi, who resigned from the post of Company Secretary and Compliance Officer of the company due to her personal reasons and was relieved from the Company with effect from 23.04.2018.

Shri. A S Rajeev, Nominee Director submitted his resignation from the Directorship of the Company on 30.11.2018 consequent to his appointment as Managing Director and Chief Executive Officer of Bank of Maharashtra. The same was taken on record by the Board on 21.12.2018 through passing of resolution by circulation.

Your Directors place on record their appreciation for the valuable contributions made by Shri. Ashwini Kumar Bajpai and Shri. A S Rajeev during their tenure as Directors of the Company.

Retirement of Directors by rotation:

The Company's Board consists of 4 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.

At the Annual General Meeting, Shri P A Krishnan, Director retires by rotation and being eligible, offers himself for reappointment.

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, 2019.

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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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; and
- 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 2018-19.

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. P Sriram & Associates, Practising Company Secretary 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, 2019, 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 as 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, CSR 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 2019-20 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, 2014 is 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

Place: Chennai
Date: 18.05.2019

Shenoy Vishwanath Vittal
Director

ANNEXURE - I Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[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. Phone: +91-44-24313094 Email: registered@indbankonline.com
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	62.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. 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									
(1) Indian									
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	--	--	--	--	--	--	--	--	--
Sub-Total (A) (1)	28773800	--	28773800	64.84	28773800	--	28773800	64.84	0.0000
(2) Foreign									
a. NRIs-Individual	--	--	--	--	--	--	--	--	--
b. Other-Individual	--	--	--	--	--	--	--	--	--
c. Bodies Corporate	--	--	--	--	--	--	--	--	--
d. Banks/FI	--	--	--	--	--	--	--	--	--
e. Any other	--	--	--	--	--	--	--	--	--
Sub-Total (A) (2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoters									
(A) = A(1)+A(2)	28773800	--	28773800	64.84	28773800	--	28773800	64.84	0.0000
B. Public									
Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	--	40600	40600	0.1914	--	40600	40600	0.0914	0.0000
b) Banks/FI	46100	200	46300	0.1043	44100	200	44300	0.0998	(0.0045)
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--

h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total B (1)	46100	40800	86900	0.1958	44100	40800	84900	0.1913	(0.0045)
(1) Non-institutions									
a) Bodies Corporate									
i. Indian	1279252	25600	1304852	2.9402	809096	25100	834196	1.8797	(1.0605)
ii. Overseas									
b) Individuals									
i. Individual share holders holding nominal share capital up to Rs. 1 lakh	7690841	1945331	9636172	21.7137	8073946	1851631	9925577	22.3658	0.6521
ii. Individual shareholders holding nominal share capital more than Rs. 1 lakh	2532868	0	2532868	5.7074	2834382	0	2834382	6.3868	0.6794
c) Others (specify)									
i. Shares held by Pakistani citizens vested with the Custodian of Enemy Property	--	--	--	--	--	--	--	--	--
ii. Other Foreign Nationals	--	--	--	--	--	--	--	--	--
iii. Foreign Bodies									
iv. NRI/OCBs	504569	0	504569	1.1369	469176	0	469176	1.0572	(0.0797)
v. HUF / Resident HUF	332126	1	332127	0.7484	358059	1	358060	0.8068	0.0584
vi. Clearing Members / Clearing House	141080	0	141080	0.3179	32271	0	32271	0.0727	(0.2451)
vii. Directors & their relatives	-	-	-	-	-	-	-	-	-
viii. Trusts	0	0	0	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	1065832	0	1065832	2.4017	0.0000
Sub-Total (B)(2)	13546568	1970932	15517500	34.9662	13642768	1876732	15519500	34.9707	0.0046
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13592668	2011732	15604400	35.162	13686868	1917532	15604400	35.162	0.0000
C. Shares held by Custodians for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	42366468	2011732	44378200	100.00	42460668	1917532	44378200	100.00	0.0000

(ii) Shareholding of Promoters

	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	
1	Indian Bank	28773800	64.84	Nil	28773800	64.84	Nil	NIL
	Total	28773800	64.84	Nil	28773800	64.84	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.,)				
At the end of 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-2018	1065832	2.4017	1065832	2.4017
	At the end of the Year 30-Mar-2019	1065832	2.4017	1065832	2.4017
2.	KALYANI BASHYAM				
	At the beginning of the year 01-Apr-2018	110000	0.2478	110000	0.2478
	Purchase 27-Apr-2018	25000	0.0563	135000	0.3042
	Purchase 04-May-2018	10000	0.0225	145000	0.3267
	Purchase 11-May-2018	8000	0.0180	153000	0.3447
	At the end of the Year 30-Mar-2019	153000	0.3447	153000	0.3447
3.	MAHENDRA GIRDHARILAL				
	At the beginning of the year 01-Apr-2018	11350	0.0255	11350	0.0255
	Purchase 29-Jun-2018	5679	0.0127	17029	0.0383
	Purchase 06-Jul-2018	6064	0.0136	23093	0.0520
	Purchase 16-Nov-2018	11700	0.0263	34793	0.0784
	Purchase 23-Nov-2018	21606	0.0486	56399	0.1270
	Purchase 30-Nov-2018	17807	0.0401	74206	0.1672
	Purchase 07-Dec-2018	28207	0.0635	102413	0.2307
	Purchase 14-Dec-2018	3023	0.0068	105436	0.2375
	Purchase 21-Dec-2018	3381	0.0076	108817	0.2452
	Purchase 31-Dec-2018	2820	0.0063	111637	0.2515
	Purchase 04-Jan-2019	440	0.0009	112077	0.2525
	Purchase 11-Jan-2019	11230	0.0253	123307	0.2778

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
	Purchase 18-Jan-2019	6580	0.0148	129887	0.2926
	Purchase 25-Jan-2019	1000	0.0022	130887	0.2949
	Purchase 08-Feb-2019	6302	0.0142	137189	0.3091
	Purchase 15-Feb-2019	5379	0.0121	142568	0.3212
	Purchase 22-Feb-2019	8871	0.0199	151439	0.3412
	At the end of the Year 30-Mar-2019	151439	0.3412	151439	0.3412
4.	RAJAN VASUDEV DAPKI JT1 : SHILPA RAJAN DAPKI				
	At the beginning of the year 01-Apr-2018	125000	0.2816	125000	0.2816
	Purchase 29-Jun-2018	10000	0.0225	135000	0.3042
	Purchase 13-Jul-2018	2871	0.0064	137871	0.3106
	At the end of the Year 30-Mar-2019	137871	0.3106	137871	0.3106
5.	VAIDYANATHAN SUNDARESAN				
	At the beginning of the year 01-Apr-2018	111300	0.2507	111300	0.2507
	At the end of the Year 30-Mar-2019	111300	0.2507	111300	0.2507
6.	JYOTI HARESH SHAH JT1 : HARESH BABULAL SHAH				
	At the beginning of the year 01-Apr-2018	99500	0.2242	99500	0.2242
	At the end of the Year 30-Mar-2019	99500	0.2242	99500	0.2242
7.	SANJAY RAMESH BADIANI JT1 : RUPAL SANJAY BADIANI				
	At the beginning of the year 01-Apr-2018	80000	0.1802	80000	0.1802
	At the end of the Year 30-Mar-2019	80000	0.1802	80000	0.1802
8.	NEETA HAREN SHAH				
	At the beginning of the year 01-Apr-2018	72000	0.1622	72000	0.1622
	At the end of the Year 30-Mar-2019	72000	0.1622	72000	0.1622
9.	ROBIN SIMON SEQUEIRA				
	At the beginning of the year 01-Apr-2018	70001	0.1577	70001	0.1577
	At the end of the Year 30-Mar-2019	70001	0.1577	70001	0.1577
10.	Anil Mohanlal Parmar				
	At the beginning of the year 01-Apr-2018	70000	0.1577	70000	0.1577
	At the end of the Year 30-Mar-2019	70000	0.1577	70000	0.1577

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 - 4.17 lakhs Contribution to PF - 0.24 lakhs	Mr. A K Bajpai President & Whole Time Director (Upto 30.06.2018)
2	Salary - 9.77 lakhs Contribution to PF - 0.55 lakhs	Mr. Sessa Sai P L V K President & Whole Time Director (from 06.08.2018)
	Ceiling as per the Act	Rs. 20.92 Lakhs

B. Remuneration to other Directors:
1. Independent Directors

Rs. In lakhs

Sl.No.	Particulars of Remuneration	Name of Directors				Total
		Shri T M Nagarajan	Shri P M Venkatasubramanian	Shri G R Sundaravadivel	Smt. Chitra Murali	
1	Fee for attending Board/Committee meetings	0.52	0.78	0.82	0.80	2.92
2.	Commission	--	--	--	--	--
3	Others, please specify	--	--	--	--	--
	Total	0.52	0.78	0.82	0.80	2.92

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					

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

Rs.

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	809858	342140	1151998
	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	--	--	--
	Total	809858	342140	1151998

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTOR					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Form No.MR-3
SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 2019

*[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, 2019 complied with the statutory provisions listed hereunder 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, 2019 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 : 18.05.2019

Sd/-
P. Sriram & Associates
FCS No. 4862
CP No: 3310

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 : 18.05.2019

Sd/-
P. Sriram & Associates
FCS No. 4862
CP No: 3310

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 -> Policy & Procedure

2. The Composition of the CSR Committee

The CSR Committee is consisting Shri. G R Sundaravadivel, Independent Director, Chairman of the Committee, Shri. T M Nagarajan, 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. 420.39 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - Rs. 8.41 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. 8.41 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.13.13 lakhs including the unspent amount of Rs.4.72 lakhs pertaining to the financial year 2017-18. 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

G R Sundaravadivel
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.	6.16
(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 - 5.03% Vice President & CFO 8.49%. The increase is due to increase in dearness allowance. Company Secretary & Compliance Officer - (7.38)%. (The decrease is due to the appointment of new Company Secretary from Oct 2018 after the resignation of the previous Company Secretary in April 2018)
(iii) The percentage increase in the median remuneration of employees in the financial year;	10.41
(iv) The number of permanent employees on the rolls of company;	89
(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 9.51 % and 4.30% 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 7 Directors as on 31st March 2019. 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	3
Non-executive Independent Woman Director	1

All Independent Directors possess the requisite qualification 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 2019 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 Ltd
2. Shri. T M Nagarajan	Independent Director	--	--	--	--	NIL
3. Shri. P M Venkatasubramanian	Independent Director	--	2	2	--	Independent Director in 1. Bimetal Bearings Limited 2. IP Rings Limited
4. Shri. G R Sundaravadivel	Independent Director	--	1	1	1	Independent Director in Repco Home Finance Limited

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

S. No.	Name	No. of Board Meetings held	No. of Board Meetings attended	Attended the last AGM as on 10th September 2018
1	Shri. Shenoy Vishwanath Vittal (from 11.02.19)	4	1	NA
2	Shri. T M Nagarajan	4	3	No
3	Shri. P M Venkatasubramanian	4	4	Yes
4	Shri. G R Sundaravadivel	4	4	Yes
5	Smt. Chitra Murali	4	4	Yes
6	Shri. A S Rajeev (upto 30.11.2018)	4	2	Yes
7	Shri. P A Krishnan	4	4	Yes
8	Shri. A K Bajpai (upto 30.06.18)	4	1	NA
9	Shri. Sesha Sai P L V K (from 06.08.18)	4	3	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 2019:

Name of the Director	Position
Shri. T M Nagarajan	Chairman
Shri. P M Venkatasubramanian	Member
Shri. G R Sundaravadivel	Member
Smt. Chitra Murali	Member
Shri. P A Krishnan	Member

As on 31st March 2019 the committee comprised of four 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 04.05.2018, 06.08.2018, 23.10.2018 and 11.02.2019. The details are as follows:

Attendance of each Director at Audit Committee Meetings

Name of the Director	Number of audit committee meetings attended
Shri. T M Nagarajan	3
Shri. P M Venkatasubramanian	4
Shri. G R Sundaravadivel	4
Smt. Chitra Murali	4
Shri. P A Krishnan	4

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 2019:

Name of the Director	Position
Shri. P M Venkatasubramanian	Chairman
Shri. G R Sundaravadivel	Member
Shri. P A Krishnan	Member

As on 31st March 2019 the committee comprised of two independent directors and one nominee director. Shri. P M Venkatasubramanian, is the Chairman of the committee. Shri. G R Sundaravadivel 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 4 times on 04.05.2018, 06.08.2018, 23.10.2018 & 11.02.2019 during the financial year 2018-19. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	Number of NR committee meetings attended
Shri. P M Venkatasubramanian	4
Shri. G R Sundaravadivel	4
Shri. P A Krishnan	4

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 2019:

Name of the Director	Position
Shri .G R Sundaravadivel	Chairman
Shri. T M Nagarajan	Member
Shri. P A Krishnan	Member

As on 31st March 2019 the committee comprised of two 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 (LODR) Regulations, 2015 brief description of terms of reference of CSR Committee includes the following:

- 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;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause above;
- 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 11.02.2019 during the financial year 2018-19. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	Number of CSR committee meetings attended
Shri G R Sundaravadivel	1
Shri T M Nagarajan	1
Shri P A Krishnan	1

6. REMUNERATION OF DIRECTORS

a. REMUNERATION POLICY:

The Remuneration Policy of the company provides for the following:

- 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.
- Determination of remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- Evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- 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 7 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		2018-19	2017-18
Mr. A K Bajpai	President & Whole Time Director (Upto 30.06.2018)	Salary	4.17	16.25
		Contribution to PF	0.24	0.96
Mr. Sesha Sai P L V K	President & Whole Time Director (From 06.08.2018)	Salary	9.77	0.00
		Contribution to PF	0.55	0.00
Mr. K S Sujay	Vice President & CFO	Salary	8.10	7.46
		Contribution to PF	0.70	0.65
Ms. S S Deepthi	Company Secretary & Compliance Officer (Upto 23.04.2018)	Salary	0.22	4.03
		Contribution to PF	0.03	0.46
Mr. V Balamurugan	Company Secretary & Compliance Officer (From 23.10.2018)	Salary	3.20	0.00
		Contribution to PF	0.37	0.00

2. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2018-2019

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	24000	18000	0	0	6000	4000	52000
Shri .P M Venkatasubramanian	32000	24000	16000	0	6000	0	78000
Shri. G R Sundaravadivel	32000	24000	16000	0	6000	4000	82000
Smt. Chitra Murali	32000	24000	0	18000	6000	0	80000
TOTAL	120000	90000	32000	18000	24000	8000	292000

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2019.

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 2019

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 2019:

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 16 times during the year 2018-2019. The committee approved the transfer of 14400 shares in physical form.

Complaints received and redressed during the year 2018-2019

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	2
4	Issue of duplicate dividend warrant	Nil
5	Procedure for transmission	Nil
6	General queries - IEPF	1
7	Non receipt of refund order	Nil
8	Non receipt of dividend	Nil
9	Correction in share certificate	Nil
10	Change of address	Nil
11	Unclaimed dividend	Nil
12	Correction in dividend cheque	Nil
13	Sending physical copy of Annual Report	Nil
	Total	3

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 11.02.2019 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	2015-2016	24th September, 2016 at 11 a.m.
	2016-2017	16th September, 2017 at 11 a.m.
	2017-2018	10th September, 2018 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
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 Sundaravadeivel (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
27th AGM held on 24.09.2016	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 years 2015-16 and 2016-17. 3 items were approved by the shareholders of the Company through special resolutions for the year 2017-18.

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. 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 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:	21 st September, 2019
Venue	IMAGE, MRC Nagar, Chennai 600028
Book Closure Date	15 th to 21 st September, 2019
Financial Year	1 st April 2018 to 31 st March 2019

b. Board Meetings during the Financial Calendar 2019-2020 (tentative)

1st Quarter	In the first week of August 2019
2nd Quarter	In the first week of November 2019
3rd Quarter	In the first week of February 2020
4th Quarter	In the second week of May 2020

c. Particulars of Dividend for the year ended 31.03.2019 - Nil

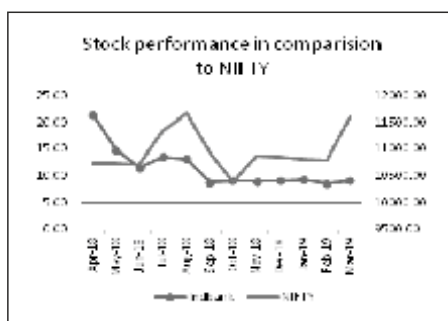
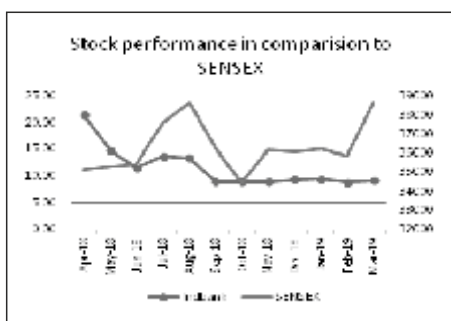
d. Listing of Shares

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 2019-20 have been paid to BSE and NSE where the company's shares are listed.

Name of the Stock Exchange	Address	Scrip Code / Stock Symbol
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001	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 2018	22.50	19.00	22.70	19.15	35213.30	32972.56	10759.00	10111.30
May 2018	22.20	13.90	22.30	13.70	35993.53	34302.89	10929.20	10417.80
June 2018	15.30	11.50	15.20	11.50	35877.41	34784.68	10893.25	10550.90
July 2018	13.85	11.50	13.80	11.50	37644.59	35106.57	11366.00	10604.65
August 2018	15.18	12.02	15.35	12.60	38989.65	37128.99	11760.20	11234.95
September 2018	14.00	8.97	13.95	8.90	38934.35	35985.63	11751.80	10850.30
October 2018	10.50	8.11	10.60	8.10	36616.64	33291.58	11035.65	10004.55
November 2018	9.64	8.61	9.50	8.75	36389.22	34303.38	10922.45	10341.90
December 2018	9.70	8.06	9.80	8.05	36554.99	34426.29	10985.15	10333.85
January 2019	11.00	9.10	11.35	9.10	36701.03	35375.51	10987.45	10583.65
February 2019	10.00	8.30	10.10	8.25	37172.18	35287.16	11118.10	10585.65
March 2019	10.49	8.05	11.00	8.65	38748.54	35926.94	11630.35	10817.00



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 2019

	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
A	Promoters holding					
	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	Non-Promoters holding					
	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	44100	44300	0.10
	Sub-total	9	40800	44100	84900	0.19
C	Others					
	A Private Corporate Bodies	226	25600	809096	834696	1.88
	B Indian Public	35338	1851131	10908328	12759459	28.75
	C NRIs/OCBs	146	0	469176	469176	1.06
	D Clearing Member and others	336	1	390336	390337	0.88
	E IEPF	1	0	1065832	1065832	2.40
	Sub-total	36047	1876732	13642768	15519500	34.97
	Grand Total	36057	1917532	42460668	44378200	100.00

h. Distribution of Shareholding as on 31st March 2019

Number of Equity Shares held	Number of Share holders (Folio wise)	Number of Shares	% of Capital
Up to 100	27156	2358448	5.31
101-500	6222	1828453	4.12
501-1000	1751	1528442	3.44
1001-2000	841	1326033	2.99
2001-3000	315	818972	1.85
3001-4000	151	550660	1.24
4001-5000	183	874026	1.97
5001-10000	186	874026	1.97
10001 AND ABOVE	154	33690716	75.92
Total	36959	44378200	100.00

i. Dematerialization of Shares and Liquidity:

A total number of 42460668 equity shares representing 95.68% of the paid up equity capital have been dematerialized as on 31st March 2019.

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 : investor@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr.Balamurugan V. Company Secretary and Compliance Officer Tel : 044 2432 1232, 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, 2019 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 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.
- 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

- 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.
- 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.
- 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

- 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 -> 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 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 and in stock exchange websites namely www.bseindia.com and 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 2018-2019.
- 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. 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 2018-2019.

15. CEO / CFO CERTIFICATION

Mr. Sessa Sai P L V K, President & Whole Time Director and Mr. K S Sujay, Chief Financial Officer have certified to the Board regarding the financial statements for the period ended 31st March, 2019 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, 2019.

**Place: Chennai
Date: 31.03.2019**

President & Whole Time Director

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

We, Sesha Sai P L V K, President & Whole Time Director and K S Sujay, 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 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 apprised 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: 10.05.2019

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 2019 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

Place: Chennai

Date: 18.05.2019

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) 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.1114.91 lakhs as against Rs.1463.44 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.5610.26 crores during the year as against Rs.7570.42 crores. Your company also provides Depository services to Institutions and retail customers and has 34045 accounts under DP operations and 23839 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. Recent SEBI order fixing deadline on dematerialisation of physical shares is seen significantly as an opportunity for stock brokers. 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 un-favourable / volatile stock broking climate, resulting in decrease in the volume of business in stock broking activities, the fee based income from stock broking operations has decreased to Rs.698.03 lakhs for FY 2018-19 from Rs.1035.89 lakhs for the previous FY 2017-18 thereby a decrease of 32.62%.
2. Income from DP operations has decreased by 13.96% to Rs.91.37 lakhs from Rs.106.19 lakhs for the previous period ended 31.03.2018.
3. Income under Merchant Banking and Mutual Fund distribution has decreased by 8.67% to Rs.22.38 lakhs from Rs.24.51 lakhs for the previous year ended 31.03.2018.
4. Other income has increased by 2.12% to Rs.303.13 lakhs from Rs. 296.85 lakhs for the previous year ended 31.03.2018. To comply with IND-AS disclosure requirements other income also includes income from discontinued fund based operations apart from the major components like interest received from Term deposits, rental income.
5. On the basis of the aforesaid segmental income, total income has decreased by 23.82% to Rs.1114.91 lakhs from Rs.1463.44 lakhs for the previous year ended 31.03.2018.

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 NSE. There is no change in share capital of the company during the year.

Reserves & Surplus

The accumulated profits of the previous years has been carried over to the reserves and the Reserves & surplus stands at Rs.1385.57 lakhs as on 31.03.2019.

Current Liabilities

The current liabilities have decreased from Rs.949.27 lakhs to Rs.931.51 lakhs mainly in view of decrease in amount payable to trading clients under Broking compared to previous year. The provision for leave encashment has increased from Rs.64.11 lakhs to Rs.74.87 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.6.98 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.1458.43 lakhs as on 31.03.2018 to Rs.1312.14 lakhs as on 31.03.2019 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.438.61 lakhs) of the company as on 31.03.2019 was Rs.45.06 lakhs compared to Rs.81.13 lakhs as on 31.03.2018 for the quoted shares which are held by the company as on 31.03.2019.

Non-current Other Financial Assets

Non-current Other Financial Assets have decreased from Rs.1493.77 lakhs to Rs.454.05 lakhs due to decrease in fixed deposits having maturity period above 12 months.

Deferred Tax Assets

During the year the company has reversed Rs.4.02 lakhs towards deferred tax liability in the profit and loss account. Accordingly, the net deferred tax assets have increased from Rs.416.87 lakhs in the previous year to Rs.420.89 lakhs in the current year.

Current Assets

The current assets have increased from Rs.3029.60 lakhs as on 31.03.2018 to Rs.4283.36 lakhs as on 31.03.2019 in view of increase in fixed deposits having maturity period above 3 months.

Profit and Loss account

Revenue from Operations

Stock Broking / DP income has decreased from Rs.1142.09 lakhs in 2017-18 to Rs.789.40 lakhs in 2018-19 in view of un-favourable / volatile stock broking climate and decrease in the volume of business in Stock broking activities.

Merchant Banking and MF income has decreased from Rs.24.51 lakhs in 2017-18 to Rs.22.38 lakhs in 2018-19.

Other income includes, rental income, income from fixed deposits, dividend income and income from discontinued fund based activity. Other income has increased from Rs.296.85 lakhs to Rs.303.13 lakhs mainly due to increase in interest on fixed deposits due to fresh deposits placed with Indian Bank during last one year.

Expenses

Direct cost has decreased from Rs.54.75 lakhs to Rs.36.26 lakhs due to reduction in volume of transactions as compared to the previous year.

Employee benefit expenses have increased from Rs.425.82 lakhs in the previous year to Rs.438.33 lakhs in the current year mainly due to periodic revision in DA payable to employees, recruitment of new employees during the year 2018-19 and welfare measures introduced with effect from 01.04.2018.

Depreciation and amortization expenses has decreased to Rs.23.29 lakhs in FY 2018-19 from Rs.43.43 lakhs in FY 2017-18.

Finance Cost has decreased from Rs.157.65 lakhs to Rs.153.08 lakhs.

Provision and loan losses has decreased from Rs.168.94 lakhs to Rs.81.24 lakhs mainly due to provisions made during last year towards NPA classified under BOD discontinued operations and provision towards clients claim. During the year 2018-19 provisions made on diminution in the value of investments were reversed due to sale of quoted investments.

Other expenses have decreased from Rs.216.28 lakhs to Rs.208.89 lakhs mainly due to provision of Rs.9.72 lakhs in the previous year towards CSR.

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	2017-18	Variance in %	Reason for change
(I) Interest Coverage Ratio	2.31	3.75	38.34	Due to higher income from stock broking operations and higher provisions in the Previous year.
(ii) Current Ratio	4.60	3.19	44.20	Due to Increase in Current Asset.

Details of change in Return on Net Worth:

Particulars	2018-19	2017-18	Variance in %	Reason for change
(i) Return on Net Worth	0.03	0.04	22.06	Due to higher income from stock broking operations in the Previous year.

Financial Results
Rs.Lakhs

Sl.No.	Description	FY 2018-19	FY 2017-18
1	Income from Fee based operations	811.78	1166.59
	Of which income from Stock Broking	698.03	1035.89
	DP	91.37	106.19
	Merchant Banking/Mutual Funds	22.38	24.51
2	Other income	303.13	296.85
3	Total income (1+2)	1114.91	1463.44
4	Employee Expenses	438.33	425.82
5	Other expenses	245.15	271.03
6	Interest Expenses	153.08	157.65
7	Depreciation	23.29	43.43
8	Provisions for NPAs/Write off	81.24	168.94
9	Total expenses (4+5+6+7+8)	941.09	1066.87
10	Profit before exceptional items (3-9)	173.82	396.57
11	Prior period income/Exp	7.22	(0.06)
12	Profit before tax (10-11)	181.04	396.51
13	Current Tax	59.87	110.80
14	MAT	(51.35)	0.00
15	Deferred tax	(4.02)	4.83
16	Prior Year tax	--	58.84
17	Items reclassified as per IND-AS - re-measurement of the defined benefit plans	(3.78)	(6.98)
18	Net profit / Loss after tax (12-13-14-15-16+17)	172.75	215.06
19	EPS	0.39	0.48

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 LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2019 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 auditor / 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 Act. This is stated to have been done by them vide their Audit Report dated 18 May 2019.

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 Limited for the year 31 March 2019 under section 143(6)(a) of the Act.

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

(R. AMBALAVANAN)

DIRECTOR GENERAL OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place: Chennai
Date: 20.06.2019

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, 2019, 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, 2019, the profit 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
Contingent Liability 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. (Refer Note 28)	We have carried out the validation of information provided by the management by performing the following procedures • Evaluating reasonableness of the underlying assumptions • Understanding the current status of the litigations / tax assessments. • Examinations of recent orders and / or communication received from various tax authorities / judicial forums and follow up action thereon. • Examining the relevant documents on record • Getting management confirmation where-ever necessary

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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note 28 to its standalone financial statements
 - ii. 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.
 - iii. 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 : 18th May 2019
 Place : Chennai

ANNEXURE A

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

- 1) (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 is 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, 2019 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 2019 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	

Name of the Statute	Nature of Dues	Disputed dues (Rs in lakhs)	Period which it relates	Forum where the dispute is pending	Remarks
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	
	Sales tax/ Additional Sales tax , Penalty and Interest	0.50	1993-94	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

S.Santhosh
 Partner
 M.No : 230839

Date : 18th May 2019
 Place : Chennai

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, 2019 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, 2019, 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

S.Santhosh
Partner
M.No : 230839

Date : 18th May 2019
Place : Chennai

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 clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available

Yes.

2. Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.

There is no waiver/ write off of any debts/ loans/interest etc. except some of unpaid client dues amounting to Rs. 88,584/- was written off during the year.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.

Not applicable.

For M.Srinivasan & Associates
Chartered Accountants
FRN 004050S

S.Santhosh
Partner
M.No : 230839

Date : 18th May 2019
Place : Chennai

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	in Rs.	
		As at 31-03-2019	As at 31-03-2018
ASSETS			
Non-Current Assets			
Property Plant and Equipment	4a	59,85,858	66,83,500
Investment Property	4b	2,96,02,662	3,03,80,242
Other Intangible Assets	5	2,39,818	2,21,652
Financial Assets			
(a) Investments	6a		
Other Investments at Amortised Cost		-	-
Other Investments at FVTPL		45,06,258	1,23,66,655
Other Investments at FVTOCI		15,000	15,000
(b) Other financial assets	6b	4,54,05,322	14,93,77,476
Deferred tax assets	14	4,20,89,332	4,16,87,314
Other non-current assets	7	11,93,09,673	11,62,99,363
		24,71,53,923	35,70,31,202
Current Assets			
Inventories	8	-	-
Financial Assets			
(a) Loans	9a	4,87,691	5,57,349
(b) Trade receivables	9b	5,25,49,906	7,97,24,157
(c) Investment	6a	-	-
(d) Cash and Cash Equivalents	9d	6,91,08,482	2,88,30,723
(e) Other Bank Balances	9e	27,27,35,666	15,81,96,077
(f) Other financial assets	9c	2,95,85,491	3,30,59,915
Other current assets	10	38,69,209	25,91,821
		42,83,36,445	30,29,60,042
Total Assets		67,54,90,368	65,99,91,244
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	44,37,82,000	44,37,82,000
Other Equity	12	13,85,57,005	12,12,81,941
Total Equity		58,23,39,005	56,50,63,941
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings		-	-
(b) Other financial liabilities		-	-
Deferred Tax Liabilities (Net)		-	-
		-	-

	Notes		in Rs.
		As at 31-03-2019	As at 31-03-2018
CURRENT LIABILITIES			
Financial Liabilities			
(a) Borrowings	13	-	2,81,798
(b) Other financial liabilities	14a	1,72,08,036	2,18,72,169
Short Term Provisions	15	74,87,157	68,83,454
Current Tax Liabilities	9f	61,76,495	39,59,334
Other Current Liabilities	16	6,22,79,675	6,19,30,548
		9,31,51,363	9,49,27,303
Total Liabilities		9,31,51,363	9,49,27,303
TOTAL EQUITY AND LIABILITIES		67,54,90,368	65,99,91,244

SHENOY VISHWANATH VITTAL
DIRECTOR

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

CHITRA MURALI
DIRECTOR

P A KRISHNAN
DIRECTOR

SESHA SAI P L V K
PRESIDENT & WHOLE TIME DIRECTOR

K S SUJAY
VICE PRESIDENT & 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 : 18-05-2019

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019

in Rs.

	Notes	For the Period ended	
		31-03-2019	31-03-2018
Revenue from Operations			
Income from Operations	17	8,11,77,976	11,66,59,071
Other Income	18	3,03,13,364	2,96,85,431
Total Income		11,14,91,340	14,63,44,502
Expenses			
Direct Costs	19	36,25,850	54,75,185
Finance Costs	22	1,53,08,400	1,57,65,020
Employee Benefits Expense	20	4,38,33,084	4,25,82,280
Depreciation and Amortisation Expense	21	23,28,755	43,43,211
Provisions and loan losses	25	81,24,374	1,68,93,887
Other Expenses	23	2,08,89,383	2,16,28,013
Total Expense		9,41,09,846	10,66,87,596
Profit Before Exceptional Items and Tax		1,73,81,494	3,96,56,906
Exceptional Items	24	7,22,154	(6,153)
Profit Before Tax		1,81,03,648	3,96,50,753
Income Tax	26		
- Current Year		59,87,434	1,10,79,620
- MAT		(51,35,036)	-
- Adjustment of tax relating to earlier years		-	58,84,222
- Deferred Tax (Net)		(4,02,018)	4,82,878
		4,50,380	1,74,46,720
Profit for the year (I)		1,76,53,268	2,22,04,033
Other Comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains and (losses) on defined benefit obligations (net)		(3,78,206)	(6,98,164)
Income tax effect		-	-
		(3,78,206)	(6,98,164)
Net loss/gain on FVTOCI equity security			
Income tax effect		-	-
Other comprehensive income/(loss) for the year, net of tax (II)		(3,78,206)	(6,98,164)
Total comprehensive income for the year, net of tax (I + II)		1,72,75,062	2,15,05,869
Earnings per Equity Share of Rs. 10 each			
Basic		0.39	0.48
Diluted		0.39	0.48

SHENOY VISHWANATH VITTAL
 DIRECTOR

T M NAGARAJAN
 DIRECTOR

P M VENKATASUBRAMANIAN
 DIRECTOR

G R SUNDARAVADIVEL
 DIRECTOR

CHITRA MURALI
 DIRECTOR

P A KRISHNAN
 DIRECTOR

SESHA SAI P L V K
 PRESIDENT & WHOLE TIME DIRECTOR

K S SUJAY
 VICE PRESIDENT & 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 : 18-05-2019

Cash Flow Statement for the period ended 31.03.2019

	2018-19 as on 31.03.2019 Rs. in Lakhs	2017-18 as on 31.03.2018 Rs. in Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	172.75	215.06
Adjustments for:		
Add : Depreciation/Lease Adjustments	23.29	43.43
Provision for taxation - Current	59.87	110.80
- Mat Tax	(51.35)	0.00
- Deferred	(4.02)	4.83
- Prior Year taxes	0.00	58.84
Loss on sale of assets (net)	0.00	0.05
Interest expense	153.08	157.65
	353.63	590.66
Less:		
Profit on sale of investments(net)	(129.94)	(0.74)
Dividend income	0.71	0.63
Profit on sale of assets	1.11	0.00
	(128.12)	(0.11)
Operating Profit before working capital changes	481.75	590.77
Less : Decrease in Current liabilities	8.92	(77.98)
	472.82	668.75
Add:		
Decrease in other current assets	184.11	123.33
Cash generated from operations	656.94	792.08
Less : Interest expense	153.08	157.65
Less : Taxes	8.52	169.64
Cash Flow before Extraordinary Items	495.33	464.79
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(9.09)	(8.94)
Decrease in Term Deposits with banks	(289.72)	(364.44)
Sale of Fixed Assets	1.48	0.09
Decrease in Investments net of provision	(44.49)	78.68
Dividend received	0.71	0.63
Net cash from Investing Activities	(341.11)	(293.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short term loans & Adv.	0.00	(80.36)
Dividend paid(including taxes thereon)	0.00	0.00
Net Cash used in Financing Activities	0.00	(80.36)
Net increase in cash & cash equivalents	154.22	90.45
Cash & Cash equivalents as at 01.04.18 (opg.bal.)	43.18	(47.27)
Cash & Cash equivalents as at 31.03.19 (clg. bal.)	197.40	43.18

SHENOY VISHWANATH VITTAL
DIRECTOR

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

CHITRA MURALI
DIRECTOR

P A KRISHNAN
DIRECTOR

SESHA SAI P L V K
PRESIDENT & WHOLE TIME DIRECTOR

K S SUJAY
VICE PRESIDENT & 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 : 18-05-2019

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

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 the 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 particulars 3. 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:

	No. of Years		No. of Years
Plant & Machinery	3	Furniture & Fixtures	10
Office Equipment	5	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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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
-------------------	---

3.8.4 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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 2018-19.

3.14 Prior Period adjustment

Under prior period adjustments, a sum of Rs.7.22 lakhs pertaining to provision made towards expenses in the previous years has been reversed during the year 2018-19. (previous year – (Rs.0.06 lakhs)).

3.15 Expenditure on Corporate Social Responsibility

The prescribed expenditure towards Corporate Social Responsibility to be incurred by the company for the year 2018-19 is Rs.8.41 lakhs. Out of the same the company has not spent any amount during the year 2018-19. The same is carried forward to be spent in the next financial year.

3.16 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.

SHENOY VISHWANATH VITTAL
DIRECTOR

T M NAGARAJAN
DIRECTOR

P M VENKATASUBRAMANIAN
DIRECTOR

G R SUNDARAVADIVEL
DIRECTOR

CHITRA MURALI
DIRECTOR

P A KRISHNAN
DIRECTOR

SESHA SAI P L V K
PRESIDENT & WHOLE TIME DIRECTOR

K S SUJAY
VICE PRESIDENT & 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)

Note 4a
Note 4a - Property Plant & Equipment

in Rs.

Particulars	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As at 01.04.2018	Additions	Deletions	As at 31.03.2019	For the Year 01.04.2018	As at 31.03.2019	As at 31.03.2018
Plant & Machinery (DPM)	2,30,06,195	6,06,124	12,68,903	2,23,43,416	8,94,774	1,91,01,312	32,42,104
Office Equipment	68,05,372	1,02,879	2,26,882	66,81,369	1,90,460	59,66,809	7,14,559
Furniture & Fixtures	88,09,142	1,75,988	0	89,85,130	3,59,200	0	16,32,790
Vehicles	16,80,620	0	3,14,854	13,65,766	1,02,469	2,99,111	3,96,405
TOTAL	4,03,01,329	8,84,991	18,10,639	3,93,75,682	15,46,903	3,33,89,822	59,85,858

Particulars	Gross Block at Cost			Depreciation / Amortisation		Net Block	
	As at 01.04.2017	Additions	Deletions	As at 31.03.2018	For the Year 01.04.2017	As at 31.03.2018	As at 31.03.2017
Plant & Machinery (DPM)	2,28,76,854	1,45,086	15,745	2,30,06,195	1,67,85,143	1,94,66,585	35,39,607
Office Equipment	69,97,276	88,196	2,80,101	68,05,372	60,39,314	59,92,099	8,13,273
Furniture & Fixtures	81,48,902	6,60,240	0	88,09,142	66,30,013	0	18,16,003
Vehicles	16,80,620	0	0	16,80,620	9,49,304	0	5,14,617
TOTAL	3,97,03,653	8,93,522	2,95,846	4,03,01,329	34,95,892	3,36,17,827	66,83,500

Note 4b. Investment Property
Note 4b

Particulars	in Rs.
Cost	
Closing balance as at 31 March 2018	4,84,78,385
Additions during the year	-
Closing balance as at 31 March 2019	4,84,78,385
Depreciation and impairment	
Opening balance as at 01 April 2018	1,80,98,146
Depreciation during the year	7,77,577
Closing balance as at 31 March 2019	1,88,75,723
Net Block	
As at 31 March 2018	3,03,80,242
As at 31 March 2019	2,96,02,662

Information regarding income and expenditure of Investment property
in Rs.

Particulars	For the Period ended	
	31-03-2019	31-03-2018
Rental income derived from investment properties	49,90,966	47,37,877
Direct operating expenses (including repairs and maintenance) that did not generate rental income	10,59,595	10,68,019
Profit arising from investment properties before depreciation and indirect expenses	60,50,561	58,05,896
Less – Depreciation	(7,77,577)	(7,77,577)
Profit arising from investment properties before indirect expenses	52,72,984	50,28,319
Other information regarding Investment Property		
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
Note 5 in Rs.

	As at 31-03-2019	As at 31-03-2018
Carrying amounts of :		
Computer software	2,39,818	2,21,652
	2,39,818	2,21,652
Computer Software		
I. Cost		
Balance as at 1 April, 2018		57,40,529
Additions for the year		23,750
Disposals or classified as held for sale		(1,30,656)
Balance as at 31 March, 2019		56,33,623
II. Accumulated depreciation and impairment		
Balance as at 1 April, 2018		55,18,877
Amortisation expense for the year		4,275
Disposals or classified as held for sale		(1,29,347)
Balance as at 31 March, 2019		53,93,805
Carrying amount		
Balance at April 1, 2018		2,21,652
Balance at March 31, 2019		2,39,818

Note 6a
in Rs.

Note 6a. Financial assets - Investments - Non Current

			Cost		Provisions		Cost net of Provisions	
	Number of Shares	Nominal Value' per unit	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Investments at Cost - Bought Out Deals:								
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	-	-
Investments at FVTOCI - Bought Out Deals								
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
			2,54,15,000	2,54,15,000	2,54,00,000	2,54,00,000	15,000	15,000
Investments at FVTOCI - Debentures								
14% Khatian 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	-	-	-	-	-	-
Investments at FVTPL - Quoted Equity Shares								
NHPC Ltd	35,000	10	12,76,343	12,76,343	4,11,843	3,06,843	8,64,500	9,69,500
Punj Lloyd Ltd	2,58,594	2	3,65,57,380	5,03,76,298	3,60,27,224	4,43,54,084	5,30,156	60,22,214
Seasons Furnishings Ltd	1,28,278	10	12,82,780	12,97,570	9,63,368	2,46,538	3,19,412	10,51,032
Steel Authority of India Ltd	1,000	10	2,23,100	2,23,100	1,69,350	1,52,900	53,750	70,200
Colgate Pomolive (India) Ltd	100	1	-	1,15,900	-	10,210	-	1,05,690
DLF Ltd	3,000	2	7,97,755	7,97,755	1,90,405	1,94,005	6,07,350	6,03,750
Hindustan Copper Ltd	2,000	5	1,89,100	1,89,100	91,200	63,300	97,900	1,25,800
Indiabulls Real Estate Ltd	2,800	2	6,20,367	2,90,817	3,62,207	54,932	2,58,160	2,35,885
Vodafone Idea Ltd	6,000	10	5,78,450	5,78,450	4,68,950	1,23,050	1,09,500	4,55,400
The India Cements Ltd	1,500	10	2,53,400	2,53,400	90,950	40,775	1,62,450	2,12,625
Indian Oil Corporation Ltd (includes 500 bonus shares)	1,000	10	2,11,000	2,11,000	48,150	34,400	1,62,850	1,76,600
Jindal Steel & Power Ltd	4,500	1	-	11,18,225	-	1,32,275	-	9,85,950
LIC Housing Finance Ltd	900	2	5,23,300	5,23,300	44,320	42,340	4,78,980	4,80,960
MMTC Ltd (includes 4000 bonus shares)	12,000	1	5,50,425	2,77,850	2,14,425	55,650	3,36,000	2,22,200
Punjab National Bank	5,500	2	7,97,325	7,97,325	2,72,075	2,73,175	5,25,250	5,24,150

.. Contd

Investments at FVTPL - Quoted Equity Shares (Contd)										
REC Ltd	1,000	10	-	1,62,907	3,93,54,467	-	38,207	-	1,24,700	
			4,38,60,725	5,84,89,340	3,93,54,467		4,61,22,685	45,06,258	1,23,66,655	
Investments at FVTPL - Un-Quoted Equity Shares										
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	-	-	-
Karnav 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	-	-	-
			3,92,51,650	3,92,51,650	3,92,51,650		3,92,51,650	-	-	-
Total investments			13,12,14,198	14,58,42,812	12,66,92,940		13,34,61,157	45,21,258	1,23,81,655	

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

	As at 31-03-2019	As at 31-03-2018
Other financial assets - amortized cost		
Fixed Deposits with maturity more than 12 months	4,14,38,888	13,98,74,642
Interest on Fixed Deposits with maturity more than 12 months	15,66,434	71,02,834
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	1,04,41,421	1,04,41,421
Provision for Inter Company Deposits	(1,04,41,421)	(1,04,41,421)
Total Other financial assets	4,54,05,322	14,93,77,476

Note 7. Other non-current assets

(Considered Good, Unsecured unless stated otherwise)

Note 7
in Rs.

	As at 31-03-2019	As at 31-03-2018
Deposits with Government, Public bodies and others:		
Advance Income Tax (Net of Provision)	11,93,09,673	11,62,99,363
Total non-current assets	11,93,09,673	11,62,99,363

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

	As at 31-03-2019	As at 31-03-2018
Stock on Hire	14,16,34,978	14,16,34,978
Stock on hire receivables	86,07,150	86,07,150
Total	15,02,42,129	15,02,42,129
Less: Unmatured finance charges	(4,61,66,383)	(4,61,66,383)
Less: Provision for Derecognition	(50,98,830)	(50,98,830)
Less: Provision for NPAs	(9,89,76,916)	-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 31-03-2019	As at 31-03-2018
IBMBS CCIL	86,359	90,578
IBMBS Clean Loan	1,26,165	1,75,934
IBMBS Silver Jubilee Personal Loan	1,25,796	1,27,008
IBMBS Vehicle Loan	24,457	17,711
Staff Housing Loan	1,24,914	1,46,118
	4,87,691	5,57,349

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

		As at 31-03-2019	As at 31-03-2018
Stock Broking Clients -	Considered Good		
	Secured	5,19,46,857	7,93,79,137
	Unsecured	-	-
Depository Participants -	Considered Good		
	Secured	-	-
	Unsecured	4,26,049	3,45,020
Merchant Banking Services -	Considered Good		
	Secured	-	-
	Unsecured	1,77,000	-
Non-Performing Assets -	Considered Doubtful(Unsecured)	2,61,93,990	2,53,96,145
		7,87,43,896	10,51,20,302
Provision for doubtful receivables		(2,61,93,990)	(2,53,96,145)
		5,25,49,906	7,97,24,157

Trade receivables are non-interest bearing and are generally has credit period upto T+2 days

Stock Broking Client 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 a 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. This method of provisioning is more representative of the business activities than the Expected Credit Loss Model as prescribed under Ind AS 109.

Depository Participants

The dues from Depository Participant operations are mainly the Annual charges collected from clients for maintaining and transacting in their demat accounts. The dues over 90 days have already been provided 100% and 90 days is the normal collection period. The dues less than 90 days are very less and amount to **Rs.4,26,049**. The Management has taken a call not to provide on these balances using the Expected Credit Loss Model as the impact will be immaterial.

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

	As at 31-03-2019	As at 31-03-2018
Other financial assets - amortized cost		
Margin Money with exchanges	2,42,16,000	2,67,10,000
Deposits with stock exchanges	21,60,000	46,60,000
Security deposit - Clients	10,33,520	10,33,520
Security deposits - Internet, leaseline deposits, etc	3,66,475	3,66,475
Other Deposits	3,44,430	3,44,430
Rent receivable	3,00,233	3,32,800
Advance Recoverable in cash or kind		
Travel Advance	-	10,500
Rent Advance	6,51,300	6,51,300
Festival Advance	2,84,200	3,04,000
Clearing Settlement account	50,42,931	50,42,931
Receivable from stock exchanges	2,38,454	2,01,755
Sundry Receivables	1,09,346	71,866
Less: Provision for Clearing Settlement	(50,42,931)	(50,42,931)
Customer Complaint Claims Receivable	25,99,896	10,91,631
Less: Provision for Customer Complaint Claims Receivable	(27,18,363)	(27,18,363)
Total Other financial assets	2,95,85,491	3,30,59,915

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

	As at 31-03-2019	As at 31-03-2018
Balances with banks:		
– On current accounts	1,92,32,951	40,78,559
– On Fixed deposit accounts - Original maturity 3 months or less	4,49,35,121	2,23,78,411
– Interest on Fixed deposit accounts - Original maturity 3 months or less	44,33,588	11,68,312
Funds allocated for Proprietary Trading in current account	-	6,83,971
Cash on hand	29,222	30,870
Stamps on hand	4,77,600	4,90,600
	6,91,08,482	2,88,30,723

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

	As at 31-03-2019	As at 31-03-2018
Other bank balances:		
- Unpaid dividend accounts	-	-
- Fixed Deposits with maturity more than 3 months and less than 12 months	25,82,38,970	15,33,88,346
- Interest on Fixed Deposits with maturity more than 3 months and less than 12 months	1,44,96,696	48,07,731
	27,27,35,666	15,81,96,077

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

	As at 31-03-2019	As at 31-03-2018
Advance Tax & TDS - AY 18-19	83,75,000	83,75,000
Less: Provision for tax	(1,45,51,495)	(1,23,34,334)
Total Current Tax Assets / (Liabilities)	(61,76,495)	(39,59,334)

Note 10. Other current assets
Note 10

(Considered Good, Unsecured unless stated otherwise)

in Rs.

	As at 31-03-2019	As at 31-03-2018
Prepaid expenses	17,82,382	17,59,222
MAT Credit Entitlement A/c	13,03,722	-
GST input credit	3,90,233	5,50,770
GST TDS Receivable	1,00,313	-
Sales Tax Recoverable	2,80,889	2,80,889
Others	11,670	940
Total other current assets	38,69,209	25,91,821

Note 11
Note - 11. Equity Share Capital

in Rs.

Notes: 1. All Equity Shares Capital

IN Rs.

	As at 31-03-2019	As at 31-03-2018		
Authorised Capital				
100000000 Equity Shares of Rs.10 each	100,00,00,000	100,00,00,000		
Issued Capital				
44410000 Equity Shares of Rs.10 each	44,44,10,000	44,44,10,000		
Subscribed and Paid-up Capital				
44378200 Equity Shares of Rs.10 each fully paid up	44,37,82,000	44,37,82,000		
	44,37,82,000	44,37,82,000		
a) Terms/Rights attached to class of shares				
The Company has only one class of equity shares having a par value of Rs.10 each. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Repayment of capital will be in proportion to the number of equity shares held .				
b) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company				
As at 31-Mar-2019			As at 31-Mar-2018	
Name of the Shareholder	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Indian Bank	2,87,73,800	64.84%	2,87,73,800	64.84%

Note - 12. Other equity
Note 12

in Rs.

	As at 31-03-2019	As at 31-03-2018
Retained earnings		
Balance at the beginning of the year	12,22,52,193	10,00,48,160
Add: Current year Profits	1,76,53,268	2,22,04,033
Balance at the end of the year	13,99,05,461	12,22,52,193
Other reserves - Other Comprehensive Income		
Opening Balance	(9,70,250)	(2,72,086)
Remeasurement of Defined Benefit Obligation	(3,78,206)	(6,98,164)
	(13,48,456)	(9,70,250)
General reserve	13,85,57,005	12,12,81,941
Total other equity	13,85,57,005	12,12,81,941

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

	As at 31-03-2019	As at 31-03-2018
Cash credit and overdrafts facilities from banks	-	-
Credit balance in current accounts	-	2,81,798
Total	-	2,81,798
The overdraft balances disclosed above are fully secured by the Fixed deposits held with the respective banks.		

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

Nature - (Liability) / Asset		As at 31-03-2019	As at 31-03-2018
Deferred Tax Liabilities		(3,21,53,096)	(3,22,59,860)
Deferred Tax Assets		7,42,42,428	7,39,47,174
Net Deferred Tax (Liabilities)/Assets (A+B)		4,20,89,332	4,16,87,314
	Opening Balance	Recognised in Profit or Loss	Closing Balance
Property, plant and equipment	(3,22,59,860)	1,06,764	(3,21,53,096)
Provisions	25,47,362	3,43,577	28,90,939
Provision for doubtful debts	7,13,99,812	(48,323)	7,13,51,489
Total	4,16,87,314	4,02,018	4,20,89,332

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

	As at 31-03-2019	As at 31-03-2018
Security Deposit received - Others	14,01,965	17,41,046
Unclaimed Dividend	-	-
Rental Deposits received	35,51,142	35,07,414
Other Deposits	5,04,008	6,35,153
Outstanding Liabilities	1,02,42,868	1,38,53,967
Dividend / Rights payable to Clients	10,97,031	10,75,654
Credit Card Payable	1,04,883	1,38,998
Other Payables to Exchanges and clients	3,06,139	9,19,937
Total other financial liabilities	1,72,08,036	2,18,72,169

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

	As at 31-03-2019	As at 31-03-2018
Provision for Leave Encashment	74,87,157	64,11,244
Provision for CSR	-	4,72,210
Total	74,87,157	68,83,454

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

	As at 31-03-2019	As at 31-03-2018
Payable to Indian Bank	-	2,73,791
Credit Balances in Broking and DP Accounts	5,93,06,287	5,86,84,885
Cash Margin deposit	-	-
Advance from customers	-	-
Provident Fund Payable	5,96,912	5,34,058
Bonus Payable	7,46,424	7,66,923
GST Payable	13,30,392	13,54,461
Service Tax Payable	-	22,856
Swachch Bharat Cess	-	-
Krishi Kalyan Cess	-	-
Stamp Duty to be remitted to Government	2,09,662	1,87,802
Professional Tax Payable	-	6,720
Other liabilities	89,998	99,052
Total	6,22,79,675	6,19,30,548

Note 17. Revenue from Operations
**Note 17
in Rs.**

	For the period ended	
	31-03-2019	31-03-2018
Income from Operations		
Merchant Banking Income	17,50,000	18,50,000
Income from Mutual Fund distribution	4,88,007	6,00,520
Stock Broking Membership Operations	6,98,03,339	10,35,89,269
Depository Participant Operations	91,36,630	1,06,19,282
Total	8,11,77,976	11,66,59,071

Note 18. Other Income
**Note 18
in Rs.**

	For the period ended	
	31-03-2019	31-03-2018
Rental Income	49,90,966	47,37,877
Reversal of Provisions	1,50,62,594	27,92,872
Profit / (Loss) on Sale of Investments	(1,29,98,885)	(3,84,110)
Miscellaneous Income	3,95,620	1,45,180
Interest Income		
Fixed Deposits with Banks	2,26,21,349	2,19,58,653
Others	2,41,720	4,34,959
Total	3,03,13,364	2,96,85,431

Note 19. Cost of Services
**Note 19
in Rs.**

For the period ended		
	31-03-2019	31-03-2018
NSDL Transaction Charges	10,65,522	14,46,219
Share Transfer Fees	3,04,478	3,33,501
Unrealised GST/Transaction charges/Stamp charges borne on behalf of clients	22,55,850	36,95,465
Total Cost of Services	36,25,850	54,75,185

Note 20. Employee Benefit Expense
**Note 20
in Rs.**

For the period ended		
	31-03-2019	31-03-2018
Salaries, Wages and Bonus	3,73,70,414	3,73,00,558
Gratuity Expenses	13,49,278	15,70,144
Contribution to Provident and Other Funds	35,62,636	29,39,999
Staff Welfare Expenses	15,50,756	7,71,579
Total	4,38,33,084	4,25,82,280

Note 21. Depreciation and amortization expense
**Note 21
in Rs.**

For the period ended		
	31-03-2019	31-03-2018
Depreciation of tangible assets (Note 4a)	15,46,903	34,95,894
Depreciation on Investment Properties (Note 4b)	7,77,577	7,77,577
Amortisation of Intangible Assets (Note 5)	4,275	69,740
Total	23,28,755	43,43,211

Note 22. Finance Costs
**Note 22
in Rs.**

For the period ended		
	31-03-2019	31-03-2018
Interest Expense	1,50,00,000	1,50,00,000
Other Borrowing Costs	3,08,400	7,65,020
Total	1,53,08,400	1,57,65,020

Note 23. Other Expense
Note 23
in Rs.

	For the period ended	
	31-03-2019	31-03-2018
Rent	30,67,206	25,27,875
Postage and Telephone	14,62,568	14,56,636
MPLS & other connectivity charges	24,02,394	25,76,705
Data Center Charges	7,70,400	7,70,400
Repairs and maintenance - Machinery	16,60,100	27,57,095
Repairs and maintenance - Vehicles	1,24,059	1,02,337
Electricity Charges	10,05,566	12,70,609
Subscription Charges	7,10,929	9,52,860
Listing Fees	5,40,000	4,50,000
Swacch Bharat Cess	-	26,076
Bank Charges	7,314	5,894
Insurance	61,944	70,125
Professional charges - BODs	21,300	4,45,067
Write off of accounts	88,584	1,61,274
Rates and Taxes	3,96,855	6,19,000
Travelling and Conveyance	24,56,170	19,70,283
Printing, Stationery and Communication	7,19,803	7,46,706
Advertisement and Publicity	4,23,240	3,67,772
Business Development Expense	2,26,052	2,21,659
Loss on Tangible Assets Sold / Discarded (Net)	-	4,706
Auditor's Remuneration (Note a)	6,18,100	4,92,500
Professional Charges	19,14,048	9,10,547
Internal Audit Fees	3,60,000	3,60,000
Directors' Sitting Fees	2,92,000	2,63,000
Expenditure on Corporate Social Responsibility (Refer Note b below)	-	9,72,210
Other Expenses	15,60,751	11,26,677
Total	2,08,89,383	2,16,28,013
	For the period ended	
	31-03-2019	31-03-2018
(a) Auditor's Remuneration		
As Auditor:		
Audit fee	4,00,000	3,00,000
Tax audit fee	80,000	60,000
Limited review	1,20,000	1,05,000
Audit of Consolidated Financial Statements	-	-
In other capacity:		
Company law matters	-	-
Other services (Certification fees)	18,100	27,500
Ind AS advisory services	-	-
	6,18,100	4,92,500
Details of CSR expenditure:		
	For the period ended	
	31-03-2019	31-03-2018
a) Gross amount required to be spent by the group during the year	-	9,72,210

in Rs.		
For the period ended		
(b) Amount spent during the year:	31-03-2019	31-03-2018
(i) Education	-	-
(ii) Others	-	5,00,000
Total	-	5,00,000

Note 24. Exceptional Items
Note 24
 in Rs.

For the period ended		
	31-03-2019	31-03-2018
Profit on sale of Non Current Investment	-	-
Provision for Impairment of Tangible Assets	-	-
Prior year expenses	(7,22,154)	6,153
Total	(7,22,154)	6,153

Note 25. Provisions and loan losses
Note 25
 in Rs.

	As at 31-03-2019	As at 31-03-2018
Provision for NPAs on Stock Broking & DP operations	10,96,432	5,37,240
Provision for Customer Complaint Claims Settlement	-	27,18,363
Provision for diminution on investments	70,27,942	1,36,38,285
Total	81,24,374	1,68,93,887

Note 26. Income Tax Expense
Note 26
 in Rs.

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:		
Profit or loss section		
For the period ended		
	31-Mar-19	31-Mar-18
Current Tax:		
Current income tax charge	59,87,434	1,10,79,620
MAT credit utilised for the year	(51,35,036)	-
Adjustments in respect of current income tax of previous year	-	58,84,222
Deferred Tax:	(4,02,018)	4,82,878
Income Tax expense reported in the statement of profit and loss	4,50,380	1,74,46,720

Note 27. 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. 39,40,842 (for the year ended March 31, 2018 Rs.29,39,999) 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-19	31-Mar-18
Discount rate(s)	7.50%	8%
Expected rate(s) of salary increase	5%	5%
Amounts recognised in Statement of profit and loss in respect of defined benefit plans are as follows.		
	31-Mar-19	31-Mar-18
Service cost:		
Current service cost	7,96,422	6,62,142
Expected Return on Plan Assets	(7,63,672)	(6,18,107)
Net interest expense	6,90,367	5,57,734
Net Actuarial (gain) / loss recognised in the year	3,78,206	6,98,164
Components of defined benefit costs recognised in profit or loss	11,01,323	12,99,933
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.		
The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:		
	31-Mar-19	31-Mar-18
Present value of funded defined benefit obligation	1,04,24,236	86,29,583
Fair value of plan assets	1,15,50,312	96,30,893
Net Asset arising from defined benefit obligation	11,26,076	10,01,310
Movements in the present value of the defined benefit obligation are as follows.		
	31-Mar-19	31-Mar-18
Opening defined benefit obligation	86,29,583	69,71,675
Current service cost	7,96,422	6,62,142
Interest cost	6,90,367	5,57,734
Remeasurement (gains)/losses:	3,78,206	6,98,164
Benefits paid	(70,342)	(2,60,132)
Closing defined benefit obligation	1,04,24,236	86,29,583
Movements in the fair value of the plan assets are as follows.		
	Year ended 31-Mar-19	Year ended 31-Mar-18
Opening fair value of plan assets	96,30,893	78,07,022
Expected Return on Plan Assets	7,63,672	6,18,107
Actuarial Gain or (Loss) on Plan Assets	-	-
Contributions	12,26,088	14,65,896
Benefits paid	(70,342)	(2,60,132)
Closing fair value of plan assets	1,15,50,312	96,30,893

Note 28. Contingent Liabilities						Note 28
A Disputed demand on taxes						
i) Income Tax						Rs.Lakhs
	2018-19			2017-18		
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.37.23 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:

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. Sesha Sai P L V K, President & Whole Time Director	
Key Management Personnel	Mr. K S Sujay, Vice President & CFO	
Key Management Personnel	CS. Balamurugan V, Company Secretary & Compliance Officer	
Transactions with Holding Company – Indian Bank		
	Rs.Lakhs	
Particulars	2018-19	2017-18
Borrowings – OD With Indian Bank, Nandanam	0.00	0.00
Deposit – Current Accounts	38.09	12.83
Placement of Deposits	2889.03	2621.41
Interest paid on overdraft facilities	3.08	7.65
Interest paid on Right to Recompense	150.00	150.00
Interest received on Fixed Deposits Placed	183.12	179.29
Receiving of services – Rent Paid	27.03	22.09

Transactions with fellow subsidiary – Ind Bank Housing Limited - Nil

Managerial Remuneration:			Rs.Lakhs	
Name	Designation		2018-19	2017-18
Mr. A K Bajpai	President & Whole Time Director (Upto 30.06.2018)	Salary	4.17	16.25
		Contribution to PF	0.24	0.96
Mr. Sesha Sai P L V K	President & Whole Time Director (From 06.08.2018)	Salary	9.77	0.00
		Contribution to PF	0.55	0.00
Mr. K S Sujay	Vice President & CFO	Salary	8.10	7.46
		Contribution to PF	0.70	0.65
Ms. S S Deepthi	Company Secretary & Compliance Officer (Upto 23.04.2018)	Salary	0.22	4.03
		Contribution to PF	0.03	0.46
Mr. V Balamurugan	Company Secretary & Compliance Officer (From 23.10.2018)	Salary	3.20	0.00
		Contribution to PF	0.37	0.00
Sitting Fees paid to Non – Whole Time Independent Directors			2.92	2.63

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. 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.

Note 30

Note 31. Earnings per Share			Rs.
	As at 31-03-2019	As at 31-03-2018	Note 31
Basic earnings per share			
From continuing operations	0.39	0.48	
From discontinued operations	-	-	
Total basic earnings per share	0.39	0.48	
Diluted earnings per share			
From continuing operations	0.39	0.48	
From discontinued operations	-	-	
Total diluted earnings per share	0.39	0.48	
Basic earnings per share			
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	1,72,75,062	2,15,05,869	
Earnings used in the calculation of basic earnings per share	1,72,75,062	2,15,05,869	
Earnings used in the calculation of basic earnings per share from continuing operations	1,72,75,062	2,15,05,869	
Weighted average number of equity shares for the purposes of basic earnings per share	4,43,78,200	4,43,78,200	

Diluted earnings per share		
The earnings used in the calculation of diluted earnings per share are as follows.		
Earnings used in the calculation of diluted earnings per share	1,72,75,062	2,15,05,869
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	1,72,75,062	2,15,05,869
Others	-	-
Earnings used in the calculation of diluted earnings pershare from continuing operations	1,72,75,062	2,15,05,869
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	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	4,43,78,200	4,43,78,200

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.

Note 32

Rs.

Categories of financial instruments	As at 31 March 2019	As at 31 March 2018
Financial Assets - Non-current		
(a) Investments		
Other Investments mandatorily measured at Amortised Cost	-	-
Other Investments mandatorily measured at FVTPL	45,06,258	1,23,66,655
Other Investments mandatorily measured at FVTOCI	15,000	15,000
(b) Other financial assets - Mandatorily measured at Amortised Cost	4,54,05,322	14,93,77,476
Financial Assets - Current		
(a) Loans	4,87,691	5,57,349
(b) Trade receivables	5,25,49,906	7,97,24,157
(c) Investment - mandatorily measured at FVTPL	-	-
(d) Cash and Cash Equivalents	6,91,08,482	2,88,30,723
(e) Other Bank Balances	27,27,35,666	15,81,96,077
(f) Other financial assets	2,95,85,491	3,30,59,915
Financial Liabilities - Current		
(a) Borrowings	-	2,81,798
(c) Other financial liabilities	1,72,08,036	2,18,72,169
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 a 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)
	31-03-2019	31-03-2018		
1) Investments in equity instruments - FVTPL(quoted)	Listed equity securities in various companies - aggregate fair value of Rs. 45,60,258	Listed equity securities in various companies - aggregate fair value of Rs. 1,23,66,655	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 1: These investments in equity instruments 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 FVTPL.

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.

Rs.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets - Non-Current				
(a) Investments				
Other Investments at Amortised Cost	-	-	-	-
Other Investments at FVTPL	45,06,258	45,06,258	1,23,66,655	1,23,66,655
Other Investments at FVTOCI	15,000	15,000	15,000	15,000
(b) Other financial assets	4,54,05,322	4,54,05,322	14,93,77,476	14,93,77,476
Financial Assets - Current				
(a) Loans	4,87,691	4,87,691	5,57,349	5,57,349
(b) Trade receivables	5,25,49,906	5,25,49,906	7,97,24,157	7,97,24,157
(c) Investment at FVTPL	-	-	-	-
(d) Cash and Cash Equivalents	6,91,08,482	6,91,08,482	2,88,30,723	2,88,30,723
(e) Other Bank Balances	27,27,35,666	27,27,35,666	15,81,96,077	15,81,96,077
(f) Other financial assets	2,95,85,491	2,95,85,491	3,30,59,915	3,30,59,915
Financial liabilities				
Financial liabilities held at amortised cost:				
Financial Liabilities				
(a) Borrowings	-	-	2,81,798	2,81,798
(b) Other financial liabilities	1,72,08,036	1,72,08,036	2,18,72,169	2,18,72,169

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
(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
Financial Assets - Current				
(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
Total	45,06,258	46,98,87,558	-	47,43,93,816
Financial liabilities held at amortised cost:				
Financial Liabilities				
(a) Borrowings	-	-	-	-
(b) Other financial liabilities	-	1,72,08,036	-	1,72,08,036
Total	-	1,72,08,036	-	1,72,08,036

Particulars	31 March 2018				Rs.
	Level 1	Level 2	Level 3	Total	
Financial assets					
(a) Investments					
Other Investments at FVTPL	1,23,66,655	-	-	1,23,66,655	
Other Investments at FVTOCI	-	15,000	-	15,000	
(b) Other financial assets	-	14,93,77,476	-	14,93,77,476	
Financial Assets - Current					
(a) Loans	-	5,57,349	-	5,57,349	
(b) Trade receivables	-	7,97,24,157	-	7,97,24,157	
(c) Investment at FVTPL	-	-	-	-	
(d) Cash and Cash Equivalents	-	2,88,30,723	-	2,88,30,723	
(e) Other Bank Balances	-	15,81,96,077	-	15,81,96,077	
(f) Other financial assets	-	3,30,59,915	-	3,30,59,915	
Total	1,23,66,655	44,97,60,697	-	46,21,27,352	
Financial liabilities held at amortised cost:					
Financial Liabilities					
(a) Borrowings	-	2,81,798	-	2,81,798	
(b) Other financial liabilities	-	2,18,72,169	-	2,18,72,169	
Total	-	2,21,53,967	-	2,21,53,967	



Registered Office: First Floor, Khivraj Complex 1, No.480Anna Salai, Nandanam, Chennai - 600 035

DP ID No.	
Client ID No.	

PROXY FORM

Folio No.	
No. of shares held	

I/We _____ of _____ in the district of _____ being a member(s) of INDBANK MERCHANT BANKING SERVICES LIMITED, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to vote for me/us on my/our behalf, at the Thirtieth Annual General Meeting to be held on Saturday, 21st September 2019 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence, MRC Ngar, Raja Annamalaipuram, Chennai 600028 and at any adjournment thereof.

Signed this.....day of2019.

Note: 1. The Proxy to be valid must be deposited at the Regd. Office of the Company at First Floor, Khivraj Complex, 1, No.480Anna Salai, Nandanam, Chennai-600 035 not less than 48 hours before the commencement of the meeting.
2. In the case of a Corporation, the Proxy shall be given under the Common Seal or signed on its behalf by an Attorney or officer of the Corporation.

Signature.....

Affix 1
Rupee
Revenue
Stamp



Registered Office: First Floor, Khivraj Complex 1, No.480Anna Salai, Nandanam, Chennai - 600 035

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

Name of the member attending.....

Name of the Proxy.....

I hereby record my presence at the Thirtieth Annual General Meeting to be held on Saturday, 21st September 2019 at 11.00 a.m. at Indian Bank Management Academy for Growth & Excellence, MRC Ngar, Raja Annamalaipuram, Chennai 600028.

DP ID No.	
Client ID No.	
Folio No.	
No. of Shares held	

Electronic Voting Particulars

EVSN : 190730004

User ID and Password : Refer particulars detailed in the Notice

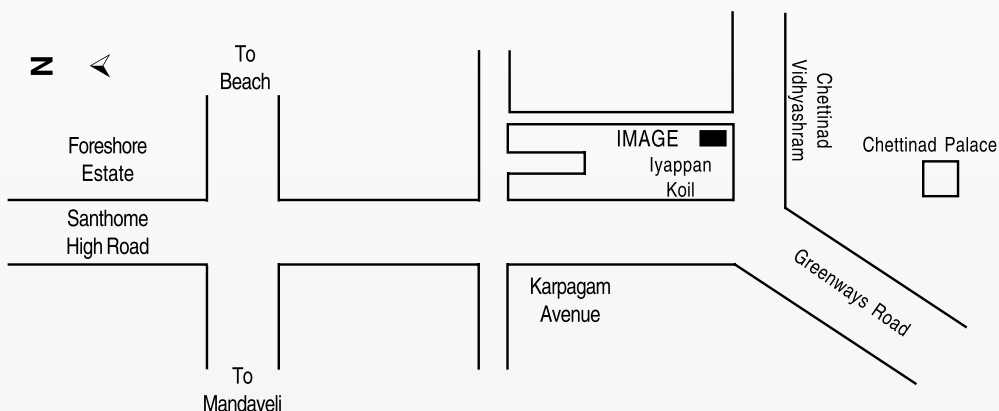
Member's/Proxy's signature

(To be signed at the time of handing over the slip)

NOTE: Please note that no gifts will be given at the Annual General Meeting

Venue :

**INDIAN BANK MANAGEMENT ACADEMY FOR
GROWTH & EXCELLENCE (IMAGE)**



To,

A large empty rectangular box with a blue border, intended for the recipient's name and address.



Indbank

Merchant Banking Services Ltd
(A Subsidiary of Indian Bank)

Regd. Office: First Floor, Khivraj Complex I,
No. 480, Anna Salai, Nandanam, Chennai 600 035.