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

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

Ref: Sec/2017-18/109

September 11, 2018

Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 **Scrip Code: 511473**	**National Stock Exchange of India Limited** Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 **Scrip Code: INDBANK**

Dear Sir/Madam,

Sub: Annual Report for the Year 2017-18

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed the 29th Annual Report of the company for the Financial Year 2017-18.

This is for your information and record.

Thanking you,

Yours faithfully,

K S Sujay
Vice President / CFO & Compliance Officer

Encl: As Above

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



Twenty Ninth
Annual Report
2017-2018

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

BOARD OF DIRECTORS



Shri A.S. Rajeev



Shri T.M. Nagarajan



Shri P.M. Venkatasubramanian



Shri G.R. Sundaravadivel



Smt. Chitra Murali



Shri P.A. Krishnan



Shri A.K. Bajpai
President & Whole Time Director
(up to 30.06.2018)



Shri Sesha Sai PLVK
President & Whole Time Director
(from 06.08.2018)

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Board of Directors	
Shri. A S Rajeev	Nominee Director of Indian Bank
Shri.T M Nagarajan	Independent Director
Shri.P M Venkatasubramanian	Independent Director
Shri.G R Sundaravadivel	Independent Director
Smt.Chitra Murali	Independent Director
Shri.P A Krishnan	Nominee Director of Indian Bank
Shri.A K Bajpai	President and Whole Time Director (upto 30.06.2018)
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.P A Krishnan
Nomination & Remuneration Committee	Shri.P M Venkatasubramanian Shri.G R Sundaravadivel Shri.P A Krishnan
Stakeholder Relationship Committee	Smt. Chitra Murali Shri. P A Krishnan Shri A K Bajpai (upto 30.06.2018) Shri. Sesha Sai P L V K (from 06.08.2018)
Corporate Social Responsibility Committee	Shri. G R Sundaravadivel Shri. T M Nagarajan Shri.P A Krishnan
Chief Financial Officer	Shri. Sujay K.S.
Company Secretary	Smt. S.S.Deepthi (upto 23.04.2018)
Statutory Auditors	M/s. B. Thiagarajan & Co, Chartered Accountants, Chennai
Secretarial Auditors	M/s. P Sriram & Associates
Bankers	M/s. Indian Bank
Registrar & Share Transfer Agents	M/s. Cameo Corporate Services Limited
Registered Office	First Floor, Khiviraj Complex 1 No.480, Anna Salai, Nandanam Chennai – 600035
Terminals	
Tamil Nadu	Nandanam, Harbour, Anna Nagar, Mylapore, CMDA-Egmore, Purasawalkam, Ashok Nagar, Nanganallur, Adyar, Thousand Lights, Chetpet, L B Road, Chrompet, Coimbatore, R S Puram, Tirupur, 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, Richmond Circle, Koramangla, Mangalore
Gujarat	Ashram Road
Maharashtra	Mumbai, Matunga, Thane, Bandra, Pune City, Pune Cantonment
Delhi	Delhi, Shantiniketan, Punjabi Bagh
West Bengal	Kolkata

NOTICE OF 29TH ANNUAL GENERAL MEETING – 2018

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Company will be held on **Monday the 10th September 2018** 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, 2018, 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. 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.
   "RESOLVED that pursuant to 17(A) 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), the continuation of Shri P M Venkatasubramanian (DIN 00124505), aged 79 years, as a Non-Executive Independent Director of the Company from April 1, 2019 till the conclusion of his present tenure, i.e. till the conclusion of 30th Annual General Meeting, is hereby approved."
4. 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.
   "RESOLVED that pursuant to 17(A) 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), the continuation of Shri T M Nagarajan (DIN 00518074), aged 76 years, as a Non-Executive Independent Director of the Company from April 1, 2019 till the conclusion of his present tenure, i.e. till the conclusion of 30th Annual General Meeting is hereby approved."
5. Continuation of Directorship of Shri G R Sundaravadivel (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.
   "RESOLVED that pursuant to 17(A) 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), the continuation of Shri G R Sundaravadivel (DIN 00353590), aged 77 years, as a Non-Executive Independent Director of the Company from April 1, 2019 till the conclusion of his present tenure, i.e. till the conclusion of 30th Annual General Meeting, is hereby approved."
6. To appoint Shri Sesha Sai P.L.V.K (DIN 08192892) as a Director and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:
   "RESOLVED that pursuant to the provisions of section 149, 152 read with Schedule IV and all other application provisions of the Companies Act, 2013and 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 Requirement) Regulations, 2015, Shri Sesha Sai P.L.V.K (DIN 08192892)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 06.08.2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director".
7. To appoint Shri Sesha Sai P.L.V.K (DIN 08192892) as President & Whole Time Director and in this regard to consider and if thought fit, to pass with or without modification (s) the following resolution as an ordinary resolution:
   "RESOLVED that pursuant to the provisions of section 196 and 197 and other provisions, if any applicable of the Companies Act, 2013 consent of the members be and is hereby accorded to the appointment of Shri Sesha Sai P.L.V.K (DIN 08192892) (who is on deputation from Indian Bank) be and is hereby appointed as President & Whole Time Director of the company with effect from

06.08.2018 for a period up to 31.07.2021 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule V of the Companies Act, 2013."

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

Place: Chennai **Sujay K S**
Date: 06.08.2018 **Vice President & CFO 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 numbers 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 details to their respective depository participants directly.
5. The Register of Members and Share Transfer Books of the company will remain closed from **04.09.2018 to 10.09.2018** (both days inclusive).
6. Re-appointment of Directors: At the ensuring Annual General Meeting, Shri P A Krishnan, Director of the Company retires by rotation under the provision of the Companies Act, 2013 and being eligible, offers himself for reappointment. The details pertaining to Shri P A Krishnan pursuant to the requirements of Regulation 36(3) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are furnished below:

   Shri P A Krishnan:

   Shri P A Krishnan, aged 58 years is a Bachelor Commerce, Chartered Accountant and currently working as General Manager and Chief Financial Officer, Indian Bank. He has 33 years of experience in various positions in the banking industry.

   Shri P A Krishnan is not disqualified from being appointed as Director in terms of Section 164 of the Act.

   Details of other Directorships

Name of the Company	Directorship	Committee Membership
Ind Bank Housing Ltd	Director	Audit Committee Nomination & Remuneration Committee Stakeholder Relationship Committee

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 continues 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 scrutiniser, 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 attending the meeting, who have not already cast their votes by remote e-voting shall be able to exercise their right 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 **Friday, September 07, 2018 at 10.00 A.M** and ends on **Sunday, September 09, 2018 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 Friday, September 03, 2018 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 0's 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 this password is to be also 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., Friday, September 03, 2018 may obtain the login ID and password by sending a request to our RTA at the address mentioned elsewhere in this notice.

(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 P M Venkatasubramanian (DIN 00124505), is a Non-Executive Independent Director of the Company. He is also the member of the Audit Committee and chairman of Nomination & Remuneration Committee. He is also presently a Director in several prominent Boards listed below,

Directorship	Audit Committee
Royal Sundaram Gen Ins Co Ltd	Royal Sundaram Gen Ins Co Ltd
IP Rings Ltd	IP Rings Ltd
Bimetal Bearings Ltd	Bimetal Bearings Ltd
T Stanes & Co Ltd	T Stanes & Co Ltd
Simpson & Co Ltd	Simpson & Co Ltd

Shri P M Venkatasubramanian, aged 79 years is B.Com (Honours) Degree holder, Fellow of Institute of Insurers is an Independent Director and has held the position as such for more than 5 years. He has more than 40 years of experience in various positions in the General Insurance industry and he retired as the Managing Director of General Insurance Corporation of India.

Shri P M Venkatasubramanian 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 and who shall not be liable to retire by rotation.

Shri P M Venkatasubramanian 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 P M Venkatasubramanian, 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 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 P M Venkatasubramanian, 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 T M Nagarajan (DIN 00518074) is a Non-Executive Independent Director of the Company. He is also the chairman of the Audit Committee and member of Corporate Social Responsibility Committee. He is also presently a Director in the following Board

Directorship	Audit Committee
IDBI MF Trustee Company Ltd	IDBI MF Trustee Company Ltd

Shri T M Nagarajan, aged 77 years is M.Com CAIIB is an Independent Director and has held the position as such for more than 5 years. He has more than 45 years of experience in various positions and was the former Whole time Member, SEBI, former Deputy Managing Director, IDBI and former Chairman, Stock Holding Corporation of India Ltd.

Shri T M Nagarajan 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 and who shall not be liable to retire by rotation.

Shri T M Nagarajan 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 T M Nagarajan, 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 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 T M Nagarajan, 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 Board.

Directorship	Audit Committee
Repco Home Finance Ltd	Repco Home Finance Ltd

Shri G R Sundaravadivel aged 77 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 General Manager of Indian Bank and retired Executive Director of United Bank of India.

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 and who shall not be 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 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 Sesha Sai P.L.V.K (DIN 08192892), aged 57 years is B.Com, CAIIB and is currently working as Assistant General Manager, Indian Bank on deputation to the Company, was co-opted as a Director on 06.08.2018 on the Board. He is also a member of Stakeholders Relationship Committee w.e.f 06.08.2018. He has more than 34 years of experience in various positions in Indian Bank. He holds office up to the date of this Annual General Meeting. It is proposed to appoint Shri Sesha Sai P.L.V.K as a Director whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri Sesha Sai P.L.V.K is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act 2013 proposing the candidature of Shri Sesha Sai P.L.V.K for the office of Director of the Company.

Details of other Directorships/Committee memberships held by him

Name of the company	Directorship	Committee membership
Ind Bank Housing Ltd.	Director	Stakeholders' Relationship Committee

Item No.7

Shri Sesha Sai P.L.V.K, Assistant General Manager, Indian Bank has been appointed as the President & Wholetime Director of the company pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 from 06.08.2018 to 31.07.2021 on remuneration and perks in accordance with Indian Bank Service Regulations applicable from time to time but not exceeding the limits prescribed under Schedule V of the Companies Act, 2013 by the Board of Directors subject to approval of the company in general meeting. Accordingly the above resolution is recommended for your approval.

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

Place: Chennai
Date: 06.08.2018

Sujay K S
Vice President & CFO 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 Twenty Ninth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2018.

Operations

During the year your company has earned a gross income of Rs.1463.45 lakhs as againstRs.1715.44 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. 7570.42 crores during the year as against Rs. 6091.17 crores pervious financial year. Your company also provides Depository services to institutions and retail customers and has 30639 accounts under DP operations and 22238 accounts under broking operations.

Your company reported a net profit of Rs. 215.06 lakhs during the year 2017-18 as against a net profit of Rs.530.95 lakhs in the previous year as under:

Rs. In lakhs

Sl. No.	Rs. in Lakhs	FY 2017-18	FY 2016-17
1	Income from Fee based operations	1166.59	920.21
	Of which income from Stock Broking	1035.89	791.91
	DP	106.19	103.89
	Merchant Banking/Mutual Funds	24.51	24.41
2	Other income	296.85	795.22
3	Total income (1+2)	1463.44	1715.43
4	Employee Expenses	425.82	373.96
5	Other expenses	271.03	626.46
6	Interest Expenses	157.65	80.7
7	Depreciation	43.43	52.81
8	Provisions for NPAs/Write off	168.94	13.11
9	Total expenses (4+5+6+7+8)	1066.87	1147.04
10	Profit before exceptional items (3-9)	396.57	568.39
11	Prior period income/Exp	0.06	5.71
12	Profit before tax (10-11)	396.51	562.68
13	Current Tax	110.8	0
14	Deferred tax	4.83	0
15	Prior Year tax	58.84	29.01
16	Items reclassified as per IND-AS – re-measurement of the defined benefit plans	-6.98	-2.72
17	Net profit / Loss after tax (12-13-14-15+16)	215.06	530.95
18	EPS	0.48	1.2

Dividend

As your Company's profits are not adequate and for the reserves to be ploughed back to improve the networth, your Directors do not recommend any dividend for the year 2017-18.

Board Meetings:

The Board of Directors met four times during the year on 24.05.2017, 27.07.2017, 07.11.2017 & 29.01.2018.

Directors and Key Managerial Personnel:

Shri. P A Krishnan, General Manager, Indian Bank was co-opted as an Additional Director on the Board of the company (nominee of Indian Bank) with effect from 27.07.2017 in place of Shri.M Nagarajan, General Manager, Indian Bank, who resigned from the Board consequent to the nomination of Shri. P A Krishnan by Indian Bank

At the annual general meeting held on 27.09.2014 the existing Independent Directors i.e. Shri.T M Nagarajan, Shri. P M Venkatasubramanian, Shri. G R Sundaravadivel & Mrs. Chitra Murali were appointed as Independent Directors under the provisions of the Companies Act, 2013 for a fixed term of five years and they will hold the office till the conclusion of 30th Annual General Meeting. They are not liable to retire by rotation. 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.

Ms. Deepthi S S, was appointed as Company Secretary & Compliance Officer w.e.f 24.05.2017 in place of Shri M S Vaidyanathan, who was relieved from the company with effect from 30.11.2016 on his retirement from the services of Indian Bank on superannuation. Ms. Deepthi S S, has resigned from the post of Company Secretary & Compliance Officer w.e.f 23.04.2018 due to personal reasons.

Shri Sujay K S, Chief Financial Officer has been appointed as the Compliance Officer of the Company till the appointment of a Company Secretary and Compliance Officer in place of Ms. Deepthi S S.

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

Your Directors place on record their appreciation for the valuable contributions made by Shri Ashwini Kumar Bajpai, Deputy General Manager, Indian Bank during his tenure as Director 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, 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, 2018.

Vigil Mechanism:

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

Director's Responsibility Statement:

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; and

e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Particulars of loans & investments by company

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

Extract of Annual Return:

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

Auditors:

The Auditors, M/s B. Thiagarajan & Co., 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 2017-18.

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, Practicing Company Secretary is annexed to this Report.

C&AG Supplementary Audit

Comments of the Comptroller and Audit General of India under section 143 (6)(b) of the Companies Act 2013 on the Financial Statements of the Company for the year ended 31.03.2018 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 enclosed as 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, 2018, 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 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 2018-19 to NSE and BSE where the Company's Shares are listed.

Corporate Governance

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

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

Particulars of Employees:

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

Outlook:

Your company will continue to focus its efforts to increase its activities under fee-based business in addition to concentrating on recovery of over dues 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 the Board of Directors

A.S. Rajeev
Director

Place: Chennai
Date: 06.08.2018

Annexure – I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[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 1, 480, Anna Salai, Nandanam, Chennai – 600035
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Cameo Corporate Services Ltd, Subramanian Building, No.1 Club House Road, Chennai – 600 002 Phone: +91 44 2846 0390 Fax: +91 44 2846 0129 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	78.04

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		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	
f. Any other	--	--	--		--	--	--		
Sub-Total (A) (1)		--	28773800	64.84		--	28773800	64.84	
(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	-
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds/ UTI		96900	96900	0.22		40600	40600	0.09	-0.13
b. Banks/FI	43700	1300	45000	0.101	46100	200	46300	0.11	0.009
c. Central Govt	--	--	--	--	--	--	--	--	--
d. State Govt (s)	--	--	--	--	--	--	--	--	--
e. Venture Capital Funds	--	--	--	--	--	--	--	--	--
f. Insurance Companies	--	--	--	--	--	--	--	--	--
g. FIIs	-	2700	2700	0.006	--	--	--	--	-0.006
h. Foreign Venture Capital Funds	--	--	--	--	--	--	--		
i. Others (specify)	--	--	--	--	--	--	--		
Sub-total B (1)	43700	100900	149600	0.326	46100	40800	86900	0.20	-0.13
(2) Non-institutions									
(a) Bodies Corporate									
(i) Indian	1587927	145000	1732927	3.90	1279252	25600	1304852	2.94	-0.96
(ii) Overseas									
(b) Individuals									
Individual shareholders holding nominal share capital up to Rs. 1 lakh	7223478	2814732	10038210	22.62	7690541	1945331	9635872	21.71	-0.91

Individual shareholders holding nominal share capital more than Rs. 1 lakh	2914248	0	2914248	6.57	2532868	0	2532868	5.71	-0.86
(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	426161	0	426161	0.96	504569	0	504569	1.14	0.18
(v) HUF	323919	1	323920	0.73	332126	1	332127	0.75	0.018
(vi) Clearing Members/ Clearing House	24034	0	24034	0.05	141080	0	141080	0.32	0.26
(vii) Directors & their relatives	300	0	300	0.0006	300	0	300	0.0006	0.00
(viii) Trusts	--	--	--	--	--	--	--	--	--
(ix) Limited Liability Partnership	--	--	--	--	--	--	--	--	--
(x) Foreign Portfolio Investors (Corporate)	--	--	--	--	--	--	--	--	--
(xi) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
(xii) IEPF	--	--	--	--	1065832	0	1065832	2.40	2.40
Sub-Total (B)(2)	12500067	2959733	15459800	34.846	13546568	1970932	15517500	34.97	0.130
Total Public Shareholding (B)=(B)(1)+(2)	12543767	3060633	15604400	35.16	13592668	2011732	15604400	35.16	0.00
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-					--
Grand Total (A+B+C)	41317567	3060633	44378200	100.00	42366468	2011732	44378200	100.00	--

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Indian Bank	28773800	64.84	Nil	28773800	64.84	Nil	NIL
	Total	28773800	64.84		28773800	64.84		

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

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

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

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. SPS Finquest Ltd	169581	0.38	--	--
2. N B Pradeep Kumar	10000	0.22	10000	0.22
3. V S Dempo Holdings Pvt. Ltd.	200000	0.45	--	--
4. Riviera Finance (India) Ltd.	144837	0.33	40000	0.09
5. VaidyanathanSundaresan	111300	0.25	111300	0.25
6. HareshBabulal Shah / JyotiHaresh Shah	99500	0.22	99500	0.22
7. Kailash Shares & Securities Pvt. Ltd.	56000	0.13	--	--
8. Shashank P Bannadabavi	10000	0.22	10000	0.22
9. Karvy Stock Broking Ltd.	77434	0.17	--	--
10. SwastikParamanik	80000	0.18	--	--
11. P J Mathachan	83960	0.19	--	--
12. HarenManubhai Shah	97290	0.22	--	--
13. Arcadia Share Stock Brokers Pvt Ltd	3599	0.01	2549	0.01
14. Sanjay Ramesh Badiani	90000	0.20	80000	0.18
15. Angel Broking Pvt	2718	0.00	148371	0.33
16. RajanVasudevDapki	--	--	125000	0.28
17. KalyaniBashyam	46000	0.10	110000	0.25
18. Investor Growth & Securities Ltd	--	--	127008	0.29
19. Eureka Stock & Share Broking Services	--	--	100000	0.22
20. IEPF	--	--	1065832	2.40

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 - 16.25 lakhs Contribution to PF - 0.96 lakhs	Mr. A K Bajpai President & Whole Time Director

B. Remuneration to other Directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total
		Shri T M Nagarajan	Shri P M Venkatasubramanian	Shri G R Sundaravadivel	Smt. Chitra Murali	
		Amount Rs. in lakhs				
1.	Fee for attending Board/Committee meetings	0.70	0.38	0.74	0.81	2.63
2.	Commission	--	--	--	--	--
3.	Others, please specify	--	--	--	--	--
	Total B (1)	0.70	0.38	0.74	0.81	2.63

2. Other Non Executive Directors

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President & CFO	Company Secretary	Total
1.	Gross salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	745590	403062	1148652
	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	--	--	--
2.	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- As % of profit	--	--	--
	- Others, specify	--	--	--
5.	Others,(specify)	--	--	--
	Total (C)	745590	403062	1148652

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

TYPE	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
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, 2018

[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
Ind Bank 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 Ind Bank 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, 2018 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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 there under;
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. The 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) is yet to be notified and hence not applicable to the Company during the audit period.
ii. The 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: 04.05.2018

Signature:
P. Sriram & Associates
FCS No. 4862
CP No: 3310

Annexure A

To
The Members,
Ind Bank Merchant Banking Services Limited
480, Anna Salai
Chennai 600035

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: 04.05.2018

Signature:
P. Sriram & Associates
FCS No. 4862
CP No: 3310

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN 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. 486.10 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) – Rs. 9.72 lakhs

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year: Rs. 5.00 Lakhs
b) Amount unspent, if any: Rs. 4.72 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 up to the reporting period	Amount spent: Direct or through implementing agency *
1	Donation to an old age home for destitute women	Setting up old age homes, day care centres and such other facilities for senior citizens	Chennai, Tamil Nadu	**Rs. 5,00,000**	Direct Expenditure	**Rs. 5,00,000**	Direct - M/s Vishranthi Charitable Trust - Home for aged destitute women

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. Since being the first year of implementation of Corporate Social Responsibility by the Company, Company is identifying

the areas and opportunities for spending the unspent amount of Rs. 4.72 lakhs. However, Company has made provision in books of accounts for the unspent amount of Rs. 4.72 lakhs as on 31.03.2018. 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.

P A Krishnan
(Director)

G R Sundaravadivel
(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 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.	6.43
(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 - 7.23% The increase is due to increase in dearness allowance. Vice President & CFO and Company Secretary (27.75)%. The decrease is due to less salary drawn by Vice President & CFO and Company Secretary for the year 2017-18 compared to the salary drawn by the then Vice President/CFO & Company Secretary in the year 2016-17
(iii) the percentage increase in the median remuneration of employees in the financial year;	3.36
(iv) the number of permanent employees on the rolls of company;	94
(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 3.36 % and 7.23% 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.

INDBANK MERCHANT BANKING SERVICES LIMITED
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 2018. 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 qualifications and are very experienced in their own fields and are not liable to retire by rotation. All Nominee Directors except the President & Whole Time Director are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2018 is given below:

Name of Director	Category	Number of Directorships in other companies		Number of Committee Memberships in other companies	
		Chairman	Member	Chairman	Member
1. Shri A S Rajeev	Nominee of Indian Bank	--	3	--	3
2. Shri T M Nagarajan	Independent Director	--	1	1	--
3. Shri P M Venkatasubramanian	Independent Director	--	5	3	2
4. Shri G R Sundaravadivel	Independent Director	--	1	--	1
5. Smt. ChitraMurali	Independent Director	--	--	--	--
6. Shri P A Krishnan	Nominee of Indian Bank	--	1	--	2
7. Shri A K Bajpai	President & Whole Time Director - Nominee of Indian Bank	--	1	--	1

Notes:

i. Other directorships exclude foreign companies, private limited companies and alternate directorships.

ii. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned as per SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

b. Board Meetings and Attendance at Board Meetings:

The Board met 4 times during the financial year 2017-2018. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

Sl. No.	Date	Board Strength	No. of Directors present
1	24-05-2017	7	7
2	27-07-2017	7	6
3	07-11-2017	7	6
4	29.01.2018	7	7

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

c. Disclosure of relationship between directors inter-se:

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

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

S.No	Name	No. of Board Meetings held	No.of Board Meetings attended	Attended the last AGM as on 16th September 2017
1	Shri A S Rajeev	4	4	Yes
2	Shri T M Nagarajan	4	4	No
3	Shri P M Venkatasubramanian	4	2	Yes
4	Shri G R Sundaravadivel	4	4	Yes
5	Smt. ChitraMurali	4	4	No
9	Shri M Nagarajan (upto 27.07.2017)	4	1	NA
10	Shri P A Krishnan (from 27.07.2017)	4	3	Yes
11	Shri A K Bajpai	4	4	Yes

e) Familiarization Programme:

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

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

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

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

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 2018:

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 2018 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 on24-05-2017, 27-07-2017, 07-11-2017 and 29.01.2018.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	4
Shri P M Venkatasubramanian	2
Shri G R Sundaravadivel	4
Smt Chitra Murali	4
Shri M Nagarajan (upto 27.07.2017)	1
Shri P A Krishnan (from 27.07.2017)	3

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

i. 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;
ii. Formulation of criteria for evaluation of Independent Directors and the Board;
iii. Devising a policy on Board diversity;
iv. 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 2018:

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

As on 31st March 2018 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 1 time on 24.05.2017 during the financial year 2017-18. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	Number of audit committee meetings attended
Shri P M Venkatasubramanian	1
Shri G R Sundaravadivel	1
Shri M Nagarajan (upto 27.07.2017)	1
Shri P A Krishnan (from 27.07.2017)	NA

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. REMUNERATION OF DIRECTORS

a. REMUNERATION POLICY:

The Remuneration Policy of the company provides for the following:

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

b. Details of Remuneration to all the Directors

Of the total 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. in lakhs

Name	Designation		2017-18	2016-17
Mr. A K Bajpai	President & Whole Time Director	Salary	16.25	15.20
		Contribution to PF	0.96	0.91
Mr. K S Sujay	Vice President & CFO	Salary	7.46	7.06
		Contribution to PF	0.65	0.61
Ms. S S Deepthi	Company Secretary & Compliance Officer	Salary	4.03	--
		Contribution to PF	0.46	--

2. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2017-2018 **(Rupees)**

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	32000	24000	0	0	6000	8000	70000
Shri P M Venkatasubramanian	16000	12000	4000	0	6000	0	38000
Shri G R Sundaravadivel	32000	24000	4000	0	6000	8000	74000
Smt ChitraMurali	32000	24000	0	19000	6000	0	81000
	112000	84000	8000	19000	24000	16000	263000

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31st March, 2018.

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 2018

Name of the Director	No. of Shares held
Shri A S Rajeev, Director	100

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

4. 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 2018:

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

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation 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 21 times during the year 2017-2018. The committee approved the transfer of 6800 shares in physical form.

Complaints received and redressed during the year 2017-2018

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

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. Ms. S S Deepthi, Company Secretary is the compliance officer of the Company.

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 2018:

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

As on 31st March 2018 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 Listing Regulations, brief description of terms of reference of CSR Committee includes the following:

(i) To formulate and recommend to the Board, a Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, including any amendments thereto;

(ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause above;

(iii) To monitor CSR policy of the Company including instituting a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

c. Meetings and Attendance

The Committee met 2 times on 27.07.2017 and 29.01.2018 during the financial year 2017-18. 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	2
Shri T M Nagarajan	2
Shri P A Krishnan	1*

*Shri P A Krishnan was inducted as Director in the Board at the meeting held on 27.07.2017.

6. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 29.01.2018 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.

7. 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	2014-2015	26th September, 2015 at 11 a.m.
	2015-2016	24th September, 2016 at 11 a.m.
	2016-2017	16th September, 2017 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
28th AGM held on 16.09.2017	No special resolution was passed at the AGM
27thAGM held on 24.09.2016	No special resolution was passed at the AGM
26thAGM held on 26.09.2015	No special resolution was passed at the AGM

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

No items were approved by the shareholders of the company through special resolutions through Postal Ballot for the years 2016-17, 2015-16 and 2014-15.

8. MEANS OF COMMUNICATION

a. Quarterly / half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (English) and Malai Sudar (Vernacular).

b. 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.

c. The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

d. No presentations were made to institutional investors / analysts

9. GENERAL INFORMATION TO SHAREHOLDERS

a. Annual General Meeting

Date and time	10.09.2018
Venue	IMAGE, MRC Nagar, Chennai 600028
Book Closure Date	04.09.2018 to 10.09.2018
Financial Year	1st April 2017 to 31st March 2018

b. Board Meetings during the Financial Calendar 2018-2019 (tentative)

1st Quarter	In the first week of August 2018
2nd Quarter	In the first week of November 2018
3rd Quarter	In the first week of February 2019
4th Quarter	In the second week of May 2019

c. Particulars of Dividend for the year ended 31.03.2018 – Nil

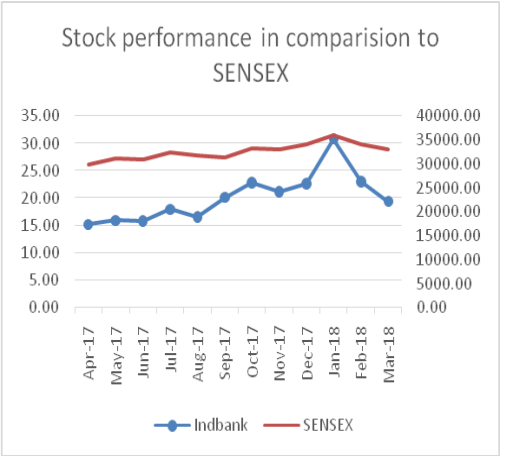
d. Listing of Shares

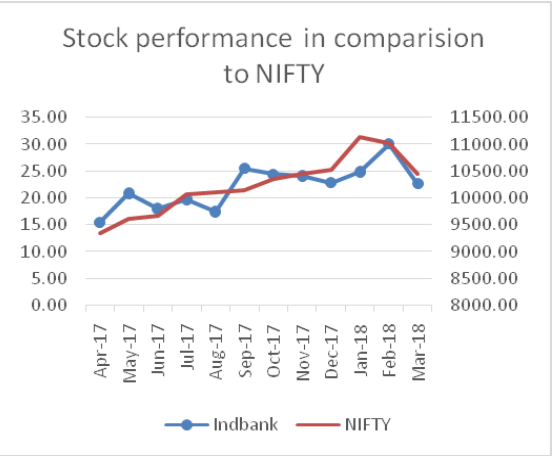
The company's shares are listed in Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Listing fees for the financial year 2018-19 have been paid to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) where the company's shares are listed.

Name of the Stock Exchange	Address	Scrip Code/Stock Symbol
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street,Fort, Mumbai – 400 001	511473
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 2017	15.75	12.50	15.75	14.70	30184.22	29241.48	9367.15	9322.65
May 2017	22.10	15.00	22.45	19.40	31255.28	29804.12	9649.60	9609.25
June 2017	18.45	14.70	18.50	17.40	31522.87	30680.66	9709.30	9643.75
July 2017	20.10	15.45	20.25	18.25	32672.66	31017.11	10114.85	10016.95
August 2017	19.35	15.30	18.20	17.30	32686.48	31128.02	10137.85	10065.75
September 2017	26.90	14.00	26.90	24.30	32524.11	31081.83	10178.95	10134.20
October 2017	25.50	20.00	25.80	23.90	33340.17	31440.48	10384.50	10344.30
November 2017	25.30	20.70	25.35	23.10	33865.95	32683.59	10490.45	10413.75
December 2017	24.50	19.40	23.80	22.05	34137.97	32565.16	10552.40	10488.65
January 2018	38.50	22.40	25.50	22.40	36443.98	33703.37	11171.55	11075.95
February 2018	32.20	22.50	32.25	29.80	36256.83	33482.81	11117.35	10878.80
March 2018	23.90	18.20	24.00	22.00	34278.63	32483.84	10525.50	10447.15





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 practicing Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

g. Shareholding Pattern as on 31st March 2018

	Category	No. of Folios	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	46100	46300	0.10
	Sub-total	9	40800	46100	86900	0.19
C	**Others**					
	A Private Corporate Bodies	268	25600	1279252	1304852	2.94
	B Indian Public	35550	1945331	10223409	12168740	27.43
	C NRIs/OCBs	148	0	504569	504569	1.13
	D Clearing Member and others	347	1	473506	473507	1.07
	E IEPF		0	1065832	1065832	2.40
	Sub-total	36313	1970932	13546568	15517500	34.97
	Grand Total	36323	2011732	42366468	44378200	100.00

h. Distribution of Shareholding as on 31st March 2018

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Up to 500	33648	4287958	9.66
501-1000	1739	1518231	3.42
1001-2000	793	1254445	2.83
2001-3000	289	752377	1.70
3001-4000	139	507432	1.14
4001-5000	183	880663	1.98
5001-10000	176	1314460	2.96
10001 AND ABOVE	138	33862634	76.31
Total	37105	44378200	100.00

i. Dematerialization of Shares and Liquidity:

A total number of 42366468 equity shares representing 95.47% of the paid up equity capital have been dematerialized as on 31st March 2018.

j. Address for Correspondence

To contact Registrars & Share Transfer Agents for matters relating to shares	M/s Cameo Corporate Services Ltd, "Subramaniam Building" No 1, Club House Road, Chennai – 600002. Email : cameo@cameoindia.com
For any other general matters or in case of any difficulties / grievance	Mr. Sujay K.S. Vice President / CFO and Compliance Officer Tel : 91-44-24313094 to 97 Fax : 044 24313093 E-mail : investors@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, 2018 remaining to be transferred to Investor Education and Protection Fund (IEPF).

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

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

l. Request to Investors

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

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

12. OTHER DISCLOSURES

a) There have been no related party transactions with the company's promoters, directors, the management or relatives which may have potential conflict with the interests of the company at large. However there is an arrangement of overdraft against own deposits of the company with Indian Bank to meet the requirement of its operations in normal course of business. The necessary disclosures regarding this arrangement is given in the notes to accounts.

b) There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
c) The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The key directions/actions will be informed to the President & Whole Time Director of the Company. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. The same is available in the company's website address www.indbankonline.com
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 Companies website: http://corporate.indbankonline.com/PolicyonRelatedPartyTransactions2015.pdf
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

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.comand 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 2017-2018.
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 2017-2018.

15. CEO / CFO CERTIFICATION

Mr. A K Bajpai, President & Whole Time Director and Mr. Sujay K S, Chief Financial Officer have certified to the Board regarding the financial statements for the period ended 31st March, 2018 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, 2018.

Place: Chennai
Date: 31.03.2018

President & Whole Time Director

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

We, A K Bajpai, 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 appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

4. We indicate to the auditors and to the audit committee:

   a. Significant changes in internal control over financial reporting during the year;

   b. Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and

   c. Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Place : Chennai
Date : 23.04.2018

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 2018 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 B Thiagarajan & Co,
Chartered Accountants
F.Reg No.:004371S

Place: Chennai
Date: 04.05.2018

K Balamanikandan
Partner
M. No.: 213537

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 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.1463.45 lakhs as against Rs.1715.44 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. 7570.42 crores during the year as against Rs. 6091.17 crores. Your company also provides Depository services to Institutions and retail customers and has 30639 accounts under DP operations and 22238 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 SME's and large companies prefer raising funds from the capital markets. There has been robust retail participation in good quality IPO's. Recent SEBI order fixing deadline on dematerialisation 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 favorable stock broking climate and increase in the volume of business in Stock broking activities, the fee based income from stock broking operations has increased to Rs.1035.89 lakhs for FY 2017-18 from Rs.791.91 lakhs for the previous FY 2016-17 thereby an increase of 30.81%

2. Income from DP operations has increased by 2.21% to Rs.106.19 lakhs from Rs.103.89 lakhs for the previous period ended 31.03.2017.
3. Income under Merchant Banking and Mutual Fund has increased by 0.41% to Rs.24.51 lakhs from Rs.24.41 lakhs for the previous year ended 31.03.2017.
4. Other income has decreased by 62.67% to Rs.296.85 lakhs from Rs.795.22 lakhs for the previous year ended 31.03.2017. 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. The income from discontinued fund based operations has decreased by Rs. 466.62 lakhs for the year ended 31.03.2018 as compared to the previous year.
5. On the basis of the aforesaid segmental income, total income has decreased by 14.68% to Rs.1463.44 lakhs from Rs.1715.43 lakhs for the previous year ended 31.03.2017.

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 has also 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 5 Officers on deputation from Indian Bank and 94 employees on direct rolls. The employees are well qualified and experienced in their field of operations.

Financial Performance

Balance Sheet items

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 National Stock Exchange. There is no change in share capital of the company during the year.

Reserves & Surplus

The accumulated profits of the previous years have been carried over to the reserves and the Reserves & Surplus stands at Rs.1212.82 lakhs as on 31.03.2018.

Current Liabilities

The current liabilities have decreased from Rs. 1094.82 lakhs to Rs.937.61 lakhs mainly in view of decrease in amount payable to trading clients under Broking compared to previous year. The provision for leave encashment have increased from Rs.59.62 lakhs to Rs.64.11 lakhs on account of additional provisions made for encashment of leave on actuarial valuation as at the end of the year. Increase in outstanding liability from Rs. 43.97 lakhs to Rs. 138.54 lakhs, is due to provision made for payment towards Right to Recompense of Rs. 75 lakhs payable for the half year ended 31.03.2018.

Fixed Assets

Property plant and equipment have decreased by Rs.26 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 comprises quoted shares and unquoted investments. Gross investments have decreased from Rs. 936.97 lakhs as on 31.03.2017 to Rs. 924.85 lakhs as on 31.03.2018 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.531.73 lakhs) of the company as on 31.03.2018 was Rs.81.13 lakhs compared to Rs.91.00 lakhs as on 31.03.2017 for the quoted shares which are held by the company as on 31.03.2018.

Non-current Other Financial Assets

Non-current Other Financial Assets have increased from Rs. 914.39 lakhs to Rs. 1493.77 lakhs due to change in the maturity period of the fixed deposit having above 12 months.

Deferred Tax Assets

During the year Company has provided Rs. 4.82 lakhs towards deferred tax liability in the Profit and Loss Account. Accordingly, the net deferred tax assets have reduced from Rs. 421.70 lakhs in the previous year to Rs. 416.87 lakhs in the current year.

Current Assets

The current assets have decreased from Rs.3393.66 lakhs as on 31.03.2017 to Rs.3072.14 lakhs as on 31.03.2018 in view of the decrease in trade receivables consequent upon the corresponding decrease in current liabilities discussed above.

Revenue from Operations

Stock Broking / DP income has increased from Rs.895.81 lakhs in 2016-17 to Rs.1142.09 lakhs in 2017-18 in view of Increase in stock broking income due to favorable stock broking climate and increase in the volume of business in Stock broking activities.

Merchant Banking and MF income has increased from Rs.24.41 lakhs in 2016-17 to Rs.24.51 lakhs in 2017-18.

Other income includes, rental income, income from fixed deposits, dividend income and income from discontinued fund based activity. Other income has reduced from Rs. 795.22 lakhs to Rs. 296.85 lakhs mainly due to decrease in the income from discontinued operations which was largely due to reversal of provision in FY2016-17 on sale of investment and write off of assets under discontinued operations.

Expenses

Direct cost has increase from Rs. 9.67 lakhs to Rs. 54.75 lakhs due to increase in NSDL fees and payment towards unrealized transaction charges/ GST borne on behalf of institutional clients due to change in accounting procedure after introduction of GST.

Employee benefit expenses have increased from Rs.376.96 lakhs in the previous year to Rs.425.82 lakhs in the current year mainly due to increase in DA payable and absorption of employees on contract in the rolls of the company and recruitment of new employees during the year.

Depreciation and amortization expenses has decreased to Rs. 43.43 lakhs in FY 2017-18 from Rs. 52.81 lakhs in FY 2016-17.

Finance Cost has increased from Rs. 80.70 lakhs to Rs. 157.65 lakhs due to provision made towards payment of Rs. 150 lakhs under Right to recompense in FY 2017-18 as against Rs. 75 lakhs for FY 2016-17.

Provision and loan losses has increased from Rs. 13.11 lakhs to Rs. 168.94 lakhs mainly due to provision made towards NPA classified under BoD discontinued operations and provision towards clients claim.

Other expenses have decreased from Rs.616.78 lakhs to Rs.216.28 lakhs due to cost control measures initiated which are yielding results and also due to the write off booked on the assets under discontinued operations in the FY 2016-17.

Financial Results **(Rs. in lakhs)**

Sl. No.	Particulars	FY2017-18	FY2016-17
1	Income from Fee based operations	1166.59	920.21
	Of which income from Stock Broking	1035.89	791.91
	DP	106.19	103.89
	Merchant Banking/Mutual Funds	24.51	24.41
2	Other income	296.85	795.22
3	Total income (1+2)	1463.44	1715.43
4	Employee Expenses	425.82	373.96
5	Other expenses	271.03	626.46
6	Interest Expenses	157.65	80.7
7	Depreciation	43.43	52.81
8	Provisions for NPAs/Write off	168.94	13.11
9	Total expenses (4+5+6+7+8)	1066.87	1147.04
10	Profit before exceptional items (3-9)	396.57	568.39
11	Prior period income/Exp	0.06	5.71
12	Profit before tax (10-11)	396.51	562.68
13	Current Tax	110.8	0
14	Deferred tax	4.83	0
15	Prior Year tax	58.84	29.01
16	Items reclassified as per IND-AS – re-measurement of the defined benefit plans	-6.98	-2.72
17	Net profit / Loss after tax (12-13-14-15+16)	215.06	530.95
18	EPS	0.48	1.2

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 2018

The preparation of financial statements of Indbank Merchant Banking Services Limited for the year ended 31st March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of Act. This is stated to have been done by them vide their Audit Report dated 04 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Indbank Merchant Banking Services Limited for the year 31 March 2018. The supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

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

(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Place: Chennai
Date: 17.07.2018

INDEPENDENT AUDITOR'S REPORT

To The Members of INDBANK MERCHANT BANKING SERVICES LIMITED

Report on the Standalone IndASFinancial Statements
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, 2018, and 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 then ended and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these standalone financial statements based on our audit.
In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 financials statements of the company.

For B Thiagarajan& Co,
Chartered Accountants
F. Reg No. : 004371S
K Balamanikandan
Partner
M. No. : 213537

Place : Chennai
Date : 04-05-2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of INDBANK MERCHANT BANKING SERVICES LIMITED 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 ("the Act")

We have audited the internal financial controls over financial reporting of **INDBANK MERCHANT BANKING SERVICES LIMITED**("the Company") as of March 31, 2018 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the

essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B Thiagarajan& Co,
Chartered Accountants
F. Reg No. : 004371S
K Balamanikandan
Partner
M. No. : 213537

Place : Chennai
Date : 04-05-2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Indbank Merchant Banking Services Limited of even date)

i. In respect of the Company's fixed assets:

a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. 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 into the proprietary investment in the shares. These shares are part of the inventory and disclosed in the financials accordingly.

iii. 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.

iv. 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.

v. The Company has not accepted deposits during the year and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

c. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Name of the Statue	Nature of the dues	Amount(In Lakhs)	Period to which the amount relates	Forum where 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.18Lakhs as per CIT Order for stay in petition
	Income tax and interest	1129.05	2008-09	High court - Madras	The company has paid Rs.132akhs as per CIT Order for stay in petition
	Income tax and interest	96.27	2009-10	Income Tax Appellate Tribunal	
	Income tax and interest	24.81	2014-15	Assessing Officer	
Sales tax and VAT Laws	Sales tax/ Additional Sales tax , Penalty and Interest	14.20	1998-99	Commercial Tax Officer-Tamilnadu	
	Sales tax/ Additional Sales tax , Penalty and Interest	12.05	1995-96	Commercial Tax Officer-Tamilnadu	
	Sales tax/ Additional Sales tax , Penalty and Interest	10.33	1994-95	Commercial Tax Officer-Tamilnadu	
	Sales tax/ Additional Sales tax , Penalty and Interest	6.2	1993-94	Commercial Tax Officer-Tamilnadu	

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures.

ix. 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.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year, except a fraud reported from Thirupur branch, where the legal course of action initiated against the concerned employee. The value involved in the said fraud is estimated for a sum of Rs.27.18Lakhs based on the claim raised by the customer of the respective branch. Full provision of the said amount has been provided in the financials during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as may be applicable by the respective accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B Thiagarajan& Co,
Chartered Accountants
F. Reg No. : 004371S
K Balamanikandan
Partner
M. No. : 213537

Place : Chennai
Date : 04-05-2018

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

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

The company has neither free hold land nor lease hold land.

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 which was settled under compromise proposal amounting to Rs.1.61 Lakhs 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 B Thiagarajan& Co,
Chartered Accountants
F. Reg No. : 004371S
K Balamanikandan
Partner
M. No. : 213537

Place : Chennai
Date : 04-05-2018

BALANCE SHEET AS AT 31st March 2018

Particulars	Note No.	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
ASSETS				
Noncurrent Assets				
Property, Plant & Equipment	4a	66,83,500	92,99,875	1,29,93,422
Investment Property	4b	3,03,80,242	3,11,57,819	3,19,14,901
Other Intangible assets	5	2,21,652	2,91,392	3,72,343
Financial Assets				
(b) Investments	6a			
Other Investment at Amortized Cost		-	1,18,92,363	1,45,20,352
Other Investments at FVTPL		81,12,945	91,00,121	1,10,31,321
Other Investments at FVTOCI		15,000	15,000	48,55,921
(c) Other Financial Assets	6b	14,93,77,476	9,14,38,925	12,12,35,765
Deferred Tax Assets	14	4,16,87,314	4,21,70,192	4,21,70,192
Other Non Current Assets		11,51,33,124	11,83,08,624	11,56,95,929
		35,16,11,253	**31,36,74,311**	**35,47,90,146**
CURRENT ASSETS				
Inventories	8	6,83,971	-	-
Financial Assets				
(a) Loans	9a	5,57,349	5,87,000	7,40,157
(b) Trade Receivables	9b	7,97,24,157	9,19,55,856	7,40,84,404
(c) Investment	6a	42,53,710	-	-
(d) Cash and Cash Equivalents	9d	2,81,46,752	2,00,59,673	62,44,204
(e) Other Bank Balances	9d	15,81,96,077	19,04,68,899	9,87,18,811
(f) Other Financial Assets	9c	3,30,59,915	3,45,68,913	4,06,38,727
Other Current Assets	10	25,91,821	17,25,434	9,95,859
		30,72,13,752	**33,93,65,776**	**22,14,22,162**
Total Assets		**65,88,25,005**	**65,30,40,087**	**57,62,12,308**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	44,37,82,000	44,37,82,000	44,37,82,000
Other Equity	12	12,12,81,941	9,97,76,074	4,66,81,070
Total Equity		**56,50,63,941**	**54,35,58,074**	**49,04,63,070**
NON CURRENT LIABILITIES				
Financial Liabilities				
(a) Borrowings		-	-	-
(b) Other Financial Liabilities		-	-	-
Deferred Tax Liabilities (Net)		-	-	-

BALANCE SHEET AS AT 31st March 2018 (Contd)

Particulars	Note No	As at 31-Mar-18	As at 31-Mar-17	As at 01-Apr-16
CURRENT LIABILITIES				
Financial Liabilities				
(a) Borrowings	13	2,81,798	1,58,41,653	1,40,74,714
(c) Other Financial Liabilities	14a	2,18,72,169	1,08,49,402	82,82,769
Short Term Provisions	15	68,83,454	59,62,438	56,21,824
Current Tax Liabilities	9e	27,93,095	-	-
Other Current Liabilities	16	6,19,30,548	7,68,28,520	5,77,69,931
		9,37,61,064	**10,94,82,013**	**8,57,49,238**
Total Liabilities		**9,37,61,064**	**10,94,82,013**	**8,57,49,238**
TOTAL EQUITY AND LIABILITIES		**65,88,25,005**	**65,30,40,087**	**57,62,12,308**

P M Venkatasubramanian
Director

G R Sundaravadivel
Director

Chitra Murali
Director

P A Krishnan
Director

A K Bajpai
President &
Whole Time Director

K S Sujay
Chief Financial Officer

Place: Chennai
Date: 04-05-2018

As per our Report of even date attached
For B THIAGARAJAN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.004371S)
CA. K Balamanikandan
Partner (M.No:213537)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2018

Particulars	Note No.	Year ended 31-Mar-18 Rs.	Year ended 31-Mar-17 Rs.
Revenue from Operations			
Income from Operations	17	11,66,59,071	9,20,21,426
Other Income	18	2,96,85,431	7,95,22,135
Total Revenue		**14,63,44,502**	**17,15,43,561**
EXPENSES			
Direct Costs	19	54,75,185	9,66,974
Finance Costs	22	1,57,65,020	80,70,164
Employee Benefit Expense	20	4,25,82,280	3,73,96,389
Depreciation and Amortisation Expense	21	43,43,211	52,81,139
Provision and Loan Losses	25	1,68,93,887	13,11,285
Other Expenses	23	2,16,28,013	6,16,78,405
Total expenses		**10,66,87,596**	**11,47,04,356**
Profit Before Provisions, Exceptional Items and Tax		**3,96,56,906**	**5,68,39,205**
Exceptional Items	24	(6,153)	(5,70,785)
Profit Before Tax		**3,96,50,753**	**5,62,68,420**
Income Tax	26		
- Current Year		1,10,79,620	
- Adjustment of Tax relating to earlier years		58,84,222	29,01,330
- Deferred Tax (Net)		4,82,878	
		1,74,46,720	**29,01,330**
Profit for the Year (I)		**2,22,04,033**	**5,33,67,090**
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)		(6,98,164)	(2,72,086)
Income tax effect		-	-
		(6,98,164)	(2,72,086)
Net loss/gain on FVTOCI equity security			
Income tax effect		-	-
Other comprehensive income/(loss) for the year, net of tax (II)		**(6,98,164)**	**(2,72,086)**
Total Comprehensive income for the year, net of tax (I + II)		**2,15,05,869**	**5,30,95,004**
Earnings per Equity Share of Rs. 10/- each			
- Basic		0.48	1.20
- Diluted		0.48	1.20

P M Venkatasubramanian
Director

G R Sundaravadivel
Director

Chitra Murali
Director

P A Krishnan
Director

A K Bajpai
President & Whole Time Director

K S Sujay
Chief Financial Officer

Place: Chennai
Date: 04-05-2018

As per our Report of even date attached
For B THIAGARAJAN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.004371S)
CA. K Balamanikandan
Partner (M.No:213537)

Notes forming part of Standalone Financial Statements for the year ended 31 March 2018

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.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note No.33 for the details of first-time adoption exemptions availed by the Company.

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 to sell an asset or paid to transfer 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 yearly and on completion of transactions respectively.
5. Interest on overdue lease rentals and hire purchase installments - Receipt basis
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 recognized 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 recognized in Other Comprehensive Income as per Ind AS 19.

3.4.2 Short-term and other long-term employee benefits

A liability is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 realized, 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 recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.6 Property, plant and equipment

Fixtures, plant and medical 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 recognized 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
Plant & Machinery	3
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8

An item of property, plant and equipment is derecognized 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 recognized 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 amortized 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 and points 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 recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized 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 recognized 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 recognized 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 recognized at fair value and subsequently measured at amortized 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 derecognizes 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 First-time adoption - mandatory exceptions, optional exemptions

3.12.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.12.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

3.12.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3.12.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.12.5 Deemed cost for property, plant and equipment, investment property, and intangible assets

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.

3.13 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.

3.13.1 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.

3.13.2 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.

3.13.3 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.

3.13.4 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.

Note 4:

Statement of Changes in Equity for the year ended 31 March 2018

a. Equity Share Capital:	**No. of shares**	**` in Rs.**
Equity shares of ` 10 each issued, subscribed and fully paid		
As at 1 April 2016	**4,43,78,200**	**44,37,82,000**
Issue of shares	-	-
At 31 March 2017	**4,43,78,200**	**44,37,82,000**
Issue of shares	-	-
At 31 March 2018	**4,43,78,200**	**44,37,82,000**
b. Other equity		
For the year ended 31 March 2018		

Particulars	**Retained earnings**	**Remeasurement of defined benefit Obligation**	**Total Equity**
As at 1st April 2016	**4,66,81,068**	-	**4,66,81,068**
Profit for the period	5,33,67,090	(2,72,086)	**5,30,95,004**
As at 31st March 2017	**10,00,48,158**	**(2,72,086)**	**9,97,76,072**
Profit for the period	2,22,04,033	(6,98,164)	**2,15,05,869**
As at 31st March 2018	**12,22,52,191**	**(9,70,250)**	**12,12,81,941**

Note 4b: Investment Property

Particulars	**in Rs.**
Cost	
Opening balance at 1 April 2016	**4,84,78,385**
Additions/ Deletions during the year	-
Closing balance as at 31 March 2017	**4,84,78,385**
Additions during the year	-
Closing balance as at 31 March 2018	**4,84,78,385**
Depreciation and impairment	
Opening balance at 1 April 2016	**1,65,63,484**
Depreciation during the year	7,57,082
Closing balance as at 31 March 2017	**1,73,20,566**
Depreciation during the year	7,77,577
Closing balance as at 31 March 2018	**1,80,98,143**
Net Block	
As at 1 April 2016	3,19,14,901
As at 31 March 2017	3,11,57,819
As at 31 March 2018	3,03,80,242

For investment property existing as on 1 April 2016, i.e., its date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed costs.

Information regarding income and expenditure of Investment property		**in Rs.**
Particulars	**31.03.2018**	**31.03.2017**
Rental income derived from investment properties	-	-
Direct operating expenses (including repairs and maintenance)	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	-	-
Less – Depreciation	(7,77,577)	(7,57,082)
Profit arising from investment properties before indirect expenses	**(7,77,577)**	**(7,57,082)**

Note 4a: Property Plant & Equipment

Particulars	Gross Block at Cost				Depreciation / Amortization				Net Block	
	As at 31.03.2017	Additions	Deletions	As at 31.03.2018	As at 31.03.2017	For the Year	On Deletions	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Plant & Machinery (DPM)	8990315	145086	15745	9119656	2898601	2697186	15744	5580043	3539613	6091714
Office Equipment	1272140	88196	280101	1080236	314178	218881	266096	266964	813272	957962
Furniture & Fixtures	2569809	660240		3230049	1050920	363126		1414046	1816003	1518889
Vehicles	910717			910717	179404	216701		396105	514612	731313
TOTAL	**13742981**	**893522**	**295846**	**14340658**	**4443103**	**3495894**	**281840**	**7657158**	**6683500**	**9299878**
Particulars	**Gross Block at Cost**				**Depreciation / Amortisation**				**Net Block**	
	As at 31.03.2016	Additions	Deletions	As at 31.03.2017	As at 31.03.2016	For the Year	On Deletions	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Plant & Machinery (DPM)	8493149	497167	1	8990315		2898604		2898604	6091711	**8493149**
Office Equipment	950839	353268	31967	1272140		314178		314178	957962	**950839**
Furniture & Fixtures	2638717	34743	103651	2569809		1050920		1050920	1518889	**2638717**
Vehicles	910717			910717		179404		179404	731313	**910717**
TOTAL	**12993422**	**885178**	**135619**	**13742981**	**0**	**4443106**	**0**	**4443106**	**9299875**	**12993422**

f. The gross block of the assets and their accumulated depreciation under previous GAAP as on 1st April 2016 is given below:

Particulars	Gross Block	Accumulated Depreciation	Net Block
Plant & Machinery	22483687	13990538	8493149
Office Equipment	7005709	6054870	950839
Furniture & Fixtures	8722886	6084169	2638717
Vehicles	1680620	769903	910717
TOTAL	**39892902**	**26899480**	**12993422**

Note 5: Other intangible Assets **In Rs.**

Particulars	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Carrying amounts of :			
Computer Software	**2,21,652**	**2,91,392**	**3,72,343**
Cost	**Computer Software**		
Balance as at 1 April, 2016	57,40,529		
Additions	-		
Disposals or classified as held for sale	-		
Balance as at 31 March, 2017	**57,40,529**		
Additions	-		
Disposals or classified as held for sale	-		
Balance as at 31 March, 2018	**57,40,529**		
II. Accumulated depreciation and impairment			
Balance as at 1 April, 2016	53,68,186		
Amortisation expense for the year	80,951		
Balance as at 31 March, 2017	**54,49,137**		
Amortisation expense for the year	69,740		
Disposals or classified as held for sale	-		
Balance as at 31 March, 2018	**55,18,877**		
Carrying amount			
Balance at April 1, 2016	3,72,343		
Amortisation expense	(80,951)		
Balance at March 31, 2017	**2,91,392**		
Amortisation expense	(69,740)		
Balance at March 31, 2018	**2,21,652**		

Note 6a: Financial assets - Investments - Non Current					In Rs.					
		Cost			Provisions			Cost net of Provisions		
	Number of Shares	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Investments at Cost - Bought Out Deals:										
Amaravathi Sri Venkatesa Paper Mills	2,62,390	**1,15,45,423**	**1,18,92,363**	**1,45,20,352.00**	**1,15,45,423**	-	-	-	**1,18,92,363**	**1,45,20,352**
Investments at FVTOCI - Bought Out Deals:										
Armour Pharmaceuticals Ltd	15,87,500	2,54,00,000	2,54,00,000	2,54,00,000.00	2,54,00,000.00	2,54,00,000.00	2,54,00,000.00	-	-	-
Arraycom (I) Limited	75,000		-	75,00,000.00		-	27,32,205.55	-	-	47,67,794
Benechlor Chemicals	2,00,000		-	20,00,000.00		-	20,00,000.00	-	-	-
Galaxy Surfactants Ltd	8,800		-	73,128.00		-	-	-	-	73,127
Indo Deutsche Mittatio	1,14,286		-	2,00,00,050.00		-	2,00,00,050.00	-	-	-
Madras Stock Exchange Ltd	2,85,000	15,000	15,000	15,000.00	-	-	-	15,000	15,000	15,000
		2,54,15,000	**2,54,15,000**	**5,49,88,178**	**2,54,00,000**	**2,54,00,000**	**5,01,32,256**	**15,000**	**15,000**	**48,55,921**
Investments at FVTOCI										
14% Khaitan Hostombe Spinners - Debentures	**1,25,000**	**1,11,41,400**	**1,11,41,400**	**1,11,41,400**	**1,11,41,400**	**1,11,41,400**	**1,11,41,400**	-	-	-
Investments at FVTPL - Quoted Equity Shares										
Enginers India	300		-	1,35,000			83,970	-	-	51,030
NHPC	35,000	12,76,343	12,76,343	12,76,343	3,06,843	1,49,343	4,31,093	9,69,500	11,27,000	8,45,250
Punj Lloyd Ltd.	3,56,344	5,03,76,298	5,03,76,298	5,03,76,298	4,43,54,084	4,34,81,041	4,25,23,222	60,22,214	68,95,256	78,53,076
Seasons Furnishings	1,84,390	12,97,570	16,76,880	18,43,900	2,46,538	9,05,515	7,44,936	10,51,032	7,71,365	10,98,964
SAIL	5,000	2,23,100	11,15,500	11,15,500	1,52,900	8,09,000	9,00,000	70,200	3,06,500	2,15,500
NTPC	5,000			10,52,250			4,08,000	-	-	6,44,250
Wanbury Ltd.	1,500			1,85,142			1,13,892	-	-	71,250
Investments at FVTPL - Un-Quoted Equity Shares										
Alan Scot Ind. Ltd	18,600	2,72,942	2,72,942	2,72,942	2,72,942	2,72,942	2,72,942	-	-	-
Core Organics	3,800			38,000			38,000	-	-	-
Datar Switchgear	40,100	19,04,750	19,04,750	19,04,750	19,04,750	19,04,750	19,04,750	-	-	-
Doon Valley Rice	2,54,300	76,29,000	76,29,000	76,29,000	76,29,000	76,29,000	76,29,000	-	-	-

..Contd

Investments at FVTPL - Un-Quoted Equity Shares (Contd)										
GSL (India) Ltd.	12,00,000	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	1,20,00,000	-	-	-
Greenfield Corp. Ltd	84,600	8,46,000	8,46,000	8,46,000	8,46,000	8,46,000	8,46,000	-	-	-
Indo Gulf Industries	2,000	1,95,250	1,95,250	1,95,250	1,95,250	1,95,250	1,95,250	-	-	-
Karnav Leather Chem.	1,62,416	7,08,000	16,24,160	16,24,160	7,08,000	16,24,160	16,24,160	-	-	-
K J International	5,300	1,32,500	1,32,500	1,32,500	1,32,500	1,32,500	1,32,500	-	-	-
Krisons Electronics Ltd	70,800	16,24,160	7,08,000	7,08,000	16,24,160	7,08,000	7,08,000	-	-	-
Malanpur Leathers	2,25,000	25,87,500	25,87,500	25,87,500	25,87,500	25,87,500	25,87,500	-	-	-
Non Mag (OTC) (Chennai)	26,600			2,62,430			2,62,430	-	-	-
Nova Dhatu Udyog	4,69,700	46,97,000	46,97,000	46,97,000	46,97,000	46,97,000	46,97,000	-	-	-
Nova International	1,25,600			12,56,000			12,56,000	-	-	-
Pondicherry Spinners (OTC)(Chennai)	34,500			3,47,900			3,47,900	-	-	-
Rakan Steel Ltd	1,50,876			22,63,140			22,63,140	-	-	-
Salstar Foods	51,300			8,20,800			8,20,800	-	-	-
Shri Vardhman Overseas	1,00,000			70,35,000			70,35,000	-	-	-
Sivananda Pipe Fittings (Madras)	12,600			2,52,000			-	-	-	2,52,000
Tebma Shipyard (OTC)	41,699	17,59,748	17,59,748	17,59,748	17,59,748	17,59,748	17,59,748	-	-	-
Veekay Fibres	1,96,400	43,20,800	43,20,800	43,20,800	43,20,800	43,20,800	43,20,800	-	-	-
Vikram Projects	4,02,158			1,40,75,530			1,40,75,530	-	-	-
Xylon Liqu. Dist & Vintage	1,46,700			44,01,000			44,01,000	-	-	-
Sagar Tourist Resorts	2,14,600			21,46,000			21,46,000	-	-	-
Sri Jayalakshmi Spinning Mills	57,400	5,74,000	5,74,000	5,74,000	5,74,000	5,74,000	5,74,000	-	-	-
		9,24,24,960	**9,36,96,670**	**12,81,33,883**	**8,43,12,015**	**8,45,96,549**	**11,71,02,562**	**81,12,945**	**91,00,121**	**1,10,31,321**

Investments in Equity Shares (Quoted) - Proprietary Trading (in Rs.)										
		Cost			Provisions			Cost net of Provisions		
	Number of Shares	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
MMTC	1,000	70,950	-	-	15,400	-	-	55,550	-	-
LIC HOUSING	700	4,08,400	-	-	34,320	-	-	3,74,080	-	-
MMTC	1,000	71,000	-	-	15,450	-	-	55,550	-	-
HIND COPPER	1,000	96,000	-	-	33,100	-	-	62,900	-	-
LIC HOUSING	200	1,14,900	-	-	8,020	-	-	1,06,880	-	-
REC LTD	1,000	1,62,907	-	-	38,207	-	-	1,24,700	-	-
DLF	1,000	2,72,400	-	-	71,150	-	-	2,01,250	-	-
HIND COPPER	1,000	93,100	-	-	30,200	-	-	62,900	-	-
MMTC	2,000	1,35,900	-	-	24,800	-	-	1,11,100	-	-
DLF	500	1,34,850	-	-	34,225	-	-	1,00,625	-	-
IB REALEST	300	77,217	-	-	22,782	-	-	54,435	-	-
IDEA	1,000	1,06,300	-	-	30,400	-	-	75,900	-	-
DLF	500	1,28,905	-	-	28,280	-	-	1,00,625	-	-
IDEA	2,000	2,05,600	-	-	53,800	-	-	1,51,800	-	-
COLGATE PALMOLV	100	1,15,900	-	-	10,210	-	-	1,05,690	-	-
INDIA CEMENTS	500	89,250	-	-	18,375	-	-	70,875	-	-
DLF	1,000	2,61,600	-	-	60,350	-	-	2,01,250	-	-
PNB	1,500	2,62,825	-	-	1,19,875	-	-	1,42,950	-	-
IOC	1,000	2,11,000	-	-	34,400	-	-	1,76,600	-	-
PNB	1,000	1,71,100	-	-	75,800	-	-	95,300	-	-
IDEA	3,000	2,66,550	-	-	38,850	-	-	2,27,700	-	-
PNB	1,000	1,61,900	-	-	66,600	-	-	95,300	-	-
INDIA CEMENTS	1,000	1,64,150	-	-	22,400	-	-	1,41,750	-	-
JINDAL STEEL	500	1,33,725	-	-	24,175	-	-	1,09,550	-	-
JINDAL STEEL	1,000	2,56,200	-	-	37,100	-	-	2,19,100	-	-
JINDAL STEEL	3,000	7,28,300	-	-	71,000	-	-	6,57,300	-	-
IB REALEST	1,000	2,13,600	-	-	32,150	-	-	1,81,450	-	-
PNB	2,000	2,01,500	-	-	10,900	-	-	1,90,600	-	-
		53,16,029	-	-	**10,62,319**	-	-	**42,53,710**	-	-
Total investments		**14,58,42,812**	**14,21,45,433**	**20,87,83,813**	**13,34,61,157**	**12,11,37,949**	**17,83,76,218**	**1,23,81,655**	**2,10,07,484**	**3,04,07,594**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Other financial assets - amortized cost			
Fixed Deposits with maturity more than 12 months	13,98,74,642	8,72,11,641	11,30,44,785
Interest on Fixed Deposits with maturity more than 12 months	71,02,834	18,27,284	57,90,980
Lease Rent Receivables - Considered Good	24,00,000	24,00,000	24,00,000
Lease Rent Receivables - Considered Doubtful	1,35,07,403	1,35,07,403	1,35,07,403
Less: Provision	(1,35,07,403)	(1,35,07,403)	(1,35,07,403)
Inter Corporate Deposits	1,04,41,421	1,04,41,421	1,04,41,421
Provision for Inter Company Deposits	(1,04,41,421)	(1,04,41,421)	(1,04,41,421)
Total Other financial assets	**14,93,77,476**	**9,14,38,925**	**12,12,35,765**

Note 7: Other non-current assets **in Rs.**

(Considered Good, Unsecured unless stated otherwise)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Deposits with Government, Public bodies and others:			
- Advance Income Tax (Net of Provision)	11,62,99,363	11,92,89,361	11,65,99,145
TDS Payable to Government	(11,66,239)	(9,80,737)	(9,03,216)
Total non-current assets	**11,51,33,124**	**11,83,08,624**	**11,56,95,929**

Note 8: Inventories **in Rs.**

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Stock on Hire	14,17,34,978	14,17,34,978	14,17,34,978
Stock on hire receivables	86,07,150	86,07,150	86,07,150
Total	**15,03,42,129**	**15,03,42,129**	**15,03,42,129**
Less: Unmatured finance charges	(4,61,66,383)	(4,61,66,383)	(4,61,66,383)
Less: Provision for Derecognition	(50,98,830)	(50,98,830)	(50,98,830)
Less: Provision for NPAs	(9,90,76,916)	((9,90,76,916)	(9,90,76,916)
Stock in trade	6,83,971		
Total inventories at the lower of cost and net realisable value	**6,83,971**	-	-

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
IBMBS CCIL	90,578	96,883	59,488
IBMBS Clean Loan	1,75,934	1,34,132	2,51,559
IBMBS Silver Jubilee Personal Loan	1,27,008	1,63,368	2,10,276
IBMBS Vehicle Loan	17,710	25,818	31,009
Staff Housing Loan	1,46,118	1,66,799	1,87,825
Total Receivables under financing activity	**5,57,348**	**5,87,000**	**7,40,157**

Note 9b: Trade Receivables

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Stock Broking Clients - Considered Good	--	8,43,12,603	6,23,57,963
Secured	57,40,381	--	--
Unsecured	7,36,38,756	--	--
Depository Participants - Considered Good	--	72,84,003	1,17,26,441
Secured	--	--	--
Unsecured	3,45,020	--	--
Merchant Banking Services - Considered Good	--	3,59,250	--
Secured	--	--	--
Unsecured	--	--	--
Non-Performing Assets - Considered Doubtful(Unsecured)	2,53,96,145	2,53,16,548	2,55,17,939
Total	**10,51,20,302**	**11,72,72,404**	**9,96,02,343**
Provision for doubtful receivables	(2,53,96,145)	(2,53,16,548)	(2,55,17,939)
Total	**7,97,24,157**	**9,19,55,856**	**7,40,84,404**
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 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 on their demat accounts. The dues over 90 days have already been provided 100% and the 90 days is the normal collection period. The dues less than 90 days are very less and amount to Rs. 3,45,020. 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 **in Rs.**

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Other financial assets - amortized cost			
Margin Money with exchanges	2,67,10,000	2,67,10,000	3,28,10,000
Deposits with stock exchanges	46,60,000	46,60,000	46,60,000
Security deposit - Clients	10,33,520	10,33,520	10,33,520
Security deposits - Internet, lease-line deposits, etc	3,66,475	3,66,475	3,66,475
Other Deposits	3,44,430	3,42,731	3,42,731
Rent receivable	3,32,800	2,58,598	2,45,112
Advance Recoverable in cash or kind			
Travel Advance	10,500	-	-
Rent Advance	6,51,300	6,51,300	6,51,300
Festival Advance	3,04,000	3,10,062	3,95,535
Clearing Settlement account	50,42,931	50,42,931	50,42,931
Receivable from stock exchanges	2,01,755	2,36,227	1,34,054
Sundry Receivables	71,866	-	-
Less: Provision for Clearing Settlement	(50,42,931)	(50,42,931)	(50,42,931)
Customer Compliant Claims Receivable	10,91,631	-	-
Less: Provision for Customer Complaint Claims Receivable	(27,18,363)	-	-
Total Other Financial Assets	**3,30,59,915**	**3,45,68,913**	**4,06,38,727**

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

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Balances with banks:			
– On current accounts	40,78,558.83	26,90,391.34	27,22,177.00
– On Fixed deposit accounts - Original maturity more than 3 months	2,23,78,411.00	1,52,53,971.00	30,00,000.00
– Interest on Fixed deposit accounts - Original maturity more than 3 months	11,68,312.00	17,27,491.00	1,90,361.00
– In Deposit Accounts - Original maturity 3 months or less	--	--	--
Cash on hand	30,870.00	39,120.00	45,066.00
Stamps on hand	4,90,600.00	3,48,700.00	2,86,600.00
Total	**2,81,46,751.83**	**2,00,59,673.34**	**62,44,204.00**

Note 9d: Other Bank Balances - Current

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Other bank balances:			
– Unpaid dividend accounts	--	--	14,36,224
- Fixed Deposits with maturity more than 3 months and less than 12 months	15,33,88,346	17,67,32,161	9,49,78,230
- Interest on Fixed Deposits with maturity more than 3 months and less than 12 months	48,07,731	1,37,36,738	23,04,357
Total	**15,81,96,077**	**19,04,68,899**	**9,87,18,811**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Advance Tax & TDS - 18-19	83,75,000	--	--
Less: Provision for tax for the AY 18-19	(1,11,68,095)	--	--
Total Current Tax Assets / (Liabilities)	**(27,93,095)**	**--**	**--**

Note 10: Other current assets **in Rs.**

(Considered Good, Unsecured unless stated otherwise)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
- Prepaid expenses	17,59,222	14,44,545	7,11,083
- GST input credit	5,50,770	--	--
- Sales Tax Recoverable	2,81,829	2,80,889	2,80,889
- Sundries Receivable	-	-	3,887
Total other current assets	**25,91,821**	**17,25,434**	**9,95,859**

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

	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Authorised Capital			
100000000 Equity Shares of Rs.10/- each	100,00,00,000	100,00,00,000	100,00,00,000
Issued, Subscribed and Paid-up Capital			

4,43,78,200 Equity Shares of Rs. 10/- each fully paid up	44,37,82,000	44,37,82,000	44,37,82,000
Add: Forfeited Shares			
	44,37,82,000	**44,37,82,000**	**44,37,82,000**

a) The Reconciliation of shares capital is given below:

	As at 31-Mar-2018		**As at 31-Mar-2017**		**As at 01-Apr-2016**	
	No. of Shares	**in Rs.**	**No. of Shares**	**in Rs.**	**No. of Shares**	**in Rs.**
At the beginning of the year	4,43,78,200	44,37,82,000	4,43,78,200	44,37,82,000	4,43,78,200	44,37,82,000
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	**4,43,78,200**	**44,37,82,000**	**4,43,78,200**	**44,37,82,000**	**4,43,78,200**	**44,37,82,000**

b) Terms/Rights attached to class of shares

The Company has only one class of equity shares having a par value of ` 10 each. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend 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.

c) Details of Shareholder(s) holding more than 5 percent of Equity Shares in the Company						
	As at 31-Mar-2018		As at 31-Mar-2017		As at 01-Apr-2016	
	No. of Shares	% against total number of shares	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%**	**2,87,73,800**	**64.84%**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Retained earnings			
Balance at the beginning of the year	10,00,48,160	4,66,81,070	1,91,29,018
Add: Current year Profits	2,22,04,033	5,33,67,090	2,75,52,052
Balance at the end of the Year	**12,22,52,193**	**10,00,48,160**	**4,66,81,070**
Other reserves - Other Comprehensive Income			
Opening Balance	(2,72,086)	--	--
Remeasurement of Defined Benefit Obligation	**(6,98,164)**	**(2,72,086)**	--
Total	**(9,70,250)**	**(2,72,086)**	--
General reserve	12,12,81,941	9,97,76,074	4,66,81,070
Total other equity	**12,12,81,941**	**9,97,76,074**	**4,66,81,070**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Cash credit and overdrafts facilities from banks		80,36,020	1,40,17,924
Credit balance in current accounts	2,81,798	78,05,633	56,790
Total	**2,81,798**	**1,58,41,653**	**1,40,74,714**
The overdraft balances disclosed above are fully secured by the Fixed deposits held with the respective banks.			

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

Nature - (Liability) / Asset	31-Mar-18	31-Mar-17	01-Apr-16
Deferred Tax Liabilities	(3,22,59,860)	(3,44,57,693)	(3,44,57,693)
Deferred Tax Assets	7,39,47,174	7,66,27,885	7,66,27,885
Net Deferred Tax (Liabilities)/Assets	**4,16,87,314**	**4,21,70,192**	**4,21,70,192**
2017-2018	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Property, plant and equipment	(3,44,57,693)	21,97,833	**(3,22,59,860)**
Provisions	25,13,169	34,193	**25,47,362**
Provision for doubtful debts	7,41,14,716	(27,14,904)	**7,13,99,812**
Total	**4,21,70,192**	**(4,82,878)**	**4,16,87,314**
2016-2017	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Property, plant and equipment	(3,44,57,693)	-	**(3,44,57,693)**
Provisions	25,13,169	-	**25,13,169**
Provision for doubtful debts	7,41,14,716	-	**7,41,14,716**
Total	**4,21,70,192**	-	**4,21,70,192**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Security Deposit received - Others	17,41,046	14,29,976	12,01,056
Unclaimed Dividend	-	-	14,36,224
Rental Deposits received	35,07,414	30,93,734	24,70,034
Other Deposits	6,35,153	3,30,743	1,00,977
Outstanding Liabilities	1,38,53,967	43,97,038	17,20,467
Dividend / Rights payable to Clients	10,75,654	10,48,840	10,29,648
Credit Card Payable	1,38,998	1,64,279	-
Other Payables to Exchanges and clients	9,19,937	3,84,791	3,24,363
Total other financial liabilities	**2,18,72,169**	**1,08,49,402**	**82,82,769**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Provision for Leave Encashment	64,11,244	59,62,438	56,21,824
Provision for CSR	4,72,210	-	-
	68,83,454	**59,62,438**	**56,21,824**

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

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
Payable to Indian Bank	2,73,791	2,49,944	2,87,483
Credit Balances in Broking and DP Accounts - Contra in Receivables	5,86,84,885	7,35,45,042	5,41,24,423
Cash Margin deposit	-	15,39,833	16,95,063
Advance from customers	-	-	1,25,000
Provident Fund Payable	5,34,058	4,67,370	4,53,180
Bonus Payable	7,66,923	7,05,601	7,80,374
GST Payable	13,54,461	-	-
Service Tax Payable	22,856	25,431	20,534
Swachch Bharat Cess	-	627	986
Krishi Kalyan Cess	-	615	-
Stamp Duty to be remitted to Government	1,87,802	2,80,813	2,38,422
Professional Tax Payable	6,720	-	-
Other liabilities	99,052	13,244	44,466
	6,19,30,548	**7,68,28,520**	**5,77,69,931**

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

Particulars	31-Mar-18	31-Mar-17
Income from Operations		
Merchant Banking Income	24,50,520	24,40,743
Stock Broking Membership Operations	11,42,08,551	8,95,80,683
Total	**11,66,59,071**	**9,20,21,426**

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

Particulars	31-Mar-18	31-Mar-17
Rental Income	47,37,877	41,50,009
Reversal of Provisions	27,92,872	5,96,82,944
Gain on Exchange Fluctuation (Net)		
Profit on Tangible Assets Sold / Discarded (Net)		
Profit on Sale of Current Investments	(3,84,110)	(1,22,71,943)
Miscellaneous Income	1,45,180	22,90,127
Interest Income		
Fixed Deposits with Banks	2,19,58,653	1,85,14,707
Others	4,34,959	71,56,291
	2,96,85,431	**7,95,22,135**

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

Particulars	Mar-18	Mar-17
NSDL Transaction Charges	14,46,219	6,70,912
Share Transfer Fees	3,33,501	2,96,062
Unrealised Transaction charges borne on behalf of clients	36,95,465	-
Total Cost of Services	**54,75,185**	**9,66,974**

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

Particulars	Mar-18	Mar-17
Salaries, Wages and Bonus	3,73,00,558	3,24,48,858
Gratuity Expenses	15,70,144	11,06,610
Contribution to Provident and Other Funds	29,39,999	31,06,303
Staff Welfare Expenses	7,71,579	7,34,618
	4,25,82,280	**3,73,96,389**

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

Particulars	Mar-18	Mar-17
Depreciation of tangible assets (Note 4a)	34,95,894	44,43,106
Depreciation on Investment Properties (Note 4b)	7,77,577	7,57,082
Amortisation of Intangible Assets (Note 5)	69,740	80,951
	43,43,211	**52,81,139**

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

Particulars	Mar-18	Mar-17
Interest Expense	1,50,00,000	75,00,000
Other Borrowing Costs	7,65,020	5,70,164
	1,57,65,020	**80,70,164**

Note 23: Other Expense **in Rs.**

Particulars	Mar-18	Mar-17
Rent (Net of recoveries)	25,27,875	19,66,326
Postage and Telephone	14,56,636	11,86,421
MPLS & other connectivity charges	25,76,705	26,77,771
Data Center Charges	7,70,400	7,70,400
Repairs and maintenance - Machinery	27,57,095	28,71,358
Repairs and maintenance - Vehicles	1,02,337	1,42,389
Electricity Charges	12,70,609	12,27,560
Subscription Charges	9,52,860	7,35,216
Listing Fees	4,50,000	4,00,000
Swacch Bharat Cess	26,076	57,840
Bank Charges	5,894	4,416
Insurance	70,125	84,928
Professional charges - BODs	4,45,067	3,61,860
Write off of accounts	1,61,274	4,28,53,810
Rates and Taxes	6,19,000	4,07,764
Travelling and Conveyance	19,70,283	18,64,295
Printing, Stationery and Communication	7,46,706	7,00,456
Advertisement and Publicity	3,67,772	2,32,504
Business Development Expense	2,21,659	1,70,619
Loss on Tangible Assets Sold / Discarded (Net)	4,706	60,499
Auditor's Remuneration (Note a)	4,92,500	5,09,000
Professional Charges	9,10,547	7,03,758
Internal Audit Fees	3,60,000	3,60,000
Directors' Sitting Fees	2,63,000	2,59,000
Expenditure on Corporate Social Responsibility (Refer Note b below)	9,72,210	-
Other Expenses	11,26,677	10,70,215
	2,16,28,013	**6,16,78,405**
(a) Auditor's Remuneration	**in Rs**	
	Mar-18	**Mar-17**
As Auditor:		
Audit fee	3,00,000	3,00,000
Tax audit fee	60,000	60,000
Limited review	1,05,000	1,05,000
Audit of Consolidated Financial Statements		
In other capacity:		
Company law matters		
Other services (Certification fees)	27,500	44,000
Ind AS advisory services		
	4,92,500	**5,09,000**
(b) Details of CSR expenditure:	**in Rs.**	
	Mar-18	**Mar-17**
a) Gross amount required to be spent by the group during the year	9,72,210	-
(b) Amount spent during the year:	**in Rs.**	

	Mar-18	Mar-17
(i) Education		
(ii) Others	5,00,000	-
Total	5,00,000	-

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

Particulars	Mar-18	Mar-17
Profit on sale of Non Current Investment		
Provision for Impairment of Tangible Assets		
Prior year expenses	6,153	5,70,785
	6,153	**5,70,785**

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

Particulars	31-Mar-18	31-Mar-17
Provision for NPAs	1,31,13,205	13,11,285
Provision for Customer Complaint Claims Settlement	27,18,363	-
Provision for diminution on Prop Trading investments	10,62,319	-
	1,68,93,887	**13,11,285**

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

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:		
Profit or loss section	**31-Mar-18**	**31-Mar-17**
Current Tax:		
Current income tax charge	1,10,79,620	-
Adjustments in respect of current income tax of previous year	58,84,222	29,01,330
Deferred Tax:	4,82,878	-
Income Tax expense reported in the statement of profit and loss	**1,74,46,720**	**29,01,330**
Other Comprehensive Income(OCI) section	-	-

Note 27: Employee benefit plans

Defined contribution plans

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 unutilized 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 recognized in profit or loss of Rs. 29,39,999 (for the year ended March 31, 2017 Rs.31,06,303) 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 recognized 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 Gratutiy Fund, it is not exposed to any risk.

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

	Valuation as at	
	31-Mar-18	**31-Mar-17**
Discount rate(s)	8%	8%
Expected rate(s) of salary increase	5%	5%

Amounts recognized in Statement of profit and loss in respect of defined benefit plans are as follows.

	31-Mar-18	**31-Mar-17**
Service cost:		
Current service cost	6,62,142	6,05,347
Expected Return on Plan Assets	(6,18,107)	(5,38,763)
Net interest expense	5,57,734	4,86,076
Net Actuarial (gain) / loss recognised in the year	6,98,164	2,72,086
Components of defined benefit costs recognised in profit or loss	**12,99,933**	**8,24,746**

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:

Particulars	**31-Mar-18**	**31-Mar-17**	**01-Apr-16**
Present value of funded defined benefit obligation	86,29,583	69,71,675	60,75,948
Fair value of plan assets	96,30,893	78,07,022	67,19,499
Net Asset arising from defined benefit obligation	**10,01,310**	**8,35,347**	**6,43,551**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	**31-Mar-18**	**31-Mar-17**
Opening defined benefit obligation	69,71,675	60,75,948
Current service cost	6,62,142	6,05,347
Interest cost	5,57,734	4,86,076
Remeasurement (gains)/losses:	6,98,164	2,72,086
Benefits paid	(2,60,132)	(4,67,782)
Closing defined benefit obligation	**86,29,583**	**69,71,675**

Movements in the fair value of the plan assets are as follows.

Particulars	**Year ended**	
	31-Mar-18	**31-Mar-17**
Opening fair value of plan assets	78,07,022	67,19,499
Expected Return on Plan Assets	6,18,107	5,38,763
Actuarial Gain or (Loss) on Plan Assets	-	-
Contributions	14,65,896	10,16,542
Benefits paid	(2,60,132)	(4,67,782)
Closing fair value of plan assets	**96,30,893.28**	**78,07,022**

Note 28: Contingent Liabilities

A. Disputed demand on taxes

i) Income Tax — Rs.Lakhs

Particulars	2017-18			2016-17		
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	72.23	0.00	72.23
2014-15	18.72	6.09	24.81	0.00	0.00	0.00
Total	1493.42	521.33	2014.75	1470.53	495.37	1965.90

* 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.42.78 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).

Note 29: Disclosure in respect of Related Parties pursuant to Ind AS 24

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. A K Bajpai, President & Whole Time Director
Key Management Personnel	Mr. K S Sujay, Vice President & CFO
Key Management Personnel	Ms. S S Deepthi, Company Secretary & Compliance Officer

Transactions with Holding Company – Indian Bank

Particulars	Rs. Lakhs
Borrowings – OD With Indian Bank, Nandanam	0.00
Deposit – Current Accounts	12.88
Placement of Deposits	2621.41
Interest paid on overdraft facilities	1.30
Interest paid on Right to Recompense	150.00
Interest received on Fixed Deposits Placed	215.37
Receiving of services – Rent Paid	22.09

Transactions with fellow subsidiary – Ind Bank Housing Limited - Nil

Managerial Remuneration:			Rs.Lakhs	
Name	Designation		2017-18	2016-17
Mr. A K Bajpai	President & Whole Time Director	Salary	16.25	15.20
		Contribution to PF	0.96	0.91
Mr. K S Sujay	Vice President & CFO	Salary	7.46	7.06
		Contribution to PF	0.65	0.61
Ms. S S Deepthi	Company Secretary & Compliance Officer	Salary	4.03	--
		Contribution to PF	0.46	--
Sitting Fees paid to Non – Whole Time Independent Directors			2.63	2.59

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 31. Earnings per Share

Particulars	31-Mar-18	31-Mar-17
Basic earnings per share		
From continuing operations	0.48	1.20
From discontinued operations	-	-
Total basic earnings per share	**0.48**	**1.20**
Diluted earnings per share		
From continuing operations	0.48	1.20
From discontinued operations	-	-
Total diluted earnings per share	**0.48**	**1.20**
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	2,15,05,869	5,30,95,004
Earnings used in the calculation of basic earnings per share	2,15,05,869	5,30,95,004
Earnings used in the calculation of basic earnings per share from continuing operations	**2,15,05,869**	**5,30,95,004**
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 basic earnings per share	2,15,05,869	5,30,95,004
Interest on convertible notes (after tax at 30%)	-	-
Earnings used in the calculation of diluted earnings per share, Profit for the year from discontinued operations attributable	2,15,05,869	5,30,95,004
Others [describe]	-	-
Earnings used in the calculation of diluted earnings per share from continuing operations	**2,15,05,869**	**5,30,95,004**
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of basic earnings per share	4,43,78,200	4,43,78,200
Shares deemed to be issued for no consideration in respect of:		
- employee options	-	-
- partly paid equity shares	-	-
- convertible notes	-	-
- others [describe]	-	-
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 optimization 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.

Categories of financial instruments			
Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 01 April 2016**
Financial Assets - Non-current			
(a) Investments			
Other Investments mandatorily measured at Amortised Cost	-	1,18,92,363	1,45,20,352
Other Investments mandatorily measured at FVTPL	81,12,945	91,00,121	1,10,31,321
Other Investments mandatorily measured at FVTOCI	15,000	15,000	48,55,921
(b) Other financial assets - Mandatorily measured at Amortised Cost	14,93,77,476	9,14,38,925	12,12,35,765
Financial Assets - Current			
(a) Loans	5,57,349	5,87,000	7,40,157
(b) Trade receivables	7,97,24,157	9,19,55,856	7,40,84,404
(c) Investment - mandatorily measured at FVTPL	42,53,710	-	-
(d) Cash and Cash Equivalents	2,81,46,752	2,00,59,673	62,44,204
(e) Other Bank Balances	15,81,96,077	19,04,68,899	9,87,18,811
(f) Other financial assets	3,30,59,915	3,45,68,913	4,06,38,727
Financial Liabilities - Current			
(a) Borrowings	2,81,798	1,58,41,653	1,40,74,714
(c) Other financial liabilities	2,18,72,169	1,08,49,402	82,82,769
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 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)
	31-03-2018	31-03-2017	01-04-2016		
1) Investments in equity instruments - FVTPL (quoted)	Listed equity securities in various companies - aggregate fair value of Rs. 1,23,66,655.30	Listed equity securities in various companies - aggregate fair value of Rs. 91,00,121.20	Listed equity securities in various companies - aggregate fair value of Rs. 1,10,31,320.64	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	Bought Out Deals in various companies - aggregate fair value of Rs. 48,55,922.45	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.

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets - Non-Current						
(b) Investments						
Other Investments at Amortised Cost	-	-	1,18,92,363	1,18,92,363	1,45,20,352	1,45,20,352
Other Investments at FVTPL	81,12,945	81,12,945	91,00,121	91,00,121	1,10,31,321	1,10,31,321
Other Investments at FVTOCI	15,000	15,000	15,000	15,000	48,55,921	48,55,921
(c) Other financial assets	14,93,77,476	14,93,77,476	9,14,38,925	9,14,38,925	12,12,35,765	12,12,35,765
Financial Assets - Current						
(a) Loans	5,57,349	5,57,349	5,87,000	5,87,000	7,40,157	7,40,157

(b) Trade receivables	7,97,24,157	7,97,24,157	9,19,55,856	9,19,55,856	7,40,84,404	7,40,84,404
(c) Investment at FVTPL	42,53,710	42,53,710	-	-	-	-
(e) Cash and Cash Equivalents	2,81,46,752	2,81,46,752	2,00,59,673	2,00,59,673	62,44,204	62,44,204
(e) Other Bank Balances	15,81,96,077	15,81,96,077	19,04,68,899	19,04,68,899	9,87,18,811	9,87,18,811
(f) Other financial assets	3,30,59,915	3,30,59,915	3,45,68,913	3,45,68,913	4,06,38,727	4,06,38,727
Financial liabilities						
Financial liabilities held at amortized cost:						
Financial Liabilities						
(a) Borrowings	2,81,798	2,81,798	1,58,41,653	1,58,41,653	1,40,74,714	1,40,74,714
(c) Other financial liabilities	2,18,72,169	2,18,72,169	1,08,49,402	1,08,49,402	82,82,769	82,82,769

Particulars	**31 March 2018**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
(a) Investments				
Other Investments at FVTPL	81,12,945	-	-	**81,12,945**
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	42,53,710	-	-	**42,53,710**
(e) Cash and Cash Equivalents	-	2,81,46,752	-	**2,81,46,752**
(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**	**44,90,76,726**	-	**46,14,43,381**
Financial liabilities held at amortized cost:				
Financial Liabilities				
(a) Borrowings	-	2,81,798	-	**2,81,798**
(c) Other financial liabilities	-	2,18,72,169	-	**2,18,72,169**
Total	-	**2,21,53,967**	-	**2,21,53,967**

Particulars	**31 March 2017**			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
(a) Investments				
Other Investments at FVTPL	91,00,121	-	-	**91,00,121**
Other Investments at FVTOCI	-	15,000	-	**15,000**
(b) Other financial assets	-	9,14,38,925	-	**9,14,38,925**
Financial Assets - Current				
(a) Loans	-	5,87,000	-	**5,87,000**
(b) Trade receivables	-	9,19,55,856	-	**9,19,55,856**
(c) Investment at FVTPL	-	-	-	-

(e) Cash and Cash Equivalents	-	2,00,59,673	-	**2,00,59,673**
(e) Other Bank Balances	-	19,04,68,899	-	**19,04,68,899**
(f) Other financial assets	-	3,45,68,913	-	**3,45,68,913**
Total	**91,00,121**	**42,90,94,267**	-	**43,81,94,388**
Financial liabilities held at amortized cost:				
Financial Liabilities				
(a) Borrowings	-	1,58,41,653	-	**1,58,41,653**
(c) Other financial liabilities	-	1,08,49,402	-	**1,08,49,402**
Total	-	**2,66,91,055**	-	**2,66,91,055**
	1 April 2016			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
(a) Investments				
Other Investments at FVTPL	1,10,31,321	-	-	**1,10,31,321**
Other Investments at FVTOCI	-	48,55,921	-	**48,55,921**
(b) Other financial assets	-	12,12,35,765	-	**12,12,35,765**
Financial Assets - Current				
(a) Loans	-	7,40,157	-	**7,40,157**
(b) Trade receivables	-	7,40,84,404	-	**7,40,84,404**
(c) Investment at FVTPL	-	-	-	-
(e) Cash and Cash Equivalents	-	62,44,204	-	**62,44,204**
(e) Other Bank Balances	-	9,87,18,811	-	**9,87,18,811**
(f) Other financial assets	-	4,06,38,727	-	**4,06,38,727**
Total	**1,10,31,321**	**34,65,17,989**	-	**35,75,49,310**
Financial liabilities held at amortized cost:				
Financial Liabilities				
(a) Borrowings	-	1,40,74,714	-	**1,40,74,714**
(c) Other financial liabilities	-	82,82,769	-	**82,82,769**
Total	-	**2,23,57,483**	-	**2,23,57,483**

Note 33: First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at end for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 Since there is no change in the functional currency, the Company has elected to continue with the carrying value as at 1st April, 2016 for all of its investment property and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

2 Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, the investments in Bought Out Deals have been classified as at FVTOCI and that in equity instruments have been classified as at FVTPL.

3 Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, the investments in equity instruments have been classified as FVTPL on the date of transition. The fair value changes are recognised in profit or loss.

4 Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

5 Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurernent of the net defined benefit liability / asset which is recognised in other comprehensive income. The actuarial gains for the year ended March 31, 2018 were Rs.6.98 lakhs and for March 31, 2017 were Rs.2.72 lakhs.

Effect of the Transition to Ind AS

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 34 & 35. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 36.

P M Venkatasubramanian
Director

G R Sundaravadivel
Director

Chitra Murali
Director

P A Krishnan
Director

A K Bajpai
President & Whole Time Director

K S Sujay
Chief Financial Officer

Place: Chennai
Date: 04-05-2018

As per our Report of even date attached
For B THIAGARAJAN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.004371S)
CA. K Balamanikandan
Partner (M.No:213537)

Note 34: Reconciliation of Equity as on 1 April 2016 (Date of transition to Ind-AS) In Rs.

Particulars	Previous GAAP (as per published result)	Adjustments	Ind AS
ASSETS			
Non-Current Assets			
Property Plant and Equipment	4,49,08,323	(3,19,14,901)	1,29,93,422
Investment Property	-	3,19,14,901	3,19,14,901
Other Intangible Assets	3,72,343	-	3,72,343
Financial Assets			
(b) Investments			
Other Investments at Amortized Cost	3,04,07,594	(1,58,87,242)	1,45,20,352
Other Investments at FVTPL	-	1,10,31,321	1,10,31,321
Other Investments at FVTOCI	-	48,55,921	48,55,921
(c) Other financial assets	-	12,12,35,765	12,12,35,765
Deferred tax assets	4,21,70,192	-	4,21,70,192
Other non-current assets	-	11,56,95,929	11,56,95,929
Total	**11,78,58,452**	**23,69,31,694**	**35,47,90,146**
Current Assets			
Inventories	-	-	-
Financial Assets			
(a) Loans	15,86,24,204	(15,78,84,047)	7,40,157

(b) Trade receivables	7,43,29,516	(2,45,112)	7,40,84,404
(e) Cash and Cash Equivalents	21,54,56,292	(20,92,12,088)	62,44,204
(e) Other Bank Balances	-	9,87,18,811	9,87,18,811
(f) Other financial assets	82,85,698	3,23,53,029	4,06,38,727
Other current assets	1,40,161	8,55,698	9,95,859
	45,68,35,871	(23,54,13,709)	22,14,22,162
Assets under Discontinuing Operations	24,00,000	(24,00,000)	-
Total Assets	**57,70,94,323**	**(8,82,015)**	**57,62,12,308**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	44,37,82,000	-	44,37,82,000
Other Equity	4,66,81,070	-	4,66,81,070
Total Equity	**49,04,63,070**	-	**49,04,63,070**
Non-Current Liabilities			
Particulars	**Previous GAAP** (as per published result)	**Adjustments**	**Ind AS**
Financial Liabilities			
(a) Borrowings	-	-	-
(b) Other financial liabilities	-	-	-
Deferred Tax Liabilities (Net)	-	-	-
Current Liabilities			
Financial Liabilities			
(a) Borrowings	-	1,40,74,714	1,40,74,714
(c) Other financial liabilities	-	82,82,769	82,82,769
Short Term Provisions	56,21,824	-	56,21,824
Current Tax Liabilities	-	-	-
Other Current Liabilities	8,10,09,429	(2,32,39,498)	5,77,69,931
Total Liabilities	**8,66,31,253**	**(8,82,015)**	**8,57,49,238**
TOTAL EQUITY AND LIABLITIES	**57,70,94,323**	**(8,82,015)**	**57,62,12,308**
Note 35: Reconciliation of Equity as on 31 March 2017 (Comparatives)			**In Rs.**
Particulars	**Previous GAAP**	**Adjustments**	**Ind AS**
	(as per published result)		
ASSETS			
Non-Current Assets			
Property Plant and Equipment	4,04,57,694	(3,19,14,901)	92,99,875
Investment Property	-	3,19,14,901	3,11,57,819
Other Intangible Assets	2,91,392	-	2,91,392
Financial Assets			
(b) Investments			
Other Investments at Amortized Cost	2,10,07,484	(91,15,121)	1,18,92,363
Other Investments at FVTPL	-	91,00,121	91,00,121
Other Investments at FVTOCI	-	15,000	15,000
(c) Other financial assets	-	9,14,38,925	9,14,38,925
Deferred tax assets	4,21,70,192	-	4,21,70,192
Other non-current assets	-	11,83,08,624	11,83,08,624
Total	**10,39,26,762**	**20,97,47,549**	**31,36,74,311**

Current Assets			
Inventories		-	-
Financial Assets			
(a) Loans	15,58,02,771	(15,52,15,771)	5,87,000
(b) Trade receivables	9,22,14,454	(2,58,598)	9,19,55,856
(c) Investments			-
(e) Cash and Cash Equivalents	27,44,70,351	(25,44,10,678)	2,00,59,673
(e) Other Bank Balances	-	19,04,68,899	19,04,68,899
(f) Other financial assets	1,72,91,513	1,72,77,400	3,45,68,913
Other current assets	1,09,340	16,16,094	17,25,434
Total	53,98,88,429	(20,05,22,653)	33,93,65,776
Assets under Discontinuing Operations	24,00,000	(24,00,000)	-
Total Assets	**64,62,15,191**	**68,24,896**	**65,30,40,087**
EQUITY AND LIABILITIES			
Particulars	**Previous GAAP** (as per published result)	**Adjustments**	**Ind AS**
Equity			
Equity Share Capital	44,37,82,000	-	44,37,82,000
Other Equity	9,97,76,074	-	9,97,76,074
Total Equity	**54,35,58,074**	-	**54,35,58,074**
Non-Current Liabilities			
Financial Liabilities			
(a) Borrowings	-	-	
(b) Other financial liabilities	-	-	-
Deferred Tax Liabilities (Net)	-	-	-
Current Liabilities			
Financial Liabilities			
(a) Borrowings	-	1,58,41,653	1,58,41,653
(c) Other financial liabilities	-	1,08,49,402	1,08,49,402
Short Term Provisions	59,62,438	-	59,62,438
Current Tax Liabilities	-	-	-
Other Current Liabilities	9,66,94,679	(1,98,66,159)	7,68,28,520
	10,26,57,117	68,24,896	10,94,82,013
Total Liabilities	**10,26,57,117**	**68,24,896**	**10,94,82,013**
TOTAL EQUITY AND LIABLITIES	**64,62,15,191**	**68,24,896**	**65,30,40,087**

Note 36: Reconciliation of profit or loss for the year ended 31 March 2017 **in Rs.**

Particulars	Previous GAAP	Adjustments	Ind AS
Revenue from Operations			
Sale of products	9,20,21,426	--	9,20,21,426
Other Income	2,53,43,822	5,41,78,313	7,95,22,135
Total Income	**11,73,65,248**	**5,41,78,313**	**17,15,43,561**
Expenses			
Direct Costs	--	9,66,974	9,66,974
Finance Costs	80,70,164	--	80,70,164
Employee Benefits Expense	3,76,68,475	(2,72,086)	3,73,96,389
Depreciation and Amortisation Expense	52,81,139	--	52,81,139
Provisions and loan losses	1,25,410	11,85,875	13,11,285
Other Expenses	1,94,29,711	4,22,48,696	6,16,78,405
Total Expense	**7,05,74,899**	**4,41,29,459**	**11,47,04,356**
Profit Before Exceptional Items and Tax	**4,67,90,349**	**1,00,48,854**	**5,68,39,205**
Exceptional Items	(5,85,785)	15,000	(5,70,785)
Profit Before Tax	**4,62,04,564**	**1,00,63,854**	**5,62,68,420**
Income Tax			
- Current Year	--	--	--
- Adjustment of tax relating to earlier years	29,01,330	--	29,01,330
- Deferred Tax (Net)	--	--	--
	29,01,330	**--**	**29,01,330**
Profit from Discontinued Operations	97,91,768	(97,91,768)	--
Profit for the year (I)	**5,30,95,004**	**2,72,086**	**5,33,67,090**
Other Comprehensive income:			
Particulars	**Previous GAAP**	**Adjustments**	**Ind AS**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	--	--	--
Re-measurement gains and (losses) on defined benefit obligations (net)	--	(2,72,086)	(2,72,086)
Income tax effect	--	--	--
	--	(2,72,086)	(2,72,086)
Net loss/gain on FVTOCI equity security	--	--	--
Income tax effect	--	--	--
Others (Specify nature)	--	--	--
Income tax effect	--	--	--
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)	**--**	**(2,72,086)**	**(2,72,086)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	--	--	--
Gain/(loss) on cash flow hedges (net)	--	--	--
Income tax effect	--	--	--
Net loss/gain on FVTOCI debt security	--	--	--
Income tax effect	--	--	--
Others (Specify nature)	--	--	--
Income tax effect	--	--	--
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (B)	**--**	**--**	**--**
Other comprehensive income/(loss) for the year, net of tax (A+B) (II)	**--**	**(2,72,086)**	**(2,72,086)**
Total comprehensive income for the year, net of tax (I + II)	**5,30,95,004**	**--**	**5,30,95,004**

Cash Flow Statement for the period ended 31.03.2018

	Particulars	2017-18 as on 31.03.2018	2016-17 as on 31.03.2017
		Rs. in Lakhs	Rs. in Lakhs
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit after tax	215.06	530.95
	Adjustments for:		
	Add : Depreciation/Lease Adjustments	43.43	52.81
	Provision for taxation - Current	110.80	0.00
	- Deferred	4.83	0.00
	- Prior Year taxes	58.84	0.00
	Loss on sale of assets (net)	0.05	0.00
	Interest expense	157.65	80.70
		590.66	664.46
	Less:		
	Profit on sale of investments(net)	(0.74)	(55.01)
	Dividend income	0.63	3.23
	Profit on sale of assets	0.00	0.00
		(0.11)	(51.78)
	Operating Profit before working capital changes	590.76	716.24
	Less : Decrease in Current liabilities	(77.98)	(160.26)
		668.74	876.50
	Add:		
	Decrease in other current assets	123.33	(240.38)
	Cash generated from operations	792.07	636.12
	Less : Interest expense	157.65	80.70
	Less : Taxes	169.64	0.00
	Cash Flow before Extraordinary Items	464.78	555.42
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(8.94)	(8.85)
	Decrease in Term Deposits with banks	(364.44)	(681.75)
	Sale of Fixed Assets	0.09	1.36
	Decrease in Investments net of provision	78.68	38.99
	Dividend received	0.63	3.23
	Net cash from Investing Activities	(293.97)	(647.02)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of Short term loans & Adv.	(80.36)	0.00
	Dividend paid(including taxes thereon)	0.00	0.00
	Net Cash used in Financing Activities	(80.36)	0.00
	Net increase in cash & cash equivalents	90.46	(91.60)
	Cash & Cash equivalents as at 01.04.17 (opening balance)	(47.27)	44.33
	Cash & Cash equivalents as at 31.03.18 (closing balance)	43.18	(47.27)

P M Venkatasubramanian Director
G R Sundaravadivel Director
Chitra Murali Director
P A Krishnan Director

A K Bajpai
President & Whole Time Director

K S Sujay
Chief Financial Officer

Place: Chennai
Date: 04-05-2018

As per our Report of even date attached
For B THIAGARAJAN & CO
CHARTERED ACCOUNTANTS
(Firm Reg.No.004371S)
CA. K Balamanikandan
Partner (M.No:213537)

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

KIND ATTENTION SHARE HOLDERS
REMINDER II TO SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORMS

This has reference further to the letter dated 13.07.2018 sent to the shareholders, holding shares in physical forms. We draw your attention to the circular issued by Securities and Exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018. SEBI, in point no. 12 (ii) of the Annexure to its circular has directed all the listed companies to send a communication to all its shareholders through their Registrar and Transfer Agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first / sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handing and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTA's Issuer Companies and Bankers to Issue.

To enable us to update the PAN and Bank account details, we request you to kindly submit the following documents within twenty one days:

- Copy of self-attested PAN card of the shareholders including joint holders, if any in the format available on our website.
- Bank a/c details of the first/sole shareholder, as per the Bank Mandate format available on our website www.indbankonline.com.
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above documents, we will update the same in our records.

In case of dividend declaration by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Company's Act, 2013, that if dividends remain unpaid / unclaimed for a period of 7 consecutive years, then the underlying shares are also liable to be transferred to the a/c of IEPF authority. Hence, we request you to kindly submit the documents sought immediately to our RTA at their address mentioned in this Annual Report.

Further, we draw your attention to the notification issued by SEBI dated 08.06.2018 amending Regulation 40 of the Listing Regulations. Pursuant to this, request for effecting transfer of securities shall not be processed except in case of transmission or transposition of securities unless the securities are held in demat form. Hence, we would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 04.12.2018. We therefore advise you to take immediate steps for dematerializing your shareholding in the company. As you may be aware holding shares in dematerialized form offers host of benefits like enhanced security, ease of handling, faster transfers, exemption from stamp duty, eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the securities hassle-free, kindly take steps for dematerializing the shares at an early date.

We also request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications in the specified format available on our website www.indbankonline.com

For & On behalf of Indbank Merchant Banking Service Ltd.,

Sujay K.S.
Compliance Officer

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

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

PROXY FORM

DP ID No.	
Client ID No.	

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 Twenty Ninth Annual General Meeting to be held on Monday, 10th September 2018 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 of _____ 2018

Note: 1. The Proxy to be valid must be deposited at the Regd. Office of the Company at First Floor, Khivraj Complex 1, No. 480 Anna 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 underthe Common Seal or signed on its behalf by an Attorney or officer.

Signature ..... Affix 1 Rupee Revenue Stamp .....

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

Registered Office: First Floor, Khivraj Complex 1, No. 480 Anna 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 Twenty Ninth Annual General Meeting to be held on Monday, 10th September 2018 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	

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

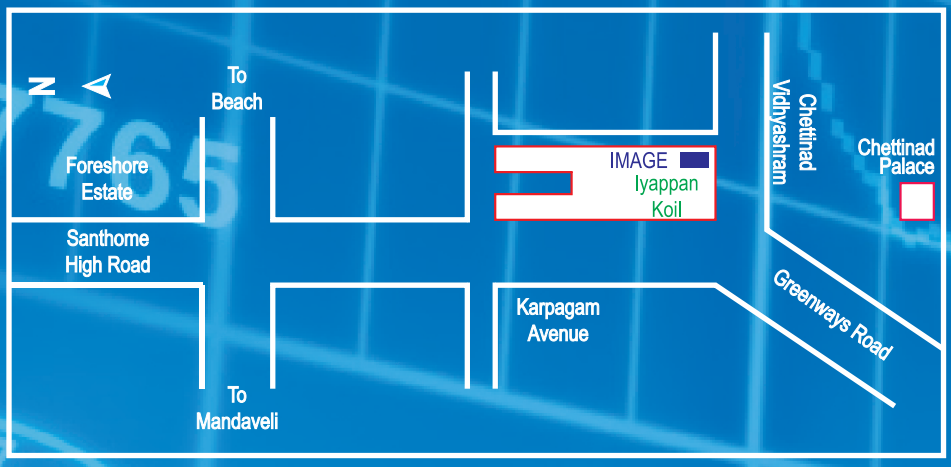
Electronic Voting Particulars

EVSN : 180809026
User ID and Password : Refer particulars detailed in the Notice

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

Venue :

INDIAN BANK MANAGEMENT ACADEMY FOR GROWTH & EXCELLENCE (IMAGE)



To :

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

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