



# Indbank

Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)

75  
Azadi Ka  
Amrit Mahotsav



# 34<sup>TH</sup>

## ANNUAL REPORT 2022-2023





## BOARD OF DIRECTORS



**Shri. Imran Amin Siddiqui**



**Shri. G.R. Sundaravadivel**



**Smt. Chitra Murali**



**Shri. Vaijinath Gavarshetty**



**Shri. Satish Kumar Kalra**



**Shri. Sunil Jain**



**Shri. V Haribabu**  
President & Whole Time Director

## **CONTENTS**

Notice to Shareholders	03
Board's Report	10
Report on Corporate Governance	31
Management Discussion & Analysis Report	50
Auditors' Report	54
Balance Sheet	63
Profit and Loss Account	65
Cash Flow Statement	66
Schedules	69

#### Board of Directors

Shri Iman Amin Siddiqui	Nominee Director from Indian Bank
Shri G R Sundaravadivel	Independent Director
Smt Chitra Murali	Independent Director
Shri Vaijinath Gavarshetty	Independent Director
Shri Satish Kumar Kalra	Independent Director
Shri Sunil Jain	Nominee Director from Indian Bank
Shri V Haribabu	President and Whole Time Director

#### Committees of the Board Audit Committee

Shri.G R Sundaravadivel  
Smt.Chitra Murali  
Shri. Vaijinath Gavarshetty  
Shri Satish Kumar Kalra  
Shri Sunil Jain

#### Nomination & Remuneration Committee

Smt.Chitra Murali  
Shri.G R Sundaravadivel  
Shri. Vaijinath Gavarshetty  
Shri Satish Kumar Kalra  
Shri Sunil Jain

#### Stakeholder Relationship Committee

Smt.Chitra Murali  
Shri Sunil Jain  
Shri V Haribabu

#### Chief Financial Officer Company Secretary Statutory Auditors

Shri Tausif Inamdar  
Smt. Chitra M A  
M/s. Brahmayya & Co., Chartered Accountants, Chennai

#### Secretarial Auditors

M/s.SPNP & Associates, Practising Company Secretaries, Chennai

#### Bankers

M/s. Indian Bank

#### Registrar and 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, Ashok Nagar,  
Nanganallur, Adyar, Chetpet, Coimbatore, R S Puram, Tiruppur, Tirunelveli,  
Rajapalayam, Madurai, Trichy, Srirangam, Erode, Salem, Kumbakonam, Thanjavur,  
Chrompet, Vellore

#### Puducherry

Puducherry

#### Kerala

Ernakulam, Thrissur, Calicut

#### Telangana

Hyderabad, Secunderabad

#### Andhra Pradesh

Visakhapatnam, Vijayawada, Guntur

#### Karnataka

Bangalore, Mangalore

#### Gujarat

Ahmedabad

#### Maharashtra

Mumbai, Matunga, Thane, Bandra, Pune

#### Delhi

Delhi, Shantiniketan, Punjabi Bagh

#### West Bengal

Kolkata

#### Uttar Pradesh

Lucknow

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## **NOTICE OF 34<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Company will be held on Thursday, the 14<sup>th</sup> day of September 2023 at 11 AM (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Imran Amin Siddiqui (DIN: 09153707), Nominee Director, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix the remuneration of the Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013 and to pass the following resolution as an Ordinary Resolution”

“**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration of the Statutory Auditors of the Company appointed by Comptroller and Auditor General of India”.

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

Place: Chennai  
Date: 19.07.2023

Sd/-  
Chitra. M A (A33512)  
Company Secretary and Compliance Officer

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

In view of the continuing Covid-19 pandemic, MCA (Ministry of Corporate Affairs) vide its circular no.10/2022 dated 28.12.2022, allowed companies whose AGMs are due in the Year 2023 to conduct their AGMs through video conferencing (VC) or other audio visual means (OAVM), on or before 30<sup>th</sup> September 2023, without the presence of the shareholders, in accordance with the requirements provided in paragraphs 3 and 4 of General Circular No.20/2020. SEBI vide its circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated Jan 05, 2023, extended the relaxations in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode, for listed companies, till 30.09.2023. In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA circulars, the Company is holding the Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Shareholders can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given in Note No.8.

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

In line with the aforesaid SEBI and MCA Circulars, the Notice of AGM along with Annual Report 2022-23 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories. Shareholder may note that Notice and Annual Report 2022-23 have been uploaded on the website of the Company at [www.indbankonline.com](http://www.indbankonline.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).

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

**2. E-VOTING**

The voting period begins on Monday, 11<sup>th</sup> September 2023 from 9 AM and ends on Wednesday, 13<sup>th</sup> September 2023 at 5 PM. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 7<sup>th</sup> September 2023, i.e., the cut-off date (record date), may cast their vote electronically.

The voting rights of members shall be in proportion to their shares to the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 7<sup>th</sup> September 2023. The e-voting module shall be disabled by CDSL for voting thereafter.

The Board of directors of the Company has appointed Mr. Sriram Parthasathy, Partner, M/s. SPNP & Associates, Practicing Company Secretaries, as the Scrutinizer of AGM to scrutinize voting process in a fair and transparent manner. The Scrutinizer shall, after the conclusion of voting at the AGM unblock the votes cast through remote e-voting including e-voting on the date of AGM. Voting results of AGM will be communicated to the Stock Exchanges not later than two working days of the conclusion of the AGM. The results declared along with the Scrutinizer's Report will be uploaded on the Company's website, [www.indbankonline.com](http://www.indbankonline.com).

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

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

However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [spnpassociates@gmail.com](mailto:spnpassociates@gmail.com) and [murali@cameoindia.com](mailto:murali@cameoindia.com) with copy marked to the Company at [investors@indbankonline.com](mailto:investors@indbankonline.com)

**4. BOOK CLOSURE :**

The Register of Shareholders and the Share Transfer Register of the Company will remain closed from Friday, 8<sup>th</sup> September, 2023 to Thursday, the September 14<sup>th</sup> 2023 (both days inclusive) for the purpose of Annual General Meeting.

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

There is no unclaimed dividend as on March 31, 2023 remaining to be transferred to Investor Education and Protection Fund (IEPF).

**6. INTIMATION OF CHANGE OF NAME, ADDRESS, E MAIL ADDRESS, NOMINATIONS BY SHAREHOLDERS:**

Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, nominations, bank details.

Shareholders holding shares in physical form are requested to intimate changes, if any, in Form ISR-1 (which is available in the website of the Company, [www.indbankonline.com/investors/Investors service requests forms](http://www.indbankonline.com/investors/Investors%20service%20requests%20forms)) to the RTA by sending an email to [kyc@cameoindia.com](mailto:kyc@cameoindia.com) or [investor@cameoindia.com](mailto:investor@cameoindia.com). Alternatively, the aforesaid information may be sent by post or courier to the RTA viz, Cameo Corporate Services

Limited, Unit: Indbank Merchant banking Services Limited, Subramanian Building, 1, Club House Road, Chennai-600002. Ph: 044-40020700.

Shareholders holding shares in electronic form are requested to intimate changes, if any, to their respective Depository Participant(s).

7. GREEN INITIATIVE :

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

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

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [indbankonline.com](http://indbankonline.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTINGAND JOINING VIRTUAL MEETINGSAREAS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, 11<sup>th</sup> September 2023 from 9AM and ends on Wednesday, 13<sup>th</sup> September 2023 at 5 PM. 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) i.e. Thursday, 07.09.2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 :Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The Users to login to easi / easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and new system My easi Tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website, <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login new system My easi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/ Secure Web/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30



Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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. <ul style="list-style-type: none"> <li>● 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.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Indbank Merchant Banking Services Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@indbankonline.com](mailto:investors@indbankonline.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@indbankonline.com](mailto:investors@indbankonline.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@indbankonline.com](mailto:investors@indbankonline.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to Company/RTA email id.
  - b. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  - c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS NOT APPLICABLE AS THERE IS NO SPECIAL BUSINESS TO BE CONSIDERED IN THE AGM.**

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

**ITEM NO.2**

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors and the President and Whole Time Director of the Company are not subject to retirement by rotation. Shri Imran Amin Siddiqui, Non-executive Nominee Director of the Company, who has been longest in the office, since last appointment, is subject to retire by rotation and being eligible, offers himself for re-appointment.

A brief resume of Shri Imran Amin Siddiqui as mandated by Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 is as given below.

Shri Imran Amin Siddiqui, (DIN: 09153707), is a Nominee Director of the Company. He is presently an Executive Director of Indian Bank and he is a director in other listed entities as given below.

Details of other Directorships

Name of the company	Directorship	Committee Membership
Indian Bank	Executive Director	Stakeholders Relationship Committee – (Member)*
Ind Bank Housing Limited	Nominee Director	NIL

\* Note- For the purpose of determination of the Committee positions, only the membership in Audit Committee and Stakeholders Relationship Committee are considered. The Directorship, Committee Memberships and Chairmanships do not include positions in unlisted companies and private companies, position as an advisory board member etc.

Expertise in specific functional area

Shri Imran Amin Siddiqui, (age: 58 years) is an engineering graduate from HBTI, Kanpur and a CAIIB. He started his banking career as a field officer on 28th December 1987. He is having a diversified experience of more than 35 years in the field of banking.

He has a business development background which comes from his strategic positioning as Zonal Manager and Field General Manager in the field for almost 7 years put together in different zones like Kolkata Urban, Barasat and has headed the entire West Bengal and all of the North East states as Field General Manager. He has also worked in various verticals at the administrative offices.

At the Corporate level, he has steered the Credit Department and Credit Monitoring Department with his expertise. He was heading the Resources and Government Relationship department at Corporate Office, Chennai before his elevation.

Disclosure of relationships between directors inter-se; Nil

Shareholding in the Company: Nil

Shri Imran Amin Siddiqui, (DIN: 09153707), is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board recommends the proposal set forth in the Notice (Item No 2) for consideration and approval of the shareholders.

By Order of the Board  
for Indbank Merchant Banking Services Ltd

Sd/-  
Chitra. M A (A33512)  
Company Secretary and Compliance Officer

Place : Chennai

Date : 19.07.2023

**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 their Depository Participants and in respect of physical holdings with RTA.
- SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities before October 1, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company’s RTA, Cameo Corporate Services Limited, at investor3@cameoindia.com. Shareholders holding shares in electronic form are requested to submit the above said details to their respective DP. The forms for updating the same are available at [https://www.indbankonline.com / governance.aspx#requestforms](https://www.indbankonline.com/governance.aspx#requestforms).
- In case a shareholder holding shares in physical form fails to furnish PAN and KYC details before October 1, 2023, RTA is obligated to freeze such folios. If the securities continue to remain frozen as on December 31, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

## BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting before you the Thirty Fourth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2023.

### Operations

During the year your company has earned a gross income of Rs.2135.08 lakhs as against Rs.2445.96 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.10720.50 crores during the year as against Rs.13541.03 crores in the previous financial year. Your company also provides Depository services to institutions and retail customers and has 81898 accounts under DP operations and 37872 accounts under broking operations.

Your company reported a net profit of Rs.337.30 lakhs during the year 2022-23 as against a net profit of Rs. 685.14 lakhs in the previous year as under:

Sl.No.		FY 2022-23	FY 2021-22
1	Income from Fee based operations	1589.32	1763.08
	Of which income from Stock Broking	1244.14	1388.48
	DP	232.87	251.63
	Merchant Banking/ Mutual Funds	112.31	122.97
2	Other income	545.76	682.88
3	Total income (1+2)	2135.08	2445.96
4	Employee Expenses	758.74	692.54
5	Other expenses	415.72	323.61
6	Interest Expenses	88.90	150.68
7	Depreciation	37.13	19.91
8	Provisions for NPAs/Write off	326.07	403.91
9	Total expenses (4+5+6+7+8)	1626.56	1590.65
10	Profit before exceptional items (3-9)	508.52	855.31
11	Prior period income/Exp	0.00	0.00
12	Profit before tax (10-11)	508.52	855.31
13	Current Tax	91.22	143.40
14	MAT Tax	0.00	0.00
15	Deferred tax	67.08	15.55
16	Prior Year tax	0.00	0.00
17	Items reclassified as per IND-AS – re-measurement of the defined benefit plans	(12.92)	(11.22)
18	Net profit / Loss after tax (12-13-14-15-16+17)	337.30	685.14
19	EPS	0.79	1.57

### Dividend :

As your Company's profits are not adequate and for the reserves to be ploughed back to improve the net worth, your Directors do not recommend any dividend for the year 2022-23.

### Board Meetings :

The Board of Directors met 5 times during the year on 20.04.2022, 22.07.2022, 18.10.2022, 21.01.2023 and 28.03.2023.

**Directors and Key Managerial Personnel :**

Shri. Arun Kumar Bansal, Nominee Director of the Company submitted his resignation from the Directorship of the Company with effect from 07.06.2022 consequent to his voluntary retirement from Indian Bank. The same was taken on record by the Board of Directors in their meeting held on 22.07.2022. The Board also recorded the valuable services rendered by him during his tenure as director of the Company. Shri Sunil Jain has been appointed as a Nominee Director in his place by the Board of Directors in their meeting held on 22.07.2022.

Shri Sunil Jain is having more than 15 years of banking experience. Currently he is working as the Chief Financial Officer (CFO) of Indian Bank. He joined Indian Bank on 06.11.2006. He has also worked with credit verticals and lead corporate branches of Indian Bank. He is a Chartered Accountant and holds a Post- Graduation in Commerce and CAIIB.

Shri V Haribabu, resigned from the position of CFO as on 21.07.2022 and Shri Tausif Inamdar was appointed as CFO with effect from 22.07.2022.

**Retirement of Directors by rotation :**

Shri Imran Amin Siddiqui, Non-executive Nominee Director of the Company, who has been longest in the office since last appointment, is subject to retire by rotation and being eligible, offers himself for re-appointment.

**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, 2023.

**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 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 No. MGT 9 is annexed herewith. Annual report of the Company is placed in the website of the Company i.e., [www.indbankonline.com](http://www.indbankonline.com) under Investors > Financials > Annual Report

**Auditors:**

M/s. Brahmayya & Co, Chartered Accountants, Chennai was appointed by the Office of the Comptroller and Auditor General of India 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 2022-23.

**Auditors Observations in the Audit Report:**

There is nil observation from the Auditors.

**Secretarial Audit :**

Secretarial audit report in Form MR 3 as given by M/s. SPNP & Associates, Practising Company Secretaries, who were appointed as Secretarial Auditors for the year 2022-23 by the Board of Directors at their meeting held on 21.01.2023, is annexed to this Report and there were no adverse remarks in the said 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.

**Material Changes and commitments, if any:**

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of this report.

**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 is annexed to the Board Report. CSR Policy of the Company is placed in the website of the Company i.e., [www.indbankonline.com](http://www.indbankonline.com) under About us- policies and procedures Corporate Social Responsibility Policy.

**Policy on criteria for determining qualifications, positive attributes and independence of a director, relating to the remuneration for the directors, key managerial personnel and other employees:**

The Nomination and Remuneration Committee of the Company pursuant to section 178 of the Companies Act, 2013, has formulated the Nomination and Remuneration Policy which includes the criteria for determining qualifications, positive attributes and independence of a director, relating to the remuneration for the directors, key managerial personnel and other employees. The said Policy of the Company is placed in the website of the Company i.e., [www.indbankonline.com](http://www.indbankonline.com) under About us- policies and procedures Nomination and Remuneration Policy.

**Related Party Transactions :**

During the year under review, the transactions with related party is 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 is annexed herewith.

**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, 2023, the ICC has received no complaints pertaining to sexual harassment/ discrimination at work place.

- a. Number of complaints filed during the financial year : Nil
- b. Number of complaints disposed off during the financial year : Nil
- c. Number of Complaints pending as on end of the financial year : Nil

**Management discussion and analysis report**

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

**Formal Annual Evaluation:**

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

**Ratio of Remuneration to each Director:**

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

**Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 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 also to this report.

**Disclosures as per 134(3) read with Rule 8 of Companies (Accounts) Rules, 2014**

- i. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.
- ii. No proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31-of-2016) during the year under review.

iii. There was no onetime settlement made by the Company and therefore the disclosure regarding the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions did not arise for the year 2022-23.

**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 Board of Directors**

**Place: Chennai**

**Date: 19.07.2023**

**V. Haribabu**  
**President and Whole Time Director**  
**DIN : 09523733**

**Imran Amin Siddiqui**  
**Nominee Director**  
**DIN : 09153707**

**ANNEXURE - I**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2023

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Stock broking services	803	63.11%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Indian Bank No.66, Rajaji Salai, Chennai 600001	Not Applicable	Holding	64.84	2 (46) of the Companies Act, 2013

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

i) Category-wise Share Holding

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



<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	–	40600	40600	0.0914	0	40600	40600	0.0914	0.0000
b) Banks/FI	100	200	300	0.0006	100	200	300	0.0006	0.0000
c) Central Govt	–	–	–	–					–
d) State Govt (s)	–	–	–	–					–
e) Venture Capital Funds	–	–	–	–					–
f) Insurance Companies	–	–	–	–					–
g) FIs	–	–	–	–					–
h) Foreign Venture Capital Funds	–	–	–	–					–
i) Others (specify) Foreign Portfolio Investor (Corporate)	13	0	13	0.0000					0.0000
<b>Sub-total B (1)</b>	<b>113</b>	<b>40800</b>	<b>40913</b>	<b>0.0921</b>	<b>100</b>	<b>40800</b>	<b>40900</b>	<b>0.0921</b>	<b>0.000</b>
<b>(2) Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i. Indian	800929	25100	826029	1.8613	485646	25100	510746	1.1508	0.7104
ii. Overseas									
<b>b) Individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	8014615	180123	9815846	22.1186	8805148	1774035	10579183	23.8386	1.7200
ii. Individual shareholders holding nominal share capital more than Rs. 1 lakh	2812488	–	2812488	6.3375	2607918	0	2607918	5.8765	0.4609
<b>c) Others (specify)</b>									

i. Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii. Other Foreign Nationals	--	--	--	--	--	--	--	--	--
iii. Foreign Bodies									
iv. NRI/OCBs	257973	0	257973	0.5813	362300	0	362300	0.8163	0.2350
v. HUF/Resident HUF	326907	1	326908	0.7366	428445	1	428446	0.9654	0.2288
vi. Clearing Members/ Clearing House	459405		459405	1.0352	10669	0	10669	0.0240	(1.0111)
vii. Directors & their relatives									
viii. Trusts	--	0	6	0.0000	6	0	6	0.0000	0.0000
ix. Limited Liability Partnership		-	-	-	-	-	-	-	-
x. Foreign Port Investors folio (Corporate)	--	-	-	-	-	-	-	-	-
xi. Qualified Foreign Investor	--	-	-	-	-	-	-	-	--
xii. IEPF	1064832	0	1064832	2.3994	1064232	0	1064232	2.3980	(0.0013)
<b>Sub-Total (B)(2)</b>	<b>13737155</b>	<b>1826332</b>	<b>15563487</b>	<b>35.0701</b>	<b>13764364</b>	<b>1799136</b>	<b>15563500</b>	<b>35.0701</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+(2)</b>	<b>13737268</b>	<b>1867132</b>	<b>15604400</b>	<b>35.1623</b>	<b>13764464</b>	<b>1839936</b>	<b>15604400</b>	<b>35.1623</b>	<b>0.0000</b>
<b>C. Shares held by Custodians for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	--
<b>Grand Total (A+B+C)</b>	<b>42511068</b>	<b>1867132</b>	<b>44378200</b>	<b>100.0000</b>	<b>42538264</b>	<b>1839936</b>	<b>44378200</b>	<b>100.0000</b>	<b>0.0000</b>

**(ii) Shareholding of Promoters**

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

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

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

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (MINISTRY OF CORPORATE AFFAIRS)				
	At the beginning of the year 01-Apr-2022	1064832	2.3994	1064832	2.3994
	Sale 15-Apr-2022	-100	0.0002	1064732	2.3992

	Sale 29-Jul-2022	-100	0.0002	1064632	2.3989
	Sale 26-Aug-2022	-100	0.0002	1064532	2.3987
	Sale 09-Dec-2022	-100	0.0002	1064432	2.3985
	Sale 13-Jan-2023	-200	0.0004	1064232	2.3980
	At the end of the Year 31-Mar-2023	1064232	2.3980	1064232	2.3980
2	MAHENDRA GIRDHARILAL				
	At the beginning of the year 01-Apr-2022	300000	0.6760	300000	0.6760
	Sale 24-Jun-2022	-98013	0.2208	201987	0.4551
	Sale 30-Jun-2022	-96567	0.2176	105420	0.2375
	Sale 01-Jul-2022	-3694	0.0083	101726	0.2292
	Sale 08-Jul-2022	-21445	0.0483	80281	0.1809
	Sale 15-Jul-2022	-30654	0.0690	49627	0.1118
	Sale 22-Jul-2022	-36275	0.0817	13352	0.0300
	Sale 29-Jul-2022	-3300	0.0074	10052	0.0226
	Sale 05-Aug-2022	-10000	0.0225	52	0.0001
	At the end of the Year 31-Mar-2023	52	0.0001	52	0.0001
3	R L P SECURITIES				
	At the beginning of the year 01-Apr-2022	263000	0.5926	263000	0.5926
	Sale 08-Apr-2022	-263000	0.5926	-263000	0.0000
	At the end of the Year 31-Mar-2023	0	0.0000	0	0.0000
4	MARWADI SHARES & FINANCE LIMITED				
	At the beginning of the year 01-Apr-2022	232448	0.5237	232448	0.5237
	Sale 29-Apr-2022	-4579	0.0103	227869	0.5134
	Sale 06-May-2022	-5000	0.0112	222869	0.5022
	Sale 13-May-2022	-35147	0.0791	187722	0.4230
	Sale 22-Jul-2022	-10000	0.0225	177722	0.4004
	Sale 12-Aug-2022	-25000	0.0563	152722	0.3441
	Sale 02-Sep-2022	-10000	0.0225	142722	0.3216
	Sale 09-Sep-2022	-10000	0.0225	132722	0.2990
	Sale 16-Sep-2022	-10000	0.0225	122722	0.2765
	Sale 20-Sep-2022	-45000	0.1014	77722	0.1751
	Sale 30-Sep-2022	-10000	0.0225	67722	0.1526
	Sale 25-Nov-2022	-10000	0.0225	57722	0.1300
	Sale 09-Dec-2022	-5000	0.0112	52722	0.1188
	Sale 16-Dec-2022	-35588	0.0801	17134	0.0386
	Sale 30-Dec-2022	-7000	0.0157	10134	0.0228
	Sale 06-Jan-2023	-10134	0.0228	0	0.0000
	At the end of the Year 31-Mar-2023	0	0.0000	0	0.0000
	HAVING SAME PAN				
4	MARWADI SHARES AND FINANCE LTD.				
	At the beginning of the year 01-Apr-2022	2380	0.0053	2380	0.0053
	Purchase 01-Apr-2022	500	0.0011	2880	0.0064
	Sale 08-Apr-2022	-2680	0.0060	200	0.0004
	Purchase 15-Apr-2022	941	0.0021	1141	0.0025

	Sale 22-Apr-2022	-941	0.0021	200	0.0004
	Purchase 29-Apr-2022	15300	0.0344	15500	0.0349
	Sale 06-May-2022	-8502	0.0191	6998	0.0157
	Purchase 13-May-2022	18052	0.0406	25050	0.0564
	Sale 20-May-2022	-24850	0.0559	200	0.0004
	Sale 27-May-2022	-200	0.0004	0	0.0000
	Purchase 17-Jun-2022	275	0.0006	275	0.0006
	Purchase 24-Jun-2022	25	0.0000	300	0.0006
	Sale 30-Jun-2022	-300	0.0006	0	0.0000
	Purchase 15-Jul-2022	8270	0.0186	8270	0.0186
	Purchase 22-Jul-2022	21730	0.0489	30000	0.0676
	Sale 29-Jul-2022	-30000	0.0676	0	0.0000
	Purchase 05-Aug-2022	53971	0.1216	53971	0.1216
	Sale 12-Aug-2022	-53971	0.1216	0	0.0000
	Purchase 26-Aug-2022	665	0.0014	665	0.0014
	Sale 02-Sep-2022	-665	0.0014	0	0.0000
	Purchase 09-Sep-2022	22906	0.0516	22906	0.0516
	Purchase 16-Sep-2022	8794	0.0198	31700	0.0714
	Purchase 20-Sep-2022	18312	0.0412	50012	0.1126
	Sale 23-Sep-2022	-49512	0.1115	500	0.0011
	Sale 30-Sep-2022	-500	0.0011	0	0.0000
	At the end of the Year 31-Mar-2023	0	0.0000	0	0.0000
5	MARWADI METALS AND MINERALS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2022	232448	0.5237	232448	0.5237
	Sale 29-Apr-2022	-4579	0.0103	227869	0.5134
	Sale 06-May-2022	-5000	0.0112	222869	0.5022
	Sale 13-May-2022	-35147	0.0791	187722	0.4230
	Sale 22-Jul-2022	-10000	0.0225	177722	0.4004
	Sale 05-Aug-2022	-25000	0.0563	152722	0.3441
	Sale 02-Sep-2022	-10000	0.0225	142722	0.3216
	Sale 09-Sep-2022	-20000	0.0450	122722	0.2765
	Sale 16-Sep-2022	-20000	0.0450	102722	0.2314
	Sale 20-Sep-2022	-25000	0.0563	77722	0.1751
	Sale 30-Sep-2022	-10000	0.0225	67722	0.1526
	Sale 25-Nov-2022	-10000	0.0225	57722	0.1300
	Sale 09-Dec-2022	-5000	0.0112	52722	0.1188
	Sale 16-Dec-2022	-3558	80.0801	17134	0.0386
	Sale 30-Dec-2022	-7000	0.01571	10134	0.0228
	Sale 06-Jan-2023	-10134	0.0228	0	0.0000
	At the end of the Year 31-Mar-2023	0	0.0000	0	0.0000
6	UMANG MAHENDRA SHAH JT1 : HIRAL PARAS SHAH				
	At the beginning of the year 01-Apr-2022	215729	0.4861	215729	0.4861
	Sale 29-Apr-2022	-61240	0.1379	154489	0.3481

	Sale 06-May-2022	-11248	0.0253	143241	0.3227
	Sale 13-May-2022	-16208	0.0365	127033	0.2862
	Sale 15-Jul-2022	-11004	0.0247	116029	0.2614
	Sale 22-Jul-2022	-10420	0.0234	105609	0.2379
	Sale 05-Aug-2022	-28821	0.0649	76788	0.1730
	Sale 02-Sep-2022	-5000	0.0112	71788	0.1617
	Sale 09-Sep-2022	-12906	0.0290	58882	0.1326
	Sale 16-Sep-2022	-10000	0.0225	48882	0.1101
	Sale 21-Oct-2022	-842	0.0018	48040	0.1082
	Sale 09-Dec-2022	-29884	0.0673	18156	0.0409
	Sale 16-Dec-2022	-18156	0.0409	0	0.0000
	At the end of the Year 31-Mar-2023	0	0.0000	0	0.0000
7	ANGURI DEVI JT1 : MAHESH KUMAR AGARWAL				
	At the beginning of the year 01-Apr-2022	127000	0.2861	127000	0.2861
	At the end of the Year 31-Mar-2023	127000	0.2861	127000	0.2861
8	VAIDYANATHAN SUNDARESAN				
	At the beginning of the year 01-Apr-2022	111300	0.2507	111300	0.2507
	At the end of the Year 31-Mar-2023	111300	0.2507	111300	0.2507
9	MOTILAL OSWAL FINANCIAL				
	At the beginning of the year 01-Apr-2022	100050	0.2254	100050	0.2254
	Sale 01-Apr-2022	-100050	0.2254	0	0.0000
	Purchase 08-Apr-2022	11588	0.0261	11588	0.0261
	Purchase 15-Apr-2022	3944	0.0088	15532	0.0349
	Sale 22-Apr-2022	-15374	0.0346	158	0.0003
	Purchase 29-Apr-2022	13229	0.0298	13387	0.0301
	Sale 06-May-2022	-12378	0.0278	1009	0.0022
	Purchase 13-May-2022	2649	0.0059	3658	0.0082
	Sale 20-May-2022	-2423	0.0054	1235	0.0027
	Sale 27-May-2022	-826	0.0018	409	0.0009
	Sale 03-Jun-2022	-346	0.0007	63	0.0001
	Sale 10-Jun-2022	-44	0.0000	19	0.0000
	Sale 17-Jun-2022	-19	0.0000	0	0.0000
	Purchase 24-Jun-2022	468	0.0010	468	0.0010
	Purchase 30-Jun-2022	530	0.0011	998	0.0022
	Sale 01-Jul-2022	-897	0.0020	101	0.0002
	Sale 08-Jul-2022	-101	0.0002	0	0.0000
	Purchase 15-Jul-2022	70	0.0001	70	0.0001
	Purchase 22-Jul-2022	330	0.0007	400	0.0009
	Sale 29-Jul-2022	-399	0.0008	1	0.0000
	Sale 05-Aug-2022	-1	0.0000	0	0.0000
	Purchase 12-Aug-2022	4094	0.0092	4094	0.0092
	Sale 19-Aug-2022	-2695	0.0060	1399	0.0031
	Sale 26-Aug-2022	-699	0.0015	700	0.0015

	Sale 02-Sep-2022	-344	0.0007	356	0.0008
	Sale 09-Sep-2022	-356	0.0008	0	0.0000
	Purchase 16-Sep-2022	4	0.0000	4	0.0000
	Purchase 20-Sep-2022	1896	0.0042	1900	0.0042
	Sale 23-Sep-2022	-1451	0.0032	449	0.0010
	Sale 30-Sep-2022	-335	0.0007	114	0.0002
	Sale 07-Oct-2022	-114	0.0002	0	0.0000
	Purchase 21-Oct-2022	200	0.0004	200	0.0004
	Sale 28-Oct-2022	-50	0.0001	150	0.0003
	Sale 04-Nov-2022	-150	0.0003	0	0.0000
	Purchase 18-Nov-2022	66	0.0001	66	0.0001
	Purchase 25-Nov-2022	707	0.0015	773	0.0017
	Sale 02-Dec-2022	-647	0.0014	126	0.0002
	Purchase 09-Dec-2022	599	0.0013	725	0.0016
	Purchase 16-Dec-2022	1145	0.0025	1870	0.0042
	Purchase 23-Dec-2022	16847	0.0379	18717	0.0421
	Sale 30-Dec-2022	-18457	0.0415	260	0.0005
	Purchase 06-Jan-2023	280	0.0006	540	0.0012
	Sale 13-Jan-2023	-540	0.0012	0	0.0000
	Purchase 20-Jan-2023	4	0.0000	4	0.0000
	Purchase 27-Jan-2023	246	0.0005	250	0.0005
	Sale 03-Feb-2023	-243	0.0005	7	0.0000
	Sale 10-Feb-2023	-7	0.0000	0	0.0000
	Purchase 24-Feb-2023	100	0.0002	100	0.0002
	Sale 03-Mar-2023	-100	0.0002	0	0.0000
	Purchase 10-Mar-2023	3	0.0000	3	0.0000
	Purchase 17-Mar-2023	215	0.0004	218	0.0004
	Sale 24-Mar-2023	-108	0.0002	110	0.0002
	Sale 31-Mar-2023	-76	0.0001	34	0.0000
	At the end of the Year 31-Mar-2023	34	0.0000	34	0.0000
10	JYOTI HARESH SHAH JT1 : HARESH BABULAL SHAH				
	At the beginning of the year 01-Apr-2022	99500	0.2242	99500	0.2242
	At the end of the Year 31-Mar-2023	99500	0.2242	99500	0.2242

#### IV) 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 - 22.70 lakhs Contribution to PF - 1.25 lakhs Total - 23.95 lakhs	Mr. V. Haribabu President & Whole Time Director
	Ceiling as per the Act	Rs.29.75 Lakhs

### B. Remuneration to other Directors:

#### 1. Independent Directors

Rs. Lakhs

Sl.No	Particulars of Remuneration	Name of Directors				Total
		Shri G R Sundara vadivel	Smt. Chitra Murali	Shri Vaijinath Gavarshetty	Shri Satish Kumar Kalra	
1	Fee for attending Board/Committee meetings	1.41	1.44	1.41	1.41	5.67



2.	Commission	--		--		--
3	Others, please specify	--		--		--
	<b>Total B (1)</b>	1.41	1.44	1.41	1.41	5.67

## 2. Other Non Executive Directors

Sl.No	Particulars of Remuneration	Name of the Directors	
		Shri. Imran Amin Siddiqui	Shri Sunil Jain
1	Fee for attending Board/Committee meetings	NIL	
2.	Commission		
3	Others, please specify		
	<b>Total B (1)</b>		

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Vice President & CFO (From 22.07.2022)	Company Secretary & Compliance Officer	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the IT Act, 1961	11.18	12.19	23.37
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	■ Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- As % of profit	--	--	--
	- Others, specify	--	--	--
5.	Others,(specify)	--	--	--
	<b>Total ( C )</b>	<b>11.18</b>	<b>12.19</b>	<b>23.37</b>

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

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

**Form No.MR-3**

## SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023

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

To,

The Members

Indbank Merchant Banking Services Limited

480, Anna Salai

Chennai – 600 035

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

Based on my verification of Indbank Merchant Banking Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 according to the provisions of:

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

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

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

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

**I further report that**

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

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

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws,

Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them., rules, regulations and guidelines.

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

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

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc

Place: Chennai

**For SPNP & Associates**

Date: 27.05.2023

Nithya Pasupathy  
FCS No.: 10601  
C P No.: 22562  
Peer Review No.:1913/2022  
UDIN: F010601E000397064

### **Annexure A**

The Members

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

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

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

Place: Chennai

**For SPNP & Associates**

Date: 27.05.2023

Nithya Pasupathy  
FCS No.: 10601  
C P No.: 22562  
Peer Review No.:1913/2022  
UDIN: F010601E000397064

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

1. A Brief outline of the Company's CSR policy:

Corporate Social Responsibility Policy (CSR) of the Company 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, the Company 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 would pertain to all activities undertaken by the Company 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.

Weblink: [www.indbankonline.com](http://www.indbankonline.com) ---> Policies and Procedure ---> Corporate Social Responsibility

2. Composition of CSR Committee:

Section 135 (9) of the Companies Act, 2013 which was inserted by the Companies (Amendment) Act, 2020 which came to effect from 22.02.2021, excluded the companies which spend less than Rs.50 lakhs as CSR contribution in a year, for constitution of CSR Committee and the functions of the such Committee shall be discharged by the Board of Directors of the Company.

As per the above amendment, the Company is not required to form or continue the CSR committee and therefore the Company's existing CSR Committee was disposed as per the resolution passed at the Board Meeting held on 12<sup>th</sup> April 2021.

3. Details of Web-link where CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

CSR Policy: [www.indbankonline.com](http://www.indbankonline.com) ---> Policies and Procedure ---> Corporate Social Responsibility Policy

CSR Projects approved by Board [www.indbankonline.com](http://www.indbankonline.com) ---> About Us ---> Investors ---> Disclosure of CSR Projects approved by Board

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not applicable.

5. a. Average Net Profit of the Company as per section 135(5) – Rs.6,67,58,974.24/-

b. Two percent of average net profit of the company as per sub-section (5) of section 135. – Rs.13,35,179/-

c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.- Not Applicable

d. Amount required to be set-off for the financial year, if any.-Not Applicable

e. Total CSR obligation for the financial year [(b)+(c)-(d)]- Rs.13,35,179/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). NA

(b) Amount spent in Administrative Overheads-NA

(c) Amount spent on Impact Assessment, if applicable- NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]- Rs.13,35,179/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.10,89,000/- to M/s. Anandam Medical Care Centre run by Anandam Trust, Ambattur, Chennai on 23.02.2023	Nil	NA	Prime Minister's National Relief Fund	Rs.2,46,179/-	15.06.2023
<b>Total Amount Spent - Rs.10,89,000/- + Rs.2,46,179/- = Rs.13,35, 179/-</b>					

f. Excess amount for set-off, if any: Not Applicable

Sl.No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	NA
ii.	Total amount spent for the Financial Year	NA
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year (Rs in .lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount (Rs. in lakhs)	Date of transfer.	
1.	2019-20	Nil	7.49	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund)	7.49	06.08.2020	Nil
2.	2020-21	Nil	5.63	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund)	5.63	01.03.2021	Nil
3.	2021-22	Nil	Not Applicable	NA	NA	-	Nil
<b>Total</b>							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year – Not Applicable

- (a) Date of creation or acquisition of the capital asset(s). – Not Applicable  
 (b) Amount of CSR spent for creation or acquisition of capital asset. – Not Applicable  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent the CSR amount of Rs.10,89,000/- (Rupees Ten Lakhs Eighty Nine Thousand only) for FY 2022-23 to M/s. Anandam Medical Care Centre run by Anandam Trust, Ambattur, Chennai as approved by the Board of directors of the Company at their meeting held on 21.01.2023.

During the statutory audit, Auditors have identified an error in calculating the average of three year's net profit which results in a shortage of Rs.2, 46, 179/- (Rupees Two Lakhs Forty Six Thousand One Hundred and Seventy Nine) in the CSR contribution for the FY 2022-23. As per provisions of Section 135 of the Companies Act 2013, the Company was required to transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Accordingly the said difference of CSR Fund amounting to Rs.2, 46, 179/- (Rupees Two Lakhs Forty Six Thousand One Hundred and Seventy Nine) was spent towards Prime Minister's National Relief Fund on 15.06.2023 as approved by the Board at its meeting held on 21.04.2023.

Place: Chennai

Date: 19.07.2023

**V. Haribabu**  
**President & Whole Time Director**  
**DIN : 09523733**

**ANNEXURE – 1**

**Ratio of Remuneration**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; The Directors other than President & Whole Time Director & Nominee Directors are not drawing any remuneration other than sitting fees. Hence the computation relates to the remuneration of President & Whole Time Director in relation to the median remuneration of the employee.	3.48
(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 - (0.14%) Vice President & CFO - 0.13%. Company Secretary & Compliance Officer - 0.37%.
(iii) the percentage increase in the median remuneration of employees in the financial year;	(0.02)
(iv) the number of permanent employees on the rolls of company;	82
(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 11.83% and 34.25% 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.

**FORM NO. AOC -2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	M/s. INDIAN BANK, Holding Entity	M/s. IND BANK HOUSING LIMITED, Fellow subsidiary
b)	Nature of contracts/arrangements/transaction	NA	NA
c)	Duration of the contracts/arrangements/transaction	NA	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA	NA
f)	Date of approval by the Board	NA	NA
g)	Amount paid as advances, if any	NA	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	M/s. INDIAN BANK, Holding Entity	M/s. IND BANK HOUSING LIMITED, Fellow subsidiary
b)	Nature of contracts/arrangements/transaction	Interest paid on Borrowings Rs.16.42 Lakhs Interest received on Deposits : Rs.246.93 Lakhs Rent paid : Rs.23.58 Lakhs Commission received on DSA Business: Rs.9.96 Lakhs	NA
c)	Duration of the contracts / arrangements / transaction	NA	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA	NA
e)	Date of approval by the Board	Approval of Board was applicable only for the transaction related to DSA Business. The said transaction was approved by the Board at its meeting held on 28th March 2022.	NA
f)	Amount paid as advances, if any	NA	NA

for and on behalf of Board of Directors

V. Haribabu  
 President and Whole Time Director  
 DIN : 09523733

Imran Amin Siddiqui  
 Nominee Director  
 DIN : 09153707



## 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 2023. 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 (including one Independent Woman Director)	4

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 Board of the Company is of the Opinion that the Independent Directors fulfil the conditions specified in the listing regulations and are independent of the management.

Disclosure pursuant to Part-C (2)(j) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of resignation of Independent Directors before the expiry of his / her tenure is not applicable, as none of the Independent Directors resigned before expiry of their tenure.

The names of the Directors and the details of other chairmanship/directorship/ committee membership of each Director as on 31<sup>st</sup> March 2023 is given below:

Name of Director	Category	Number of Directorships in other listed entities		Number of Committee Memberships in other listed entities		Details of Directorship in other listed entities other than Indbank Merchant Banking Services Limited
		Chairman	Member	Chairman	Member	
1. Shri G R Sundaravadivel	Independent Director	--	1	--	1	Independent Director in Ind Bank Housing Limited
2. Smt. Chitra Murali	Independent Director	--	--	--	--	NIL
3. Shri.Vaijinath Gavarshetty	Independent Director	--	1	--	--	Independent Director in GIC Housing Finance Limited
4. Shri Imran Amin Siddiqui	Nominee Director (Indian Bank)	--	2	--	1	1, Executive Director in Indian Bank. 2. Nominee Director in Ind Bank Housing Limited
5. Shri Satish Kumar Kalra	Independent Director	--	3	1	2	Independent Director in 1.PNB Gilts Limited 2.Can Fin Homes Limited and 3.J.K. Cement Limited
6. Shri V. Haribabu	President & Whole Time Director-Nominated by Indian Bank	--	1	---	1	Managing Director in Ind Bank Housing Limited
7. Shri Sunil Jain	Nominee Director (Indian Bank)		1		1	Nominee Director in Ind Bank Housing Limited

Notes:

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

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

S.No	Name of the Director	Skills / Experience/ Competencies
1.	G.R Sundaravadivel	Banking, Securities Market, Accounts, Finance
2.	Chitra Murali	Accounts, Audit, Securities Market
3.	Vaijinath Gavarshetty	Banking, Accounts, Finance, Retail loan, Securities Market
4.	Imran Amin Siddiqui	Banking, Accounts, Finance, Securities Market
5.	Satish Kumar Kalra	Banking, Accounts, Finance, Securities Market
6.	V. Haribabu	Banking, Securities Market, Accounts, Finance
7.	Sunil Jain	Banking, Accounts, Finance, Securities Market

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

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant TO Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
 The Members of  
 INDBANK MERCHANT BANKING SERVICES LIMITED  
 I FLOOR, KHIVRAJ COMPLEX I NO.480, ANNA SALAI, NANDANAM  
 CHENNAI 600035

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. INDBANK MERCHANT BANKING SERVICES LIMITED having CIN: L65191TN1989PLC017883 and having registered office at I Floor, Khivraj Complex I No.480, Anna Salai, Nandanam Chennai 600035 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	NAME OF DIRECTOR	DIN	DESIGNATION	Date Of Appointment In The Company
1	IMRAN AMIN SIDDIQUI	09153707	Non-Executive – Nominee Director	30-09-2021
2	GANAPATHY RAMASAMY SUNDARAVADIVEL	00353590	Non Executive – Independent Director	20-11-2013
3	CHITRA MURALI	06751105	Non Executive – Independent Director	20-11-2013
4	VAIJINATH GAVARSHETTY	08502484	Non Executive – Independent Director	19-07-2019
5	SATISH KUMAR KALRA	01952165	Non Executive –Independent Director	30-11-2021
6	V. HARIBABU	09523733	Executive-Nominee Director	28-02-2022
7	SUNIL JAIN	09665264	Non-Executive – Nominee Director	22-07-2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate 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 SPNP & Associates**

S/d/-  
 Nithya Pasupathy  
 FCS No.: 10601  
 C P No.: 22562

Place: Chennai  
 Date: 27.05.2023

Peer Review No.:1913/2022  
 UDIN: F010601E000396800

b. Board Meetings and Attendance at Board Meetings:

The Board met 5 times during the financial year 2022-23. The Board of Directors of the Company had met within the time gap of one hundred and twenty days.

The relevant details are as under:

S.No	Date	Board Strength	No. of Directors present
1	20.04.2022	7	7
2	22.07.2022	6	6
3	18.10.2022	7	7
4	21.01.2023	7	7
5	28.03.2023	7	6

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

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

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

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

S. No.	Name	No. of Board Meetings entitled to attend	No. of Board Meetings attended	Attended the last AGM as on 27th September 2022
1	Shri Arun Kumar Bansal (up to 07.06.2022)	1	1	NA
2	Shri G R Sundaravadivel	5	5	Yes
3	Smt. Chitra Murali	5	4	Yes
4	Shri Vajjinath Gavarshetty	5	5	Yes
5	Shri. Imran Amin Siddiqui	5	5	Yes
6	Shri. Satish Kumar Kalra	5	5	Yes
7	Shri. V Haribabu	5	5	Yes
8	Shri Sunil Jain (w.e.f 22.07.2022)	3	3	Yes

**e) Familiarization Programme:**

Pursuant to Regulation 25(7) of the Listing Regulations, all new Independent Directors inducted on the Board were given an orientation program. Presentations were made to give 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 as following: [www.indbankonline.com](http://www.indbankonline.com) under About us- policies and procedures Familiarization Programme for Independent Directors.

For FY 2022-23, Familiarisation Program was conducted on 28.03.2023 for the Independent Directors of the Company.

### 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 2023:

Name of the Director	Position
Shri G R Sundaravadivel	Chairman
Smt. Chitra Murali	Member
Shri Vaijinath Gavarshetty	Member
Shri Arun Kumar Bansal (up to 07.06.2022)	Member
Shri Satish Kumar Kalra	Member
Shri Sunil Jain (w.e.f 22.07.2022)	Member

As on 31st March 2023 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 5 times during the year on 20-04-2022, 22-07-2022, 18-10-2022, 21-01-2023 and 28-03-2023. The details are as follows:

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

Name of the Director	No. of Meetings entitled to attend	Number of audit committee meetings attended
Shri G R Sundaravadivel	5	5
Smt Chitra Murali	5	4
Shri Va ijinath Gavarshetty	5	5
Shri Arun Kumar Bansal (up to 07.06.2022)	1	1
Shri Satish Kumar Kalra	5	5
Shri Sunil Jain (w.e.f 22.07.2022)	3	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

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

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

#### **b. Composition:**

The Nomination & Remuneration Committee comprised of the following directors for the year ended 31st March 2023:

Name of the Director	Position
Smt. Chitra Murali	Chairperson
Shri G R Sundaravadivel	Member
Shri Vaijinath Gavarshetty	Member
Shri Arun Kumar Bansal (up to 07.06.2022)	Member
Shri Satish Kumar Kalra	Member
Shri Sunil Jain (w.e.f 22.07.2022)	Member

As on 31st March 2023, the committee comprised of four independent directors and one nominee director. Smt. Chitra Murali, is the Chairperson of the committee. Shri G R Sundaravadivel, Shri Vaijinath Gavarshetty, Shri Satish Kumar Kalra and Shri Sunil Jain are the other members. The Company Secretary is the secretary to the committee.

#### **c. Meetings and Attendance**

The Committee met only once on 22.07.2022 during the financial year 2022-23. The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	No. of Meetings entitled to attend	Number of N& R committee meetings attended
Shri G R Sundaravadivel	1	1
Shri Vaijinath Gavarshetty	1	1
Smt Chitra Murali	1	1
Shri Arun Kumar Bansal (up to 07.06.2022)	NA	NA
Shri Satish Kumar Kalra	1	1
Shri Sunil Jain (w.e.f 22.07.2022)	NA	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, during their meeting held on 21.01.2023.

### **5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Committee is not required to be constituted as mandated under Section 135 (3) of the Companies Act, 2013 as per Section 135 of Companies Act, 2013.

### **6. REMUNERATION OF DIRECTORS**

#### **a. REMUNERATION POLICY:**

The Remuneration Policy of the company provides for the following:

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

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

Of the total 7 directors, one is President & Whole Time Director. The President & Whole Time Director of the company is on deputation from Indian Bank and the remuneration is in accordance with the service rules of Indian Bank and also in terms of appointment as Whole Time Director by the members of the company. The non-executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**1. Managerial Remuneration:**

Rs. Lakhs

Name	Designation		2022-23	2021-22
Mr. V. Haribabu	President & Whole Time Director	Salary Benefits Bonuses Pension Performance Linked Incentive Stock Option, If any	22.70	13.47
		Contribution to PF	1.25	0.10
Mr. Tausif Inamdar (from 22nd July 2022)	Vice - President & CFO	Salary Benefits Bonuses Pension Performance Linked Incentive Stock Option, If any	11.18	NA
		Contribution to PF	0.90	NA
Mrs. Chitra. M.A	Company Secretary & Compliance Officer	Salary Benefits Bonuses Pension Performance Linked Incentive Stock Option, If any	12.19	2.22
		Contribution to PF	1.31	0.24

**2. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2022-23**

(Rs.)

Name of the Director	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting	Independent Directors meeting	Stakeholders' Relationship Committee Meeting	Total
Shri G R Sundaravadivel	72000	54000	6000	9000	0	141000
Smt. Chitra Murali	60000	45000	6000	9000	24000	144000
Shri Vaijinath Gavarshetty	72000	54000	6000	9000	0	141000
Shri Satish Kumar Kalra	72000	54000	6000	9000	0	141000
<b>Total</b>	<b>276000</b>	<b>207000</b>	<b>24000</b>	<b>36000</b>	<b>24000</b>	<b>567000</b>

There were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2023.

### 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 2023

None of the directors hold shares in the Company.

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

## 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

- 1 Approval of share 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 2023:

Name of the Director	Position
Smt Chitra Murali	Chairperson
Shri Arun Kumar Bansal (up to 07.06.2022)	Member
Shri. V. Haribabu	Member
Shri Sunil Jain (w.e.f 22.07.2022)	Member

As on 31st March 2023, Smt. Chitra Murali, Non-executive Independent Director is the Chairperson of the committee. Shri. V. Haribabu and Shri. Sunil Jain are the other members of the committee.

The committee met regularly to approve share transmissions, issue of duplicate share certificates, re-materialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 13 times during the year 2022-23.

The details of Members participation at the Meeting of the Committee are as under:

Name of the Director	No.of Meetings entitled to attend	Number of committee meetings attended
Smt Chitra Murali	13	13
Shri Arun Kumar Bansal	2	2
Shri V. Haribabu	13	13
Shri Sunil Jain	10	9



### Complaints received and redressed during the year 2022-23

S.No.	Nature of Complaints	Number of Complaints	No of Complaints redressed
1	Regarding annual report	Nil	NA
2	Revalidation of dividend warrant	Nil	NA
3	Issue of duplicate share certificate	Nil	NA
4	Issue of duplicate dividend warrant	Nil	NA
5	Procedure for transmission	Nil	NA
6	General queries - IEPF	Nil	NA
7	Non receipt of refund order	Nil	NA
8	Non receipt of dividend	Nil	NA
9	Correction in share certificate	Nil	NA
10	Change of address	Nil	NA
11	Unclaimed dividend	Nil	NA
12	Correction in dividend cheque	Nil	NA
13	Sending physical copy of Annual Report	Nil	NA
14	Regarding demat of shares	01	01
	Total pending Comp lains, if any	Nil	Nil

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. Mrs. Chitra.MA, Company Secretary is the Compliance Officer of the Company.

### 8. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 07.02.2023 to review the performance of non-Independent Directors and the Board as a whole, to review the performance of the President & Whole Time Director of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

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

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

Venue	Financial Year	Date & Time
Held through Video Conferencing	2019-20	29 <sup>th</sup> September, 2020 at 11 AM
Held through Video Conferencing	2020-21	27 <sup>th</sup> September, 2021 at 12 Noon
Held through Video Conferencing	2021-22	27 <sup>th</sup> September, 2022 at 11 AM

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

AGM/EGM	Subject
33 <sup>rd</sup> AGM held on 27.09.2022	<ul style="list-style-type: none"> <li>To appoint Shri Satish Kumar Kalra as an Independent Director of the Company</li> </ul>
32 <sup>nd</sup> AGM held on 27.09.2021	<ul style="list-style-type: none"> <li>To waive the excess remuneration paid, against the ceiling prescribed under the Companies Act, 2013 to (Late) Sessa Sai PLVK, DIN 0192892, earlier President and Whole Time Director of the Company.</li> </ul>
31 <sup>st</sup> AGM held on 29.09.2020	No special Resolution was passed at the AGM

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

As per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Company has provided the facility of remote e-voting and e-voting at the meeting of the shareholders to enable them to cast their vote electronically on the resolutions proposed in the notice of 33<sup>rd</sup> AGM. The remote e-voting period began at 24<sup>th</sup> September 2022 at 9 Am and ended at 26<sup>th</sup> September 2022 at 5 PM. All the resolutions proposed in the AGM notice were duly approved by the shareholders of the Company.

**d. Postal Ballot, if any:**

There was one postal ballot conducted by the Company during the FY 2022-23.

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), read with the Companies (Management and Administration) Rules, 2014 ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021 and other relevant circulars and notifications issued by the Ministry of Corporate Affairs and other applicable laws and regulations (including any statutory modification or re-enactment thereof for the time being in force) Postal Ballot was conducted through electronic means (remote e-voting) only to seek approval of the Members for the resolutions as prescribed in the Postal Ballot Notice dated April, 20, 2022.

The Postal Ballot Notice dated April, 20, 2022 was sent only in electronic form to the Members whose names appeared in the Register of Members as on Friday, the 22nd April 2022 ("Cut-off date") and who have already registered their email IDs, for receipt of documents in electronic form with the Company/DP. Three ordinary resolutions were passed for the following businesses:

1. To regularise the appointment of Shri. V. Haribabu, (DIN: 09523733), as a Director.
2. To appoint Shri. V. Haribabu (DIN: 09523733), as President and Whole-Time Director of the Company.
3. To approve 'Material Related Party Transaction' with Indian Bank.

Period of Postal Ballot	Friday, the 29th April, 2022 (10:00 am) and ends on Saturday, 28th May, 2022 (5:00 pm)
Mode	E-Voting
Details of person who conducted the postal ballot exercise	Ms. Nithya Pasupathy, Partner, M/s SPNP & Associates, Practicing Company Secretaries, Chennai was appointed as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.
Whether any special resolution passed through postal ballot-details of Voting Pattern;	No.

## 10. MEANS OF COMMUNICATION

- a. Quarterly / half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (English) and Makkal Kural (Vernacular).
- b. The company's website address is: [www.indbankonline.com](http://www.indbankonline.com) The website contains basic information about the company and such other details as required under SEBI (LODR) Regulations, 2015. The company ensures periodical updation of its website. The company has designated the email-id [investors@indbankonline.com](mailto:investors@indbankonline.com) to enable the shareholders to register their grievances.
- 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
- e. There was no official news releases given by the Company during the FY under review.

## 11. GENERAL INFORMATION TO SHAREHOLDERS

### a. Annual General Meeting

Date and time:	14.09.2023 at 11 AM
Venue:	Through Video Conference
Book Closure Date :	08.09.2023 to 14.09.2023
Financial Year:	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023

### b. Board Meetings during the Financial Calendar 2023-2024 (tentative)

1 <sup>st</sup> Quarter	In the third week of July 2023
2 <sup>nd</sup> Quarter	In the third week of October 2023
3 <sup>rd</sup> Quarter	In the third week of January 2024
4 <sup>th</sup> Quarter	In the third week of April 2024

### c. Particulars of Dividend for the year ended 31.03.2023 – Nil

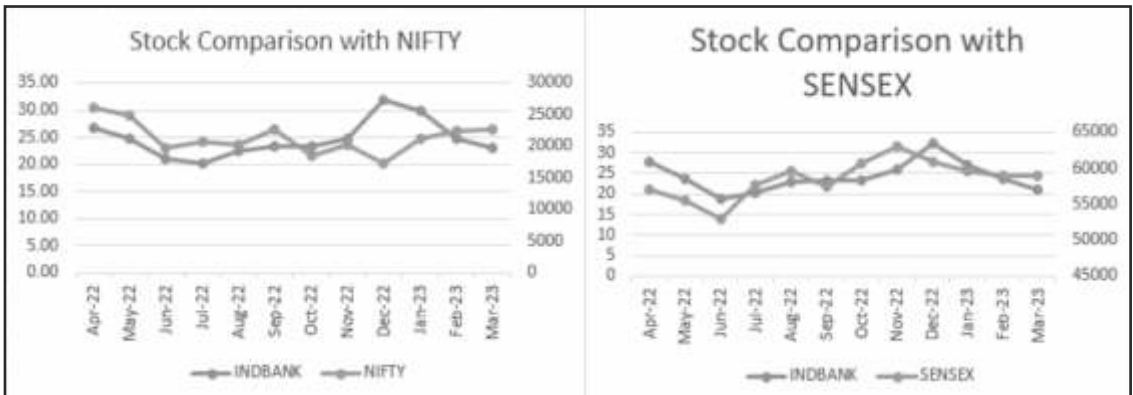
#### a. Listing of Shares

The company's shares are listed in Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Listing fees for the financial year 2022-23 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 – 01	511473
The National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	INDBANK

### e. Stock Market Data

Market price data								
Performance in comparison with stock exchange index								
Month	Indbank Merchant Banking Services Ltd				BSE Sensex		NSE Nifty	
	NSE		BSE		BSE		NSE	
	High	Low	High	Low	High	Low	High	Low
April 2022	31.45	21.80	31.45	21.80	60845.10	56009.07	18114.65	16824.70
May 2022	29.80	22.05	29.85	21.2	57184.21	52632.48	17132.85	15735.75
June 2022	25.09	17.07	24.95	17.65	56432.65	50921.22	16793.85	15183.40
July 2022	21.75	18.50	24.80	18.5	57619.27	52094.25	17172.80	15511.05
August 2022	24.95	20.40	25.95	20.35	60411.20	57367.47	17968.45	17154.8
September 2022	27.20	21.75	27.00	20.60	60676.12	56147.23	18096.15	16747.70
October 2022	25.20	22.70	25.20	22.10	60786.70	56683.40	18022.80	16950.30
November 2022	30.40	22.65	30.45	22.8	63303.01	60425.47	18816.05	17959.20
December 2022	41.95	26.30	41.95	25.85	63583.07	59754.10	18887.60	17774.25
January 2023	34.25	25.45	34.35	25.4	61343.96	58699.20	18251.95	17405.55
February 2023	26.65	23.00	28.20	23.00	61682.25	58795.97	18134.75	17255.20
March 2023	26.20	20.70	26.47	20.5	60498.48	57084.91	17799.95	17671.95



### 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 transmission, dividend payment is handled by the share transfer agent. A practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the company.

## g. Shareholding Pattern as on 31st March 2023

	Category	No. of Share holders (PAN wise)	No. of shares held in physical form	No. of Shares held in demat	Total No. of shares held	% of shareholding
A	Promoters holding					
1	Promoters					
	-Indian Promoters- Indian Bank	1	--	28773800	28773800	64.84
	-Foreign Promoters	--	--	--	--	--
2	Person acting in concert	--	--	--	--	--
	Sub -total	<b>1</b>	<b>--</b>	<b>28773800</b>	<b>28773800</b>	<b>64.84</b>
B	Non -Prom oters 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	2	200	100	300	0.00
	Sub -total	<b>7</b>	<b>40800</b>	<b>100</b>	<b>40900</b>	<b>0.09</b>
C	Others					
	A Private Corporate Bodies	117	25100	487075	512175	1.15
	B Indian Public	43526	1774035	11413066	13187101	29.72
	C NRIs/OCBs	154	0	362300	362300	0.81
	D Foreign PortfolioInvestor	0	0	0	0	0
	E Clearing Member and others	9	0	9240	9240	0.02
	F HUF	315	1	428445	428446	0.97
	G IEPF	1	0	1064232	1064232	2.40
	H TRUST	1	0	6	6	0.00
	Sub -total	<b>44123</b>	<b>1799136</b>	<b>13764364</b>	<b>15563500</b>	<b>35.07</b>
	Grand Total	<b>44131</b>	<b>1839936</b>	<b>42538264</b>	<b>44378200</b>	<b>100.00</b>

 h. Distribution of Shareholding as on 31<sup>st</sup> March 2023

Share holding Rs. Rs.	Share holders		Total No. of Shares	Share Amount	
	No.	% of total		Rs.	% of Total
10 - 5000	41116	91.33	4473382	4733820	10.08
5001 - 10000	1932	4.2915	1643747	16437470	3.7039
10001 - 20000	1010	2.2434	1547892	15478920	3.4879
20001 - 30000	339	0.7530	871576	8715760	1.9639
30001 - 40000	167	0.3709	606266	6062660	1.3661
40001 - 50000	158	0.3509	756699	7566990	1.7051
50001 - 100000	169	0.3753	1258267	12582670	2.8353
100001 - And above	128	0.2843	33220371	332203710	74.8574
<b>Total</b>	<b>45019</b>	<b>100.00</b>	<b>44378200</b>	<b>443782000</b>	<b>100.00</b>

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

A total number of 42538264 equity shares representing 95.85% of the paid up equity capital have been dematerialized as on 31st March 2023.

**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 : <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>
For any other general matters or in case of any difficulties / grievance	Mrs. Chitra . M.A Company Secretary and Compliance Officer Fax : 044 24313093 E-mail : <a href="mailto:investors@indbankonline.com">investors@indbankonline.com</a>

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, 2023 remaining to be transferred to Investor Education and Protection Fund (IEPF).

It is informed to the shareholders that they can claim both the unclaimed dividends and the shares transferred to IEPF 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.
- 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.

- b. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- c. The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The key directions/actions will be informed to the President & Whole Time Director of the Company. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. The same is available in the company's website address [www.indbankonline.com](http://www.indbankonline.com)
- d. The Company has 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. No personnel has been denied access to the Chairman of the Audit Committee to report genuine concerns.
- e. The Company has complied with the mandatory requirements of Corporate Governance prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. The company does not have any subsidiary.
- g. Policy on dealing with related parties is displayed on the Company's website: [www.indbankonline.com](http://www.indbankonline.com) - Policies and Procedures - Policy on related party transactions
- h. 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.
- i. The Company has formulated various policies pursuant to Companies Act, SEBI regulations and other regulations and same are available in the website of the Company [www.indbankonline.com](http://www.indbankonline.com) under policies and procedures.

Sl No.	Particulars of the policies	Web address
1	Details of business	<a href="https://www.indbankonline.com/services.aspx">https://www.indbankonline.com/services.aspx</a>
2	Terms and conditions of appointment of independent directors	<a href="https://corporate.indbankonline.com/Terms%20of%20Appointment%20of%20Independent%20Directors.pdf">https://corporate.indbankonline.com/Terms%20of%20Appointment%20of%20Independent%20Directors.pdf</a>
3.	Composition of various committees of board of directors	<a href="https://www.indbankonline.com/bord-mangement.aspx">https://www.indbankonline.com/bord-mangement.aspx</a>
4	Code of conduct of board board of directors and senior management personnel	<a href="https://corporate.indbankonline.com/Directors%20Code%20of%20Conduct.pdf">https://corporate.indbankonline.com/Directors%20Code%20of%20Conduct.pdf</a>
5.	Details of establishment of vigil mechanism/ Whistle Blower Policy	<a href="https://corporate.indbankonline.com/documents/Whistle%20Blower%20Policy.pdf">https://corporate.indbankonline.com/documents/Whistle%20Blower%20Policy.pdf</a>
6	Criteria of making payments to non-executive , if the same has not been disclosed in annual report	Note given in the Corporate Governance Report
7	Policy on dealing with related party transactions	<a href="https://corporate.indbankonline.com/Policy%20on%20Related%20Party%20Transactions%202015.pdf">https://corporate.indbankonline.com/Policy%20on%20Related%20Party%20Transactions%202015.pdf</a>
8	Policy for determining material subsidiaries	Not applicable
9	Details of familiarization programmes	<a href="https://corporate.indbankonline.com/Familiarization%20Programme%20for%20Independent%20Directors.pdf">https://corporate.indbankonline.com/Familiarization%20Programme%20for%20Independent%20Directors.pdf</a>

j. All the recommendations of various committees of the Board of Directors of the Company, which are mandatorily required has been accepted by the Board, in the financial year.

k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors. –

Particulars	Rs. Lakhs
Audit Fees	4.50
Quarterly Limited Review Audit	1.50
Tax Audit	1.00
Certification Fees	0.10
Total	7.10

l. Disclosures in relation to Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year ended March 31, 2023, no complaints was received pertaining to sexual harassment / discrimination at work place.

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

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

The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website [www.indbankonline.com](http://www.indbankonline.com) and in stock exchange websites namely [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Therefore, no individual communications are sent to the shareholders in this regard.

- Modified opinion(s) in audit report: The Auditors of the Company have issued an unmodified report on financial statements for FY 2022-23.
- Separate posts of Chairman & Chief Executive Officer: Complied
- Reporting of Internal Auditors directly to the Audit Committee: Complied

### **14. CODE OF CONDUCT**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.indbankonline.com](http://www.indbankonline.com). As provided under SEBI (LODR), Regulations 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2022-23.

### **15. CEO / CFO CERTIFICATION**

Mr. V. Haribabu, President & Whole Time Director and Mr. Tausif Inamdar, Chief Financial Officer have certified to the Board regarding the financial statements for the period ended 31st March, 2023 in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.



## INDBANK MERCHANT BANKING SERVICES LIMITED

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

We, V. Haribabu, President & Whole Time Director and Tausif Inamdar, 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 2022-23 and that to the best of my 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: 21.04.2023**

**Tausif Inamdar**  
**Chief Financial Officer**

**V. Haribabu**  
**President & Whole Time Director**  
**DIN : 09523733**

### 16. AUDITOR'S CERTIFICATION ON CORPORATE GOVERNANCE

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

### INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED)

To

**The Members of Indbank Merchant Banking Services Limited**

1. The Corporate Governance Report (prepared by Indbank Merchant Banking Services Limited ("the Company")), contains details as

stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘applicable criteria’) with respect to Corporate Governance for the year ended March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

## **MANAGEMENT’S RESPONSIBILITY**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

## **AUDITOR’S RESPONSIBILITY**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## **OPINION**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 1 above.

## **OTHER MATTERS AND RESTRICTION ON USE**

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

**For M/s BRAHMAYYA & CO**  
**Chartered Accountants**  
**Firm Registration Number: 000511S**

**K JITENDRA KUMAR**  
**Partner**  
**Membership No. 201825**  
**UDIN : 23201825BGUKED3579**

**Place: Chennai**  
**Date: 19.07.2023**

## **17. DECLARATION**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors and selected 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**

#### **INDBANK MERCHANT BANKING SERVICES LIMITED**

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, 2023.

**Place: Chennai**  
**Date: 31.03.2023**

**V. Haribabu**  
**President & Whole Time Director**  
**DIN: 09523733**

## Management Discussion & Analysis Report

### Areas of Business Operations

Your company is engaged in Merchant Banking, Stock Broking, Depository Participant, Distribution of Mutual Fund and other investment products. Your company is registered with SEBI as a Merchant Banker. Your company is a member of NSE (Equity & Derivatives segments), BSE (Equity & Derivatives) and registered with NSDL and CDSL 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.2135.08 lakhs as against Rs.2445.96 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. 10720.50 crores during the year as against Rs. 13541.03 crores in the previous financial year. Your company also provides Depository services to institutions and retail customers and has 81898 accounts under DP operations and 37872 accounts under broking operations.

### Opportunities and Threats

#### Opportunities

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

#### Threats

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

### Segment-wise or product-wise performance

1. Due to decrease in the volume of business in stock broking activities, the fee based income from stock broking operations has decreased to Rs.1244.13 lakhs for FY 2022-23 from Rs.1388.48 lakhs for the pervious FY 2021-22 registering a decrease of 10.40%.
2. Income from DP operations has decreased by 7.46% to Rs.232.86 lakhs from Rs.251.62 lakhs for the previous year ended 31.03.2022 due to decrease in volume of business under stock broking operations.
3. Income under Merchant Banking and Mutual Fund distribution has decreased by 8.67% to Rs.112.31 lakhs from Rs.122.97 lakhs for the previous year ended 31.03.2022.
4. Other income has decreased by 19.50% to Rs.308.72 lakhs from Rs.383.49 lakhs for the previous year ended 31.03.2022. Other income comprise of income from reversal of provisions of Rs.305.46 lakhs for the year 31.03.2023 as against Rs.383.49 lakhs for the previous year ended 31.03.2022 towards income from reversal of provisions on write off of dues from discontinued fund based operations like Lease, Hire Purchase and ICDS.
5. On the basis of the aforesaid segmental income, total income has decreased by 12.71% to Rs.2135.08 lakhs from Rs.2445.96 lakhs for the previous year ended 31.03.2022.

### Risk Management & Internal Control Systems

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

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

## Human Resources

Human Resources of your company comprise a mix of 3 Officers on deputation from Indian Bank and 104 employees on direct rolls. The employees are well qualified and experienced in their field of operations.

## Financial Performance

### **Balance Sheet**

#### Share Capital

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

#### Reserves & Surplus

The accumulated profits of the previous years has been carried over to the reserves and the Reserves & surplus stands at Rs.3012.72 lakhs as on 31.03.2023.

#### Current Liabilities

The current liabilities have increased to Rs.2287.67 lakhs from Rs.2050.51 lakhs mainly in view of increase in credit balances available in clients' accounts under Stock Broking compared to previous year. The provision for leave encashment has increased to Rs.140.93 lakhs from Rs. 124.66 lakhs on account of additional provisions made for encashment of leave on actuarial valuation as at the end of the year.

#### Fixed Assets

Property plant and equipment have decreased by Rs.27.96 lakhs in view of purchase of new desktop computers for the company during previous year. Investment property has decreased by Rs.7.76 lakhs due to provision of depreciation and impairment.

#### Investment

Other Investments at FVTPL of your company comprise of quoted shares and unquoted investments. Net investments have increased to Rs.136.96 lakhs as on 31.03.2023 as against Rs.129.73 lakhs in the previous year in view of fresh investments in quoted shares.

#### Non-current Other Financial Assets

Non-current Other Financial Assets have increased from Rs.5694.39 lakhs to Rs.5974.33 lakhs due to increase in fixed deposits having maturity period above 12 months.

#### Deferred Tax Assets

During the year the company has provided Rs.67.08 lakhs towards deferred tax asset in the profit and loss account. Accordingly, the net deferred tax assets have decreased from Rs.300.70 lakhs in the previous year to Rs.237.40 lakhs in the current year.

#### Current Assets

The current assets have increased to Rs.2445.56 lakhs as on 31.03.2023 from Rs.2283.31 lakhs as on 31.03.2022 in view of increase in Trade receivables which are less than 90 days old and increase in fixed deposits having maturity period below 12 months.

## Profit and Loss account

### Revenue from Operations

The fee based income from stock broking operations has decreased to Rs.1244.13 lakhs for FY 2022-23 from Rs.1388.48 lakhs for the previous FY 2021-22 due to decrease in the volume of business in Stock broking activities,

Income from DP operations has decreased to Rs.232.86 lakhs from Rs.251.62 lakhs for the previous year ended 31.03.2022 due to decrease in volume of business under stock broking operations.

Income under Merchant Banking and Mutual Fund distribution has decreased to Rs.112.31 lakhs from Rs.122.97 lakhs for the previous year ended 31.03.2022.

Other income has decreased to Rs.308.72 lakhs from Rs.383.49 lakhs for the previous year ended 31.03.2022. Other income comprise of income from reversal of provisions of Rs.305.46 lakhs for the year 31.03.2023 as against Rs.383.49 lakhs for the previous year ended 31.03.2022 towards income from reversal of provisions on write off of dues from discontinued fund based operations like Lease, Hire Purchase and ICDs.

### Expenses

Direct cost has increased from Rs.83.62 lakhs to Rs.112.83 lakhs due to increase in volume of transactions as compared to the previous year.

Employee benefit expenses have increased from Rs.692.54 lakhs in the previous year to Rs.758.74 lakhs in the current year mainly due to revision of service regulations with respect to Salary and allowances with effect from 01.08.2021, periodic revision of DA payable to employees and increase in number of employees

Depreciation and amortization expenses has increased to Rs.37.13 lakhs in FY 2022-23 from Rs.19.91 lakhs in FY 2021-22.

Finance Cost has decreased from Rs.150.68 lakhs to Rs.88.90 lakhs.

Provision and write offs has decreased from Rs.383.09 lakhs to Rs.304.34 lakhs mainly due to write off of Lease/HP/ICD and Client dues amounting to Rs.304.34 lakhs made during the year.

Other expenses have increased from Rs.239.99 lakhs to Rs.308.89 lakhs mainly due to expenses incurred for availing managed services from software vendor for the new trading software.

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

Particulars	2022-23	2021-22	Variance in %	Reason for change
(i) Interest Coverage Ratio	6.99	6.73	3.83	Due to decrease in volume of business.
(ii) Operating Profit Margin	27.38	40.67	(32.69)	
(iii) Net Profit Margin	15.80	28.01	(43.60)	
(iv) Current Ratio	3.63	3.40	6.76	

Details of change in Return on Net Worth:

Particulars	2022-23	2021-22	Variance in %	Reason for change
(i) Return on Net Worth	0.045	0.096	(53.00)	Due to decrease in volume of business.

## Financial Results

Rs.Lakhs

Sl. No.		FY 2022-23	FY2021-22
1	Income from Fee based operations	1589.32	1763.08
	Of which income from Stock Broking	1244.14	1388.48
	DP	232.87	251.63
	Merchant Banking/ Mutual Funds	112.31	122.97
2	Other income	545.76	682.88
3	Total income (1+2)	2135.08	2445.96
4	Employee Expenses	758.74	692.54
5	Other expenses	415.72	323.61
6	Interest Expenses	88.90	150.68
7	Depreciation	37.13	19.91
8	Provisions for NPAs/Write off	326.07	403.91
9	Total expenses (4+5+6+7+8)	1626.56	1590.65
10	Profit before exceptional items (3-9)	508.52	855.31
11	Prior period income/Exp	0.00	0.00
12	Profit before tax (10-11)	508.52	855.31
13	Current Tax	91.22	143.40
14	MAT Tax	0.00	0.00
15	Deferred tax	67.08	15.55
16	Prior Year tax	0.00	0.00
17	Items reclassified as per IND-AS – re-measurement of the defined benefit plans	(12.92)	(11.22)
18	Net profit / Loss after tax (12-13-14-15-16+17)	337.30	685.14
19	EPS	0.79	1.57

## 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.

**COMMENT 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 2023**

The preparation of financial statements of Indbank Merchant Banking Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indbank: Merchant Banking Limited for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

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

**S Velliangiri  
Principal Director of Commercial Audit**

**Place: Chennai  
Date: 07.07.2023**

**Independent Auditor's Report  
To The Members of Indbank Merchant Banking Services Limited  
Report on the Standalone Financial Statements**

**1 Opinion**

- 1.1 We have audited the Standalone financial statements of Indbank Merchant Banking Services Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").
- 1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**2 Basis for Opinion**

- 2.1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3 Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Contingent Liability</p> <p>The contingent liability as defined in Ind AS 37 – provisions, contingent liability and contingent assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by management. (Refer Note 36)</p>	<p>We have carried out the validation of information provided by the management by performing the following procedures</p> <ul style="list-style-type: none"> <li>◆ Evaluating reasonableness of the underlying assumptions</li> <li>◆ Understanding the current status of the litigations/tax assessments.</li> <li>◆ Examination of recent orders and /or communication received from various tax authorities/judicial forums and follow up action thereon.</li> <li>◆ Examining the relevant documents on record</li> <li>◆ Relying on the confirmation of status by the consultants wherever applicable</li> <li>◆ Obtaining management representation wherever necessary</li> </ul>

**4 Information Other than the Financial Statements and Auditor's Report Thereon**

- 4.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report, but does not include the financial statements and our auditor's report there on. The Board's is expected to be made available to us after the date of this Auditor's report.



- 4.2 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 4.3 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- 4.4 When we read the Board's Report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.
- 5 Responsibilities of Management and Those Charged with Governance for the Financial Statements
- 5.1 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 5.2 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 5.3 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.
- 6 Auditor's Responsibilities for the Audit of the Financial Statements
- 6.1 Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 6.2 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 6.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

Figures for the year ended 31st March, 2022 have been audited by M. Srinivasan & Associates, Chartered Accountants (Firm's Registration Number No.004050S). The reports of the predecessor auditor dated 20th, April 2022, on these comparative financial information, expressed an unmodified opinion.

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

- 7.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 7.2 As required by Comptroller and Auditor General of India through directions/sub-directions issued under Section 143(5) of the Companies Act 2013, on the basis of written representation received from the management, we give our report on the matter specified in the "Annexure-B" attached.
- 7.3 As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) Disqualification of directors stated under Section 164(2) of the Act is not applicable to a Government Company as per notification no. GSR 463(E) of the Ministry of Corporate Affairs dated 05/06/2015;
  - f) Being a Government Company, the provisions of section 197 are not applicable to the Company as per the notification of MCA in G.S.R. 463(E) dated 5th June 2015 and therefore the reporting requirement under section 197(16) does not arise;
  - g) 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 C"; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements – Refer note 36 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement and
- v. No dividend is declared or paid during the year by the Company.  
Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**Place: Chennai**  
**Date: April 21, 2023**

**For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No: 000511S**

**K Jitendra Kumar  
Partner  
Membership No: 201825  
UDIN No: 23201825BGUKCV6818**

## Annexure A

referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements for the year ended 31 March 2023, to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (I) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment (PPE).
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the PPE are physically verified by the management according to a phased programme designed to cover all the items over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The physically verification of PPE have been conducted by the management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (d) The Company has not revalued any of its PPE (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) 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.
- (b) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable
- (iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investments made prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantees and loans to any parties and hence reporting under clause 3(iii)(b)3(iii)(c)3(iii)(d)3(iii)(e) and 3(iii)(f) of the Order is not applicable.

The Company has discontinued fund-based operation, i.e., Hire purchase, Lease finance and Inter corporate deposits, the amounts are overdue for more than ninety days out of the fund-based operation. The Company has provided for the balances outstanding in the books of account.

- (iv) There are no loans, guarantees or securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable to the Company. The Company has complied with the provision of section 186 of the Act in respect of the investment made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amount which deemed to be deposits. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, duty of Customs, duty of excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of Custom duty, Service Tax, Value added Tax, Sales Tax and Goods and Service Tax which have not been deposited with the relevant authorities. Details of dues of Income tax and Excise duty together with cess there on which have not been deposited as at 31st March 2023 on account of disputes are as stated below:

Name of the Statute	Nature of Dues	Disputed dues (Rs in lakhs)	Paid under Protest / order (Rs.in Lakhs)	Balance (Rs in Lakhs)	Period which it relates	Forum where the dispute is pending
Income Tax act, 1961	Income tax and interest	115.02	-	115.02	1992-93	Awaiting re-computation of the Income tax demand based on the Appellate Tribunal order,
	Income tax and interest	32.13	-	32.13	1998-99	Commissioner of income tax
	Income tax and interest	617.47	18.00	599.47	2007-08	High court - Madras
	Income tax and interest	1129.05	132.00	997.05	2008-09	High court - Madras
	Income tax and interest	96.27	-	96.27	2009-10	Income Tax Appellate Tribunal
	Income tax and interest	24.81	-	24.81	2014-15	Assessing Officer
Sales tax and VAT Laws	Sales tax/ Additional Sales tax , Penalty and Interest	14.20	-	14.20	1998-99	Commercial Tax Officer Tamil Nadu
	Sales tax/ Additional Sales tax , Penalty and Interest	12.05	-	12.05	1995-96	Commercial Tax Officer Tamil Nadu

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (xi) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) There are no subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) (a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash loss during the year and the Company or immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to the section 135(5) of the Act has, not elapsed till date of our report.
- (b) In our opinion section 135(6) of the Act is not applicable to the company. Hence reporting under clause 3(xx)(b) of the Order is not applicable.
- (xxi) (a) The company is not having any subsidiaries and therefore not required to draw any consolidated financial statements. Hence, the reporting under clause 3(xxi) of the Order is not applicable.

**For BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Registration No: 000511S

**K Jitendra Kumar**  
Partner  
Membership No: 201825  
UDIN No: 23201825BGUKCV6818

**Place: Chennai**

**Date: April 21, 2023**

**Annexure B** referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

S. No	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, all the accounting transactions process through IT system. The Depreciation, Income Tax computation and Deferred Tax computation have been done manually on MS excel, however the accounting entries for both are passed through IT system only.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company)	There is no restructuring of loans availed by the company during the year under reference. There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan. However, according to the information and explanations provided to us by the Company, company as a lender, the respect of discontinued fund operation based, has write-off of Intercorporate deposit of Rs. 82.76 Lakhs in one account and Hire Purchase receivable of Rs.221.58 Lakhs in 5 accounts. It was informed that the write-off is decided on case-to-case basis with due assessment of the possibility of recovery / realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs cases was fully provided for in the books of accounts to the extent of the amount of write-off.
3.	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	There is no grant / subsidy received/receivable by the company during the year under audit.

**For BRAHMAYYA & CO.,**  
**Chartered Accountants**  
**Firm Registration No: 000511S**

**K Jitendra Kumar**  
**Partner**  
**Membership No: 201825**  
**UDIN No: 23201825BGUKCV6818**

**Place: Chennai**  
**Date: April 21, 2023**

**Annexure C** referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements:

Report on the Internal Financial Controls 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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **1. Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **2. Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

### **3. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **4. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial 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.

### **5. Opinion**

In our opinion, 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, 2023, 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 BRAHMAYYA & CO.,**  
**Chartered Accountants**  
**Firm Registration No: 000511S**

**K Jitendra Kumar**  
**Partner**  
**Membership No: 201825**  
**UDIN No: 23201825BGUKCV6818**

**Place: Chennai**

**Date: April 21, 2023**



### Balance sheet as at March 31, 2023

Particulars	Note No.	As at 31-03-2023	As at 31-03-2022
<b>ASSETS</b>			
(1) Financial Assets			
(a) Cash and cash equivalents	4	1,014.36	924.58
(b) Bank Balance other than (a) above	5	5,974.33	5,694.39
(c) Receivables			
(I) Trade Receivables	6	412.21	336.95
(II) Other Receivables		-	-
(d) Loans	7	3.93	3.39
(e) Investments	8	136.96	129.73
(f) Other Financial assets	9	344.91	173.74
		7,886.70	7,262.78
(2) Non-financial Assets			
(a) Current tax assets (Net)	10	1,015.06	1,018.39
(b) Deferred tax Assets (Net)	11	237.40	300.70
(c) Investment Property	12	265.04	272.70
(e) Property, Plant and Equipment	13	82.44	87.36
(f) Capital work-in-progress		-	12.61
(g) Other Intangible assets	14	7.73	10.50
(h) Other non-financial assets	15	243.84	198.71
		1,851.51	1,900.97
<b>Total Assets</b>		<b>9,738.21</b>	<b>9,163.75</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
(1) Financial Liabilities			
(a) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	57.81
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		99.89	56.50
(b) Borrowings (Other than Debt Securities)	17	278.52	-

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

(c) Other financial liabilities	18	1,705.36	1,761.10
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	-	-	-
(b) Provisions	20	149.54	124.66
(c) Other non-financial liabilities	21	54.36	50.44
		2,287.67	2,050.51
(3) EQUITY			
(a) Equity Share capital	22	4,437.82	4,437.82
(b) Other Equity	23	3,012.72	2,675.42
		7,450.54	7,113.24
Total Liabilities and Equity		9,738.21	9,163.75

**IMRAN AMIN SIDDIQUI**  
 DIRECTOR  
 09153707

**SUNIL JAIN**  
 DIRECTOR  
 09665264

**V HARIBABU**  
 PRESIDENT AND  
 WHOLE TIME DIRECTOR  
 09523733

**As per our report of even date attached  
 For BRAHMAYYA & CO  
 CHARTERED ACCOUNTANTS  
 (FRN 000511S)**

**TAUSIF INAMDAR**  
 VICE PRESIDENT & CFO

**CS. CHITRA M A**  
 COMPANY SECRETARY  
 (M.No: 33512)

**CA. K JITENDRA KUMAR**  
 PARTNER  
 (M.No: 201825)

Date : 21/04/2023  
 Place : Chennai

## Statement of Profit and Loss for the year ended March 31, 2023

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

	Particulars	Note No.	For the year ended 31-03-2023	For the year ended 31-03-2022
	<b>Revenue from operations</b>			
(i)	Interest Income	24	319.47	280.51
(ii)	Dividend Income		1.03	1.97
(iii)	Rental Income		4.05	-
(iv)	Fees and commission Income	25	1,589.32	1,763.08
(v)	Net gain on fair value changes	26	(87.51)	16.91
(vi)	Others	27	-	-
(I)	Total Revenue from operations		<b>1,826.36</b>	<b>2,062.47</b>
(II)	Other Income	28	308.72	383.49
(III)	Total Income (I+II)		<b>2,135.08</b>	<b>2,445.96</b>
	<b>Expenses</b>			
(I)	Finance Costs	29	88.90	150.68
(ii)	Fees and commission expense	30	112.83	83.62
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category		-	-
(v)	Impairment on financial instruments	31	21.73	20.82
(vi)	Provisions and Write Offs		304.34	383.09
(vii)	Employee Benefits Expenses	32	758.74	692.54
(viii)	Depreciation, amortization and impairment	33	37.13	19.91
(ix)	Others expenses	34	302.89	239.99
(IV)	Total Expenses (IV)		<b>1,626.56</b>	<b>1,590.65</b>
(V)	Profit / (loss) before exceptional items and tax (III-IV)		<b>508.52</b>	<b>855.31</b>
(VI)	Exceptional items			
(VII)	Profit/(loss) before tax (V -VI)		508.52	855.31
(VIII)	Tax Expense:			
	(1) Current Tax		91.22	143.40
	(2) Deferred Tax		67.08	15.55
(IX)	Profit / (loss) for the period from continuing operations(VII- VIII)		<b>350.22</b>	<b>696.36</b>
(X)	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss Re-measurement gains and (losses) on defined benefit obligations (net)		(17.27)	(15.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.35	3.78
	Subtotal (A)		(12.92)	(11.22)
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		<b>(12.92)</b>	<b>(11.22)</b>
(XI)	Total Comprehensive Income for the period (IX+X)		<b>337.30</b>	<b>685.14</b>
	(Comprising Profit (Loss) and other Comprehensive Income for the period)			
(XII)	Earnings per equity share (for continuing operations)	35		
	Basic (Rs.)		0.79	1.57
	Diluted (Rs.)		0.79	1.57

**IMRAN AMIN SIDDIQUI**  
 DIRECTOR  
 09153707

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 09523733

**As per our report of even date attached  
 For BRAHMAYYA & CO  
 CHARTERED ACCOUNTANTS  
 (FRN 000511S)**

**TAUSIF INAMDAR**  
 VICE PRESIDENT & CFO

**CS. CHITRA M A**  
 COMPANY SECRETARY  
 (M.No: 33512)

**CA. K JITENDRA KUMAR**  
 PARTNER  
 (M.No: 201825)

Date : 21/04/2023  
 Place : Chennai

**Cash flow statement for the year ended March 31, 2023**

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

	Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax from continuing operations	508.52	855.31
	Adjustments for:		
	Add : Depreciation/Lease Adjustments	37.13	19.91
	Interest paid	88.90	150.68
	Loss on sale of assets (net)	-	0.25
	Provision for leave encashment	16.27	29.06
	Impairment on financial instruments	21.73	20.82
	Provisions and Write Offs	304.34	383.09
		976.89	1,459.12
	<b>Less:</b>		
	Net gain on fair value changes	(87.51)	16.91
	Dividend income	1.03	1.97
	Profit on sale of assets	—	—
	Re-measurement gains and (losses) on defined benefit obligations (net)	17.27	15.00
	Reversal of Provisions	305.46	383.25
		236.25	417.13
	Operating Profit before working capital changes	<b>740.64</b>	<b>1,041.99</b>
	(Increase)/decrease in other bank balances	(279.94)	(1,315.60)
	(Increase)/decrease in Trade receivable	(95.88)	(37.10)
	(Increase)/decrease in Loans	(0.54)	0.28
	(Increase)/decrease in Other Financial assets	(171.17)	316.83
	(Increase)/decrease in Other non-financial assets	(45.13)	(12.35)
	Increase/(decrease) in other payable	(14.42)	69.70
	Increase/(decrease) in Other financial liabilities	(55.74)	121.29
	Increase/(decrease) in Provisions	8.62	-
	Increase/(decrease) in Other non-financial liabilities	3.92	7.77
		(650.28)	(849.18)
	Cash generated from operations	<b>90.36</b>	<b>192.81</b>
	Direct taxes paid, net	(87.32)	(137.33)
	Cash Flow before Extraordinary Items	3.04	55.48
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Purchase of Fixed Assets	(9.22)	(66.85)
	Sale of Fixed Assets	0.05	0.28
	Purchase of Investments	(210.45)	(131.80)
	Sale of Investments	115.71	98.77
	Dividend received	1.03	1.97
	Net cash from Investing Activities	(102.88)	(97.63)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest paid	(88.90)	(150.68)
	Net Cash used in Financing Activities	<b>(88.90)</b>	<b>(150.68)</b>
	Net Increase/(decrease) in cash and cash equivalents	(188.74)	(192.83)
	Cash and Cash equivalents as at the beginning of the year	924.58	1,117.41
	Cash and Cash equivalents as at the end of the year	<b>735.84</b>	<b>924.58</b>

**IMRAN AMIN SIDDIQUI**  
 DIRECTOR  
 09153707

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 As per our report of even date attached  
 For **BRAHMAYYA & CO**  
**CHARTERED ACCOUNTANTS**  
 (FRN 000511S)

**TAUSIF INAMDAR**  
 VICE PRESIDENT & CFO

**CS. CHITRA M A**  
 COMPANY SECRETARY  
 (M.No: 33512)

**CA. K JITENDRA KUMAR**  
 PARTNER  
 (M.No: 291825)

 Date : 21/04/2023  
 Place :- Chennai

## Statement of Changes in Equity for the year ended March 31, 2023

### A) Equity Share Capital

#### (1) Current Reporting Period

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

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,437.82	0	0	0	0

#### (2) Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,437.82	0	0	0	0

### B) Other Equity

#### (1) Current Reporting Period

Particulars	Reserves & Surplus Retained Earnings	Debt Instruments through other Comprehensive Income	Other items of Other Comprehensive Income	Total
Balance at the Beginning of the current reporting period	2,710.22	-	(34.80)	2,675.42
Changes in Accounting Policy or prior period errors				
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive income for the current year	-	-	-	-
Dividends	350.22	-	(12.92)	337.30
Transfer to retained earnings	-	-	-	-
Any other change	47.72	-	47.72	95.44
Balance at the end of the current reporting period	-	-	-	-
(2) Previous Reporting Period	3,108.16	-	0.00	3,108.16

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

**(2) Previous Reporting Period**

Particulars	Reserves & Surplus Retained Earnings	Debt Instruments through other Comprehensive Income	Other items of Other Comprehensive Income	Total
Balance at the Beginning of the current reporting period Changes in Accounting Policy or prior period errors	2,013.86	-	(23.58)	1,990.28
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive income for the current year	-	-	-	-
Dividends	696.36	-	(11.22)	685.14
Transfer to retained earnings	-	-	-	-
Any other change	-	-	-	-
Balance at the end of the current reporting period	2,710.22	-	(34.80)	2,675.42

**IMRAN AMIN SIDDIQUI**  
 DIRECTOR  
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**As per our report of even date attached  
 For BRAHMAYYA & CO  
 CHARTERED ACCOUNTANTS**  
 (FRN 000511S)

**TAUSIF INAMDAR**  
 VICE PRESIDENT & CFO

**CS. CHITRA M A**  
 COMPANY SECRETARY  
 (M.No: 33512)

**CA. K JITENDRA KUMAR**  
 PARTNER  
 (M.No: 201825)

Date : 21/04/2023  
 Place : Chennai

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2023

### 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 and Derivatives Segments), BSE (Equity) and registered with NSDL and CDSL as a Depository Participant. It is also registered with Association of Mutual Funds of India (AMFI) for distribution of Mutual Fund products.

The Financial statements were approved for issuance by the Company's Board of Director on 21 April 2023.

#### 2. Application of new and revised Ind ASs

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

#### 3. Significant accounting policies

##### 3.1 Statement of compliance

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

##### 3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 116, 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. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the company operate.

The Company has presented its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 42. The principal accounting policies are set out below.

##### 3.3 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer.

Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at transaction price of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers ;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;

- Allocation of transaction price to the separate performance obligations; and
  - Recognition of revenue when (or as) each performance obligation is satisfied.
- (i) **Brokerage fee income**  
It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.
- (ii) **Depository Fees (net of indirect tax)**, is recognised on accrual basis and as per terms agreed with the customers. Other charges recovered from secondary broking customers are recognised upon completion of services.
- (iii) **Issue management fees and placement fees, underwriting commission and financial advisory fees** are accounted on completion of milestones specified in the contract.
- (iv) **Income on account of distribution from funds** are recognised on the receipt of the distribution letter or when right to receive is established.
- (v) **Interest income**  
Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').
- (vi) **Dividend income**  
Dividend income is recognized in the Statement of profit and loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

### 3.4 Employee benefits

#### 3.4.1 Retirement benefit costs and termination benefits

Payments to defined benefit retirement benefit plans (Gratuity) are recognised as an expense when employees have rendered service entitling them to the benefits. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon the completion of five years of service. The Company makes an annual contribution to gratuity fund established as a Trust through a Group Gratuity Policy with Life Insurance Corporation of India. The Company's liability towards Gratuity is actuarially determined at the reporting date using the Project Unit Credit (PUC) method. Actuarial gains and losses on gratuity are recognised in Other Comprehensive Income as per Ind AS 19.

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

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

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

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

The eligible employees of the Company are entitled to receive benefits under Provident Fund, a defined contribution plan in which both employees and the company makes monthly contributions at a specified percentage of the covered employees' salary, the contributions as specified under the Law are paid to the Provident Fund and Pension Fund to the provident fund authorities. Leave Encashment - The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days unutilised leave at each reporting date. The actuarial gain or loss is recognised in the Statement of Profit and Loss as per Ind AS 19.

### 3.5 Taxation

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

#### 3.5.1 Current tax

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

**3.5.1.1** The Company has opted for the new tax rate of 22% plus surcharge from the financial year 2020-2021 as per the newly introduced Section 115BAA of the Income Tax Act, 1961 and the Company cannot avail specified exemptions/ incentives as per the Act and is not required to pay Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961. The Income Tax provision and Deferred Tax provisions has been made accordingly.

#### 3.5.2 Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or



the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

**3.6 Property, plant and equipment**

Fixtures, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Estimated useful lives of the assets are as follows:

	No. of Years
Plant & Machinery (Computers)	3
Office Equipment	5
Furniture & Fixtures	10
Vehicles	8

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

**3.7 Lease**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term-leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The company has rented premises from Indian Bank which is of short-term and low value and hence has not recognized any ROU asset and corresponding liability in the financial statements.

**3.8 Investment Property**

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

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

**3.9 Intangible assets**

**3.9.1 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.

**3.9.2 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.

**3.9.3 Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follows: -

(No. of Years)

Computer Software	3
E-AB DP Accounts	4

### 3.10 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.

### 3.11 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.

### 3.12 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### 3.12.1 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

#### 3.12.2 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.

#### 3.12.3 Effective interest method ('EIR')

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

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss.

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 are not held for trading. The Company has accounted the investments at FVTPL. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss.

### 3.12.4 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. 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.

### 3.12.5 Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition. 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.

### 3.12.6 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.

### 3.12.7 Financial liabilities

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

#### 3.12.7.1 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.

### 3.12.7.2 Derecognition of financial liabilities

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

### 3.13 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.

### 3.14 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendments are as below:

Ind AS 12 - Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

### 3.15 Note on Change in presentation of financial statements

The company has presented its financial statements in accordance with Division III to the Schedule III of Companies Act, 2013 which is applicable to Non-Banking Financial Company since stock broking companies are covered under the definition of Non-Banking Financial Company under Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As a result of the above-mentioned change in presentation of financial statements adopted by the Company from the current reporting period, items of the balance sheet have been presented in the order of liquidity. Following disclosures are made in accordance with Ind AS 1: Under the prescribed format applicable to the Company, items of the Balance sheet are presented in the order of liquidity vis-à-vis the current (or) non-current classification with reference to the operating cycle of the company.

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

Particulars	As at 01-04-2021
<b>ASSETS</b>	
Financial Assets	
Cash and cash equivalents	1,117.41
Bank Balance other than (a) above	4,378.79
Receivables	
(I) Trade Receivables	320.50
(II) Other Receivables	-
Loans	3.67
Investments	79.79
Other Financial assets	490.57
	<b>6,390.73</b>
Non-financial Assets	
Current tax assets (Net)	1,020.70
Deferred tax Assets (Net)	316.25
Investment Property	280.47
Property, Plant and Equipment	41.39
Capital work-in-progress	-
Other Intangible assets	14.89
Other non-financial assets	186.36
	<b>1,860.06</b>
<b>Total Assets</b>	<b>8,250.79</b>
<b>LIABILITIES AND EQUITY</b>	
LIABILITIES	
Financial Liabilities	
Payables	
(I) Trade Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-
(II) Other Payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	44.61
Borrowings (Other than Debt Securities)	-
Other financial liabilities	1,639.81
Non-Financial Liabilities	
Current tax liabilities (Net)	
Provisions	95.60
Other non-financial liabilities	42.67
	<b>1,822.69</b>
EQUITY	
Equity Share capital	4,437.82
Other Equity	1,990.28
	<b>6,428.10</b>
<b>Total Liabilities and Equity</b>	<b>8,250.79</b>

**NOTE 4 - Cash And Cash Equivalents:**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Cash on hand	0.05	-
(b) Balances with banks		
- in Current Accounts	481.46	315.84
(c) others		
Fixed deposit with bank (maturity within 3 months)	510.77	568.48
Interest accrued on fixed deposit	22.08	40.26
<b>Total</b>	<b>1,014.36</b>	<b>924.58</b>

**NOTE 5 - Bank Balance Other Than (Note 4) Above**

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Earmarked balances with banks		
Clients Unsettled Funds Account	40.37	41.60
(b) Fixed deposits with banks		
Fixed Deposit with original maturity more than 3 months but less than 12 months	823.23	688.40
Fixed deposits with banks having original maturity of more than 12 months	62.30	882.58
(c) Fixed deposits with banks - Lien Marked		
Fixed deposit with bank (maturity within 3 months)	482.15	153.20
Fixed Deposit with original maturity more than 3 months but less than 12 months	782.10	1,488.23
Fixed deposits with banks having original maturity of more than 12 months	3,524.19	2,236.56
(d) Accrued interest on fixed deposits	259.99	203.82
<b>Total</b>	<b>5,974.33</b>	<b>5,694.39</b>

**NOTE: 6 RECEIVABLES :**

(i) Trade receivables:

Particulars	As at 31-03-2023	As at 31-03-2022
(a) Undisputed Trade Receivables considered good - Secured		
- Less than 6 months	288.60	245.80
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(b) Undisputed Trade Receivables considered good - Unsecured		
- Less than 6 months	64.97	40.16
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
(c) Undisputed Trade Receivables - which have significant increase in credit risk	-	-

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

(d) Undisputed Trade Receivables - credit impaired		
- Less than 6 months	10.43	0.74
- 6 months - 1year	142.15	123.57
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	208.14	208.14
Less: Impairment Loss Allowance	(302.08)	(281.46)
(e) Disputed Trade Receivables considered good - Secured	-	-
(f) Disputed Trade Receivables considered good - Unsecured	-	-
(g) Disputed Trade Receivables - which have significant increase in credit risk	-	-
(h) Disputed Trade Receivables - credit impaired	-	-
<b>Total</b>	<b>412.21</b>	<b>336.95</b>

Note:

- 1) No trade or other receivable are due from directors of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- 2) Trade Receivables does not include unbilled revenue. Refer note 40 for Financial Risk Management-Credit Risk.

#### NOTE: 7 LOANS

Particulars	As at 31-Mar-23	As at 31-Mar-22
	Amortised Cost	Amortised Cost
(A) (i) Employee Loans	3.93	3.39
(ii) Inter Corporate Deposits	-	82.76
Total Gross (A)	3.93	86.15
Less: Impairment loss allowance	-	(82.76)
Total Net (A)	3.93	3.39
(b) (i) Loans in India		
(i) Public Sector	-	-
(ii) Others		
(a) Employee Loan	3.93	3.39
(b) Inter Corporate Deposits	-	82.76
Total Gross (b) (i)	3.93	86.15
Less: Impairment loss allowance	-	(82.76)
Total Net (b) (i)	3.93	3.39
(C)(ii) Loans outside India	-	-
Less: Impairment allowance	-	-
Total Net (b) (ii)	-	-
Total (b) (i+ii)	3.93	3.39

**Note 8: INVESTMENTS**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	As at 31-Mar-23		As at 31-Mar-22	
	(Units)	(Amount)	(Units)	(Amount)
(I) Investments at amortised cost				
Equity Instruments - Unquoted - Fully paid up				
Amaravathi Sri Venkatesa Paper Mills Limited	262390	115.45	262390	115.45
Less: Impairment loss allowance		(115.45)		(115.45)
<b>Total (I)</b>		-		-
(II) Investments at fair value through profit and loss account (FVTPL)				
(a) Equity Instruments - Unquoted - Fully paid up				
Datar Switchgear Limited	40100	19.05	40100	19.05
Doon Valley Rice Limited	254300	76.29	254300	76.29
GSL (India) Ltd.	1200000	120.00	1200000	120.00
Greenfield Corp. Ltd	84600	8.46	84600	8.46
Indo Gulf Industries Limited	2000	1.95	2000	1.95
Krisons Electronics Ltd	162416	16.24	162416	16.24
K J International	5300	1.33	5300	1.33
Karnav Leather Chemicals Limited	70800	7.08	70800	7.08
Malanpur Leathers Limited	225000	25.88	225000	25.88
Nova Dhatu Udyog Limited	469700	46.97	469700	46.97
Tebma Shipyard Limited	41699	17.60	41699	17.60
Veekay Fibres Limited	196400	43.21	196400	43.21
Sri Jayalakshmi Spinning Mills Limited	57400	5.74	57400	5.74
Less: Impairment loss allowance		(389.79)		(389.79)
<b>Total (a)</b>		-		-
(b) Equity Instruments - Quoted - Fully paid up				
NHPC Ltd	-	-	35000	9.73
Steel Authority of India Ltd	1000	0.83	1000	0.99
Indiabulls Real Estate Ltd	2800	1.37	2800	2.84
Vodafone Idea Ltd	16736	0.97	16736	1.62
Indian Oil Corporation Ltd (includes 1000 bonus shares)	1500	1.17	1000	1.19
Punjab National Bank	5500	2.56	5000	1.93
Aditya Birla Sunlife AMC	3717	11.57	3717	19.84
Life Insurance Corporation of India	22176	118.50		-
<b>Total (b)</b>		136.96		38.13
(c) Mutual Funds (Equity) - Quoted - Fully paid up				
HDFC Banking And Financial Services Fund Growth	-	-	500000	50.25
SBI ETF Nifty50 Open Ended Fund	-	-	23059	41.20
<b>Total (c)</b>		-		91.45
<b>Total (a)+(b)+(c)</b>		136.96		129.58



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

(III) Investment at fair value through other comprehensive income FVOCI				
(a) Equity Instruments - Unquoted - Fully paid up				
Armour Pharmaceuticals Ltd	15,87,500	254.00	1587500	254.00
MSE Financial Services Ltd	4,10,400	0.15	410400	0.15
Madras Enterprises Pvt Ltd	30,286	-	30286	-
(b) Investment in Non-Convertible Debenture				
14% Khaitan hostombe spinners Ltd.	1,25,000	111.41	125000	111.41
8.49% NTPC Ltd	5,000	-	5000	-
Less: Impairment loss allowance		(365.56)		(365.41)
<b>Total (III)</b>		-		<b>0.15</b>
<b>Total (I)+(II)+(III)</b>		<b>136.96</b>		<b>129.73</b>
(i) Investment outside India		-		-
(ii) Investment in India		136.96		129.73
(A) Bifurcation of Investment				
Quoted		136.96		129.58
unquoted		-		0.15
<b>Total</b>		<b>136.96</b>		<b>129.73</b>

#### Note 9: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-23	As at 31-Mar-22
Deposits with stock Exchanges	46.00	46.00
Margin Money with Exchanges	242.00	72.00
Security deposits - Internet, lease line deposits, etc	3.09	3.09
Receivable from Stock Exchanges	2.35	6.97
Rent, electricity, and other deposits	9.86	10.76
Lease Rent Receivables - Considered Good	24.00	24.00
Lease Rent Receivables - Considered Doubtful	68.65	68.65
Less: Provision	(68.65)	(68.65)
Stock on Hire	853.59	1,089.60
Stock on hire receivables	43.22	73.96
Unmatured finance charges	(285.75)	(330.92)
Provision for Derecognition	(35.57)	(50.99)
Provision for NPAs	(575.50)	(781.66)
Clearing Settlement account	50.43	50.43
Less: Provision for Clearing Settlement	(50.43)	(50.43)
Others	17.62	10.93
<b>Total</b>	<b>344.91</b>	<b>173.74</b>

#### Note 10: CURRENT TAX ASSETS (NET)

Particulars	As at 31-Mar-23	As at 31-Mar-22
Advance tax and tax deducted at source	1,454.84	1,367.52
Less : Provision for Tax	(439.78)	(349.13)
<b>Total</b>	<b>1,015.06</b>	<b>1,018.39</b>

#### Note 11 : DEFERRED TAX ASSETS (NET)

Particulars	As at 31-Mar-23	As at 31-Mar-22
Deferred tax assets (net) (Refer Note 40)	237.40	300.70
<b>Total</b>	<b>237.40</b>	<b>300.70</b>

**NOTE: 12 INVESTMENT PROPERTY***(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	Amount
I. Gross carrying amount	
Balance as at 1 April, 2021	484.78
Additions for the year	-
Disposals or classified as held for sale	-
Balance as at 31 March 2022	484.78
Additions for the year	-
Disposals or classified as held for sale	-
Balance as at 31 March 2023	<b>484.78</b>
II. Accumulated depreciation and impairment	
Balance as at 1 April, 2021	204.31
Amortisation expense for the year	7.78
Disposals or classified as held for sale	-
Balance as at 31 March 2022	212.08
Amortisation expense for the year	7.66
Disposals or classified as held for sale	-
Balance as at 31 March 2023	219.74
Carrying amount	
Balance at March 31, 2022	272.70
Balance at March 31, 2023	265.04
Fair value	
Balance at March 31, 2022	404.74
Balance at March 31, 2023	<b>404.74</b>

**A. Measurement of fair values****i. Fair value hierarchy**

The fair value of the above investment property has been determined by an external independent valuer registered under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for the above investment property is assessed by the management using level 3 inputs of fair value hierarchy as outlined in Ind AS 113, Fair Value Measurement and has been categorised as a level 3 fair value based on the inputs to the valuation technique. The Company has no restrictions on the realisability of its investment property.

**ii. Valuation technique**

For the purpose of valuation, the primary valuation methodology used is Income Capitalisation Approach. Income capitalization involves capitalizing a 'normalized' single - year net income estimated by an appropriate market-based yield. This approach is best utilized with stable revenue producing assets, whereby there is little volatility in the net annual income.

**B. Amounts recognised in profit or loss for investment property:**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Rental income derived from investment property	4.05	-
Direct operating expenses of investment property		
Income arising from investment properties before depreciation	11.19	11.65
Depreciation	7.66	7.78
Income arising from investment property (Net)	<u>(14.80)</u>	<u>(19.43)</u>

**C. Investment property given on operating lease:**

The Company has given investment property on operating lease. The lease arrangement is for a period of 12 months and is a cancellable lease. The lease is renewable for further periods on mutually agreeable terms.

**NOTE: 13 PROPERTY, PLANT AND EQUIPMENT**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Description	Property, Plant and Equipment				
	Plant & Machinery (DPM)	Office Equipment	Furniture & Fixtures	Vehicles	Total
Cost of Assets					
As at 01-04-2022	267.03	62.05	91.86	6.60	427.54
Additions	15.24	2.78	3.82	0.00	21.83
Sub-total	<b>282.27</b>	<b>64.83</b>	<b>95.67</b>	<b>6.60</b>	<b>449.37</b>
Sales / deletion	0.00	1.11	0.00	0.00	1.11
<b>Total</b>	<b>282.27</b>	<b>63.72</b>	<b>95.67</b>	<b>6.60</b>	<b>448.26</b>
Depreciation / Amortisation					
Upto 31-03-2022	203.60	55.71	79.86	1.01	340.18
For the year	22.81	1.66	1.45	0.78	26.70
Sub-total	<b>226.41</b>	<b>57.37</b>	<b>81.30</b>	<b>1.80</b>	<b>366.88</b>
Withdrawn on assets sold / deleted	0.00	1.05	0.00	0.00	1.05
Depreciation / Amortisation Total	<b>226.41</b>	<b>56.32</b>	<b>81.30</b>	<b>1.80</b>	<b>365.82</b>
As on 31-03-2023	<b>55.87</b>	<b>7.40</b>	<b>14.37</b>	<b>4.80</b>	<b>82.44</b>
Cost of Assets					
As at 01-04-2022	219.30	66.26	91.54	6.60	383.70
Additions	52.35	1.58	0.31	0.00	54.24
Sub-total	<b>271.65</b>	<b>67.84</b>	<b>91.86</b>	<b>6.60</b>	<b>437.94</b>
Sales / deletion	4.61	5.78	0.00	0.00	10.40
<b>Total</b>	<b>267.03</b>	<b>62.05</b>	<b>91.86</b>	<b>6.60</b>	<b>427.54</b>
Depreciation / Amortisation					
Upto 31-03-2022	204.23	59.54	78.32	0.23	342.31
For the year	3.90	1.62	1.54	0.78	7.84
Sub-total	<b>208.13</b>	<b>61.15</b>	<b>79.86</b>	<b>1.01</b>	<b>350.15</b>
Withdrawn on assets sold / deleted	4.53	5.44	0.00	0.00	9.97
Depreciation / Amortisation Total	<b>203.60</b>	<b>55.71</b>	<b>79.86</b>	<b>1.01</b>	<b>340.18</b>
As on 31-03-2022	<b>63.43</b>	<b>6.34</b>	<b>12.00</b>	<b>5.58</b>	<b>87.36</b>

Note:

- 1) The Company has not revalued any of its property, plant and equipment.
- 2) The Company does not hold any Benami property
- 3) The title deeds of all the immovable properties have been held in the name of the Company.

**NOTE: 14 OTHER INTANGIBLE ASSETS**

Description	Other Intangible Assets		
	Computer software	E-AB DP Accounts	Total
Cost of Assets			
As at 01-04-2022	47.57	11.00	58.57
Additions	0.00	0.00	0.00
Sub-total	<b>47.57</b>	<b>11.00</b>	<b>58.57</b>
Sales / deletion	0.00	0.00	0.00
<b>Total</b>	<b>47.57</b>	<b>11.00</b>	<b>58.57</b>
Depreciation / Amortisation			
Upto 31-03-2022	42.56	5.51	48.06
For the year	0.02	2.75	2.77
Sub-total	<b>42.58</b>	<b>8.26</b>	<b>50.83</b>
Withdrawn on assets sold / deleted	0.00	0.00	0.00
Depreciation / Amortisation Total	<b>42.58</b>	<b>8.26</b>	<b>50.83</b>
As on 31-03-2023	<b>4.99</b>	<b>2.74</b>	<b>7.73</b>
Cost of Assets			
As at 01-04-2022	59.36	11.00	70.36
Additions	0.00	0.00	0.00
Sub-total	<b>59.36</b>	<b>11.00</b>	<b>70.36</b>
Sales / deletion	11.80	0.00	11.80
<b>Total</b>	<b>47.57</b>	<b>11.00</b>	<b>58.57</b>
Depreciation / Amortisation			
Upto 31-03-2022	52.72	2.76	55.47
For the year	1.54	2.75	4.29
Sub-total	<b>54.26</b>	<b>5.51</b>	<b>59.76</b>
Withdrawn on assets sold / deleted	11.70	0.00	11.70
Depreciation / Amortisation Total	<b>42.56</b>	<b>5.51</b>	<b>48.06</b>
As on 31-03-2022	<b>5.01</b>	<b>5.49</b>	<b>10.50</b>

**NOTE: 15 OTHER NON FINANCIAL ASSETS :**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	As at 31-Mar-23	As at 31-Mar-22
Disputed Tax	150.00	150.00
Employee Advance	2.34	2.08
Prepaid expenses	67.24	28.18
Balances with government authorities	16.38	5.58
Stock of stamps	5.00	7.14
Others	2.88	5.73
<b>Total</b>	<b>243.84</b>	<b>198.71</b>

**NOTE: 16 PAYABLES : OTHER PAYABLES**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Payable to Exchanges	5.74	6.49
Outstanding Payable		
- Total outstanding dues of micro enterprises and small enterprises	-	57.81
- Total outstanding dues of other than micro enterprises and small enterprises	94.15	50.01
<b>Total</b>	<b>99.89</b>	<b>114.31</b>

**Total Outstanding dues of Micro, Small and Medium Enterprises**

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2023. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") that has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the auditors.

Particulars	As at 31-Mar-23	As at 31-Mar-22
Amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	57.81
2. Interest due thereon	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

**NOTE: 17 BORROWINGS (OTHER THAN DEBT SECURITIES):**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Secured (at amortised cost)		
Overdraft from Banks- repayable on demand (The overdraft balances disclosed above are fully secured by the Fixed deposits held with the respective banks.)	278.52	-
<b>Total</b>	<b>278.52</b>	<b>-</b>

**NOTE: 18 OTHER FINANCIAL LIABILITIES :**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Employee Benefits Payable	9.94	5.82
Client money	1,662.24	1,667.66
Security Deposit	18.87	16.79
Dividend / Rights payable to Clients	12.64	11.82
Others	1.67	59.01
<b>Total</b>	<b>1,705.36</b>	<b>1,761.10</b>

**NOTE: 20 PROVISIONS :**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	As at 31-Mar-23	As at 31-Mar-22
Provision for Compensated Absences	140.93	124.66
Provision for Grauity	6.15	-
Provision for Corporate Social Responsibility	2.46	-
<b>Total</b>	<b>149.54</b>	<b>124.66</b>

**NOTE: 21 OTHER NON-FINANCIAL LIABILITIES :**

Particulars	As at 31-Mar-23	As at 31-Mar-22
Statutory Dues Payable	39.69	36.62
Others	14.67	13.82
<b>Total</b>	<b>54.36</b>	<b>50.44</b>

**NOTE: 22 EQUITY SHARE CAPITAL**

	As at 31-Mar-23	As at 31-Mar-22
Authorised Capital		
100000000 Equity Shares of Rs.10 each	10,000.00	10,000.00
Issued Capital		
44410000 Equity Shares of Rs.10 each	4,441.00	4,441.00
Subscribed and Paid-up Capital		
44378200 Equity Shares of Rs.10 each fully paid up	<b>4,437.82</b>	<b>4,437.82</b>

**Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs.10 each per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian Rupees. The dividend if any proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in the proportion to equity shareholding. Of the above, no shares are issued for consideration other than cash.

**Details of shareholders holding more than 5% of total shares of the Company**

Particulars	As at 31-Mar-23		As at 31-Mar-22	
	Nos	%	Nos	%
Indian Bank	28772800	64.84	28772800	64.84

**Details of Shareholding of Promoters**

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	No. of Shares	%age of total Shares	
Indian Bank	28772800	64.84	Nil

**Note: 23 OTHER EQUITY**

	As at 31-Mar-23	As at 31-Mar-22
Retained earnings		
Balance at the beginning of the year	2,710.22	2,013.86
Add: Current year Profits	350.22	696.36
Transfer from Other Comprehensive Income	(47.72)	-
Balance at the end of the Quarter/year	<b>3,012.72</b>	<b>2,710.22</b>
Other reserves - Other Comprehensive Income		
Opening Balance	(34.80)	(23.58)
Remeasurement of Defined Benefit Obligation	(12.92)	(11.22)
Less :Transfer to retained earnings	47.72	-
	0.00	(34.80)
<b>Total other equity</b>	<b>3,012.72</b>	<b>2,675.42</b>

**NOTE: 24 INTEREST INCOME**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Interest income on financial assets measured at amortised cost :		
Interest Income from:		
- Deposits with banks	319.01	280.23
- Investments	0.18	0.05
- Others	0.28	0.23
<b>Total</b>	<b>319.47</b>	<b>280.51</b>

**NOTE: 25 FEES AND COMMISSION INCOME**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Brokerage income	1,244.14	1,388.48
Depository income	232.87	251.63
Advisory fees	90.54	111.15
Distribution income	21.77	11.82
<b>Total</b>	<b>1,589.32</b>	<b>1,763.08</b>

**NOTE: 26 NET GAIN / (LOSS) ON FAIR VALUE CHANGES**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Gain/(loss) on financial instruments at fair value through profit or loss	(87.51)	16.91
Fair value changes:	(87.51)	16.91
Realised	18.40	4.12
Unrealised	(105.91)	12.79
<b>Total</b>	<b>(87.51)</b>	<b>16.91</b>

**NOTE: 28 OTHER INCOME :**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Reversal of Provisions	305.46	383.25
Miscellaneous Income	3.26	0.24
<b>Total</b>	<b>308.72</b>	<b>383.49</b>

**NOTE:29 FINANCE COSTS**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
On financial liabilities measured at amortised cost		
Interest on Borrowings		
- Bank Overdraft	16.42	0.68
- others *	72.48	150.00
<b>Total</b>	<b>88.90</b>	<b>150.68</b>

\*Payment of Interest to Indian Bank under Right to Recompense

The Company had a balance liability of Rs.897.48 lakhs as on 31.03.2013 to Indian Bank towards payment of interest under Right to Recompense. Indian Bank approved a moratorium period of 3 years from September 2013 to September 2016 for payment of the above amount and repayment of Rs.75 lakhs per half year commencing from the half year ended 31.03.2017 without any interest charge for the period of moratorium/repayment.

**NOTE:30 FEES AND COMMISSION EXPENSE**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Exchange and Depository Charges	24.95	19.83
Unrecovered Exchange charges and Tax	87.88	63.79
<b>Total</b>	<b>112.83</b>	<b>83.62</b>

**NOTE:31 IMPAIRMENT ON FINANCIAL INSTRUMENTS**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
On financial instruments measured at amortised Cost		
Receivables	21.73	20.82
<b>Total</b>	<b>21.73</b>	<b>20.82</b>

**NOTE:32 EMPLOYEE BENEFITS EXPENSES :**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Salaries and Wages	664.23	603.73
Contribution to Provident and Other Funds (Refer Note No. 36)	62.80	52.51
Gratuity (Refer Note No. 36)	7.74	14.54
Staff Welfare Expenses	23.97	21.76
<b>Total</b>	<b>758.74</b>	<b>692.54</b>

**NOTE : 33 DEPRECIATION, AMORTISATION AND IMPAIRMENT**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Depreciation of property plant and equipment	26.70	7.84
Depreciation of investment property	7.66	7.78
Amortisation of other intangible assets	2.77	4.29
<b>Total</b>	<b>37.13</b>	<b>19.91</b>

**NOTE : 34 OTHER EXPENSES**

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Rent	25.96	22.45
Postage and Telephone	6.58	6.78
MPLS & other connectivity charges	21.82	21.00
Data Center Charges	7.70	7.70
Repairs and maintenance - Machinery	25.69	20.48
Upkeep and Maintenance	10.44	12.59
Repairs and maintenance - Vehicles	1.74	1.01
Electricity Charges	12.31	11.87
Subscription Charges	11.58	12.54
Listing Fees	5.60	5.40
Bank Charges	0.09	0.14
Insurance	2.12	1.51
Rates and Taxes	4.79	4.54
Travelling and Conveyance	4.89	1.30
Printing, Stationery and Communication	3.28	5.15
Advertisement and Publicity	2.81	3.70
Business Development Expense	4.51	3.93
Loss on Tangible Assets Sold / Discarded (Net)	-	0.25
Auditor's Remuneration (Refer Note (a) below)	6.10	7.00
Professional Charges	96.76	66.09
Internal Audit Fees	8.00	5.50
Directors' Sitting Fees	5.67	4.68
Share Transfer Fees	3.34	3.18
Expenditure on Corporate Social Responsibility (Refer Note 41)	13.35	-
Interest - Others	-	2.51
Expenses towards AGM	1.73	1.44
Auction Penalty / Misdeals	4.36	1.41
SEBI Turnover Fees	1.11	1.30
Other Expenses	10.56	4.54
<b>Total</b>	<b>302.89</b>	<b>239.99</b>

**(a) Auditor's Remuneration**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
As Auditor:		
Audit fee	4.00	4.50
Tax audit fee	1.00	1.00
Limited review	1.00	1.50
In other capacity:		
GST & Tax Consultant Fees		
Other services (Certification fees)	0.10	-
<b>Total</b>	<b>6.10</b>	<b>7.00</b>

**Note: 35 EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit attributable to shareholders by the number of equity shares outstanding during the year. The earnings per share is calculated as follows:

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Profit after tax attributable to the owners of the Company	350.22	696.36
Number of equity shares	44378200	44378200
Face value per share	₹ 10.00	₹ 10.00
Earnings per share	0.79	1.57

**Note 36**
**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. The total expense recognised in profit or loss of Rs. 62.80 lakhs (for the year ended March 31, 2022 Rs.52.50 lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. Leave Encashment - The eligible Leave encashment liability to the employees other than those deputed by Indian Bank has been provided for on the basis of actuarial valuation based on number of days unutilised leave at each reporting date. The actuarial gain or loss is recognised in the Statement of Profit and Loss as per Ind AS 19.

**Defined Benefit Plans**
**Gratuity**

Payments to defined benefit retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the benefits. The plan provides for a lump sum payment to vested employees at retirement or 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 LIC 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. The principal assumptions used for the purposes of the actuarial valuations were as follows.

(A) i) Salary escalation by taking into account inflation, seniority, promotion, and other factors mentioned in para 90 of Ind AS 19

ii) Expected rate of return plan assets

iii) Attrition rate by reference to past experience and expected future experience and includes all types of withdrawals other than death but including those due to disability.

(B) It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table.

(C) Discount Rate has been determined by reference to market yields on 28-02-2023 on Government bonds of term consistent with estimated term of the obligations as per para 83 of Ind AS 19. The source for determining the market yields is the Zero Coupon Sovereign Rupee Yield Curve estimated by the Clearing Corporation of India Limited (CCIL) as on 28-02-2023.

(D) As per the Company's accounting policy actuarial gains and losses are recognized as per paras 127, 128 and 129 of Ind AS 19. Gratuity is



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

payable as per Payment of Gratuity Act, 1972. In terms of the same Gratuity is computed by multiplying last drawn salary [Basic salary including Dearness Allowance if any] by completed years of continuous service with part thereof in excess of six months and again by 15/26. Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

Assumptions	As at	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.37%	6.99%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on Plan Assets	7.00%	7.00%
Attrition rate	7.37%	6.99%

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

	31-Mar-23	31-Mar-22
<b>Service cost:</b>		
Current service cost	14.29	13.36
Expected Return on Plan Assets	(13.63)	(11.40)
Net interest expense	12.55	10.14
Net Actuarial (gain) / loss recognised in the year	17.27	15.00
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>30.48</b>	<b>27.10</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The re measurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	31-Mar-23	31-Mar-22
Present value of funded defined benefit obligation	217.52	182.26
Fair value of plan assets	211.37	188.86
<b>Net Asset/(Liability) arising from defined benefit obligation</b>	<b>(6.15)</b>	<b>6.60</b>

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

	31-Mar-23	31-Mar-22
Opening defined benefit obligation	182.26	152.95
Current service cost	14.29	13.36
Interest cost	12.55	10.14
Remeasurement (gains)/losses:	13.82	14.77
Benefits paid	(5.40)	(8.95)
<b>Closing defined benefit obligation</b>	<b>217.52</b>	<b>182.26</b>

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

	31-Mar-23	31-Mar-22
Opening fair value of plan assets	188.86	155.98
Expected Return on Plan Assets	13.63	11.40
Actuarial Gain or (Loss) on Plan Assets	(3.45)	(0.23)
Contributions	17.73	30.67
Benefits paid	(5.40)	(8.95)
<b>Closing fair value of plan assets</b>	<b>211.37</b>	<b>188.86</b>

<b>Additional Disclosures required under IND AS 19</b>		
	<b>31-03-2023</b>	<b>31-03-2022</b>
1.1 Date of valuation		
1.2 Average Duration of Defined Benefit Obligations [in years]	7.50	8.00
1.3 Sensitivity Analyses		
A. Discount Rate + 50 BP	7.84%	7.49%
Defined Benefit Obligation [PVO]	210.47	175.94
Current Service Cost	15.23	13.73
B. Discount Rate - 50 BP	6.87%	6.49%
Defined Benefit Obligation [PVO]	225.01	188.98
Current Service Cost	16.45	14.89
C. Salary Escalation Rate + 50 BP	5.50%	5.50%
Defined Benefit Obligation [PVO]	225.48	189.37
Current Service Cost	16.49	14.92
D. Salary Escalation Rate - 50 BP	4.50%	4.50%
Defined Benefit Obligation [PVO]	209.96	175.52
Current Service Cost	15.19	13.69
BP denotes "Basis Points"		
1.4 Expected Contributions in Following Years [ mid - year cash flows ]		
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA " denoted " Not Available"		
1.5 Expected Benefit Payments in Following Years [ mid - year cash flows ]		
Year 1	19.05	15.58
Year 2	18.78	15.27
Year 3	37.63	15.10
Year 4	24.18	31.53
Year 5	25.40	19.80
Next 5 Years	95.85	87.16

**Note 37**
**Contingent Liabilities**

A) Disputed demand on taxes

I) Income Tax

Assessment Year	31-Mar-23			31-Mar-22		
	Tax Demand	Interest	Total	Tax Demand	Interest	Total
1992-93*	71.59	43.43	115.02	71.59	43.43	115.02
1998-99	32.13	0.00	32.13	32.13	0.00	32.13
2007-08**	462.02	155.45	617.47	462.02	155.45	617.47
2008-09***	832.56	296.49	1129.05	832.56	296.49	1129.05
2009-10	76.40	19.87	96.27	76.40	19.87	96.27
2014-15	18.72	6.09	24.81	18.72	6.09	24.81
<b>Total</b>	<b>1493.42</b>	<b>521.33</b>	<b>2014.75</b>	<b>1493.42</b>	<b>521.33</b>	<b>2014.75</b>

\*Relating to disputed tax pertaining to AY 1992-93, the Tribunal at the hearing held on 25.01.22 has accepted our written submissions and arguments and has passed order giving the relief requested by us. Consequent to the Tribunal, the Assessing Officer will now pass an order giving effect to the same substantially reducing the demand and the giving effect order by the AO is not passed till 31/03/2023.

\*\* 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.26.04 lakhs (Previous year Rs.26.04 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 38

#### Related Party Disclosure

(A) Names of the related parties and the nature of the relationship:

Relationship	Name of the related party
Holding Company	Indian Bank
Fellow Subsidiary	Ind Bank Housing Ltd
Key Management Personnel	Mr. V. Haribabu, President and Whole-time Director
	Ms. M. A. Chitra, Company Secretary & Compliance Officer
	Mr. Tausif Inamdar Chief Financial Officer
	Mr. G. R. Sundaravadivel, Non-executive Independent Director
	Ms. Chitra Murali, Non-executive Independent Director
	Mr. Vaijinath Gavarshetty, Non-executive Independent Director
	Mr. Satish Kumar Kalra, Non-executive Independent Director
	Mr. Imran Amin Siddiqui, Non-executive Nominee director
	Mr. Sunil Jain, Non-executive Nominee Director

#### (B) Transactions with Related parties

Nature of Transaction	Name of Related Party	For the year ended 31st March 2023	For the year ended 31st March 2022
Overdraft facility availed	Indian Bank	262.10	-
Fixed deposits made	Indian Bank	3,104.30	3,412.97
Commission received	Indian Bank	8.65	-
Interest paid	Indian Bank	88.90	150.68
Interest received	Indian Bank	175.52	203.95
Rent paid	Indian Bank	24.40	21.71
Remuneration paid	Mr. V. Haribabu	23.95	13.47
Remuneration paid	Mr. Tausif Inamdar	13.50	-
Remuneration paid	Ms. M. A. Chitra	12.08	2.44
Remuneration paid	Mr. V. Balamurugan	-	7.60
Remuneration paid	Mr. A. Rajaraman	-	14.56
Sitting fees paid	Non-executive Independent Directors	5.67	4.68

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

### (C) Balances outstanding

Nature	Name of Related Party	As at 31st March 2023	As at 31st March 2022
Borrowings	Indian Bank	278.52	-
Fixed Deposits	Indian Bank	3,279.82	3,616.92
Balance in Current accounts	Indian Bank	384.39	137.14

### Note 39

#### 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 40

#### Income Taxes

A. The major components of income tax expense for the year are as under:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Current tax		
In respect of current years	91.22	143.40
In respect of previous years	-	-
Total (A)	91.22	143.40
Deferred tax		
Origination and reversal of temporary differences	67.08	15.55
Impact of change in tax rate	-	-
Total (B)	67.08	15.55
Income tax recognized in statement of profit and loss (A+B)	158.30	158.95
Income tax expenses recognized in OCI		
Income tax relating to remeasurement of defined employee benefit plans	4.35	3.78

The effective income tax rate for the year ended March 31, 2023 is 25.168% (For the previous year it is 25.168%) During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

#### B. Reconciliation of tax expenses and the accounting profit for the year is as under:

Particulars	31.03.2023	31.03.2022
Profit before tax	508.52	855.31
Applicable tax rate	25.17%	25.17%
Computed Tax expense	127.98	215.26
Tax effect of:		
Expenses disallowed	35.11	5.06
Income considered under other tax rate/heads	(0.16)	(0.13)
Incomes set-off with unutilised tax losses on which deferred tax was not recognised	(4.63)	(61.24)
Total Tax expenses as per statement of profit and loss for the year	158.30	158.95
Effective tax rate	31.13	18.58

**C. Movement of deferred tax assets and liabilities**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*
**As at March 31, 2023**

Movement during the year ended March 31, 2023	As at April 1, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Property, plant and equipment and Intangible Assets	(93.55)	2.42	-	(91.13)
Employee benefits obligations	36.61	0.35	1.55	38.51
Provision for expected credit losses	361.42	(71.41)	-	290.01
<b>Net deferred tax assets/(liabilities)</b>	<b>304.48</b>	<b>(68.64)</b>	<b>1.55</b>	<b>237.39</b>

**As at March 31, 2022**

Movement during the year ended March 31, 2022	As at April 1, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Property, plant and equipment and Intangible Assets	(148.48)	54.93	-	(93.55)
Employee benefits obligations	24.44	12.17	-	36.61
Provision for expected credit losses	440.29	(78.87)	-	361.42
<b>Net deferred tax assets/(liabilities)</b>	<b>316.25</b>	<b>(11.77)</b>		<b>304.48</b>

**D. Following are the amounts of unused tax losses on which the company has not recognised any deferred tax assets in the Balance Sheet:**

Particulars	Financial year	As at March 31, 2023	Expiry date	As at March 31, 2022	Expiry date
Capital loss under Income tax Act, 1961	2013-14	-	-	35.27	March 31, 2023
Capital loss under Income tax Act, 1961	2014-15	1150.52	March 31, 2024	1167.28	March 31, 2024
Capital loss under Income tax Act, 1961	2015-16	104.96	March 31, 2025	104.96	March 31, 2025
Capital loss under Income tax Act, 1961	2019-20	3.14	March 31, 2029	3.14	March 31, 2029
Capital loss under Income tax Act, 1961	2020-21	0.96	March 31, 2030	0.96	March 31, 2030
<b>Total</b>		<b>1,259.58</b>		<b>1311.61</b>	
<b>Unrecognised deferred tax asset on above</b>		<b>317.01</b>		<b>330.11</b>	

**Note 41**
**Financial Risk Management Objectives and Policies**
**A. Capital management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

**B. Financial risk management**

The Company is exposed to market risk, credit risk and liquidity risk. All these risks are managed by the company in accordance with its Integrated Risk Management Policy approved by its Board.

**B.1 Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises following types of risk: interest rate risk and market price risk. Financial instruments affected by market risk inter-alia includes borrowings.

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

### B.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not carry any floating rate financial instruments that exposes it to risk arising out of change in interest rates.

### B.1.2 Market Price Risk

The Company is exposed to market price risk, which arises from FVTPL investment in listed securities. The management monitors the proportion of listed securities investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

### B.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, term deposits, trade receivables and security deposits. Cash and cash equivalents and term deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks financial institutions as approved by the Board of directors. Security deposits are kept with stock exchanges for meeting minimum base capital requirements. These deposits do not have any credit risk. The Company holds collateral of securities against its credit exposures. The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

### B.3 Liquidity Risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavorable terms thus compromising its earnings and capital. Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions. The Company aims to maintain the level of its cash and cash equivalents in the form of bank deposits at an amount in excess of expected cash outflow on financial liabilities. Funds required for short period is taken care by utilising overdraft facility available from scheduled commercial bank.

### Financial Instruments

#### Categories of financial instruments

	As at 31 March 2023	As at 31 March 2022
Financial Assets		
Investments		
Other Investments mandatorily measured at Amortised Cost	-	-
Other Investments mandatorily measured at FVTPL	136.96	129.58
Other Investments mandatorily measured at FVTOCI	-	0.15
Other financial assets - Mandatorily measured at Amortised Cost	344.91	173.74
Loans	3.93	3.39
Trade receivables	412.21	336.95
Investment - mandatorily measured at FVTPL	-	-
Cash and Cash Equivalents	1,014.36	924.58
Other Bank Balances	5,974.33	5,694.39
Other financial assets	344.91	173.74

### Financial Liabilities

(a) Borrowings	278.52	-
(b) Other financial liabilities	1,705.36	1,761.10

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets. 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).

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

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-03-2023	31-03-2022		
1) Investments in equity instruments - FVTPL (quoted)	Listed equity securities in various companies - aggregate fair value of Rs.136.96 lakhs	Listed equity securities in various companies - aggregate fair value of Rs.129.57 lakhs	Level 1	Quoted prices in active market
2) Investments in Bought Out Deals - FVTOCI (Unquoted)	Bought Out Deals in various companies - aggregate fair value - Nil	Bought Out Deals in various companies - aggregate fair value of Rs. 0.15 lakhs	Level 2	Prices quoted by an independent valuer

**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 2023		Carrying Amount	As at 31 March 2022 Fair Value
	Carrying Amount	Fair Value		
Financial assets				
(a) Investments				
Other Investments at Amortised Cost	-	-	-	-
Other Investments at FVTPL	136.96	136.96	129.58	129.58
Other Investments at FVTOCI	-	-	0.15	0.15
(b) Other financial assets	344.91	344.91	173.74	173.74
Financial Assets - Current				
(a) Loans	3.93	3.93	3.39	3.39
(b) Trade receivables	412.21	412.21	336.95	336.95
(c) Investment at FVTPL	-	-	-	-
(d) Cash and Cash Equivalents	1,014.36	1,014.36	924.58	924.58
(e) Other Bank Balances	5,974.33	5,974.33	5,694.39	5,694.39
(f) Other financial assets	344.91	344.91	173.74	173.74
Financial liabilities				
Financial liabilities held at amortised cost:				
Financial Liabilities				
(a) Borrowings	278.52	278.52	-	-
(b) Other financial liabilities	1,705.36	1,705.36	1,761.10	1,761.10

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

Fair Value hierarchy					31 March 2023				
Particulars	Level 1	Level 2	Level 3	Total	Particulars	Level 1	Level 2	Level 3	Total
Financial assets					Financial assets				
(a) Investments					(a) Investments				
Other Investments at FVTPL	136.96	-	-	136.96	Other Investments at FVTPL	129.58	-	-	129.58
Other Investments at FVTOCI	-	-	-	-	Other Investments at FVTOCI	-	0.15	-	0.15

#### Note 42

#### Expenditure on Corporate Social Responsibility Activities

Particulars	31-Mar-23	31-Mar-22
a) Amount required to be spent by the company during the year	13.35	-
b) Amount of expenditure incurred	10.89	-
c) Shortfall at the end of the year	2.46	-
d) Total of previous years' shortfall	-	-
e) Reason for shortfall	-	-
<p>The company is exploring viable options for spending the unspent amount as at the year end and will be contributing the shortfall amount to approved funds specified under schedule VII within the time limits specified under section 135 of the Companies Act, 2013, after obtaining necessary internal approvals for spending the amount. As at the balance sheet date, the time limit for spending the unspent amount is not expired.</p>		
f) Nature of CSR activities		
<p>The company has spent an amount of Rs. 10.89 lakhs as contribution to a registered public charitable trust which operates a free home for senior citizens in Chennai.</p>		
g) Details of related party transactions in relation to CSR expenditure	-	-



**Note 43**
*(All amounts are in Indian Rupees Lakhs, unless otherwise stated)*
**Maturity Analysis**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. (₹ in lakhs)

Particulars	As at 31-3-2023			As at 31-3-2022		
	As at 31-3-2023	Within 12 months	After 12 months	As at 31-3-2022	Within 12 months	After 12 months
<b>ASSETS</b>						
<b>(1) Financial Assets</b>						
(a) Cash and cash equivalents	1,014.36	1,014.36	-	924.58	924.58	-
(b) Bank Balance other than (a) above	5,974.33	2,313.49	3,660.84	5,694.39	3,374.17	2,320.22
(c) Derivative financial instruments	-	-	-	-	-	-
(d) Receivables						
(I) Trade Receivables	412.21	412.21	-	336.95	336.95	-
(II) Other Receivables	-	-	-	-	-	-
(e) Loans	3.93	3.93	-	3.39	3.39	-
(f) Investments	136.96	-	136.96	129.73	-	129.73
(g) Other Financial assets	344.91	9.63	335.28	173.74	8.32	165.42
	7,886.70	3,753.62	4,133.08	7,262.78	4,647.41	2,615.37
<b>(2) Non-financial Assets</b>						
(a) Inventories	-	-	-	-	-	-
(b) Current tax assets (Net)	1,015.06	-	1,015.06	1,018.39	-	1,018.39
(c) Deferred tax Assets (Net)	237.40	-	237.40	300.70	-	300.70
(d) Investment Property	265.04	-	265.04	272.70	-	272.70
(e) Biological assets other than bearer plants	-	-	-	-	-	-
(f) Property, Plant and Equipment	82.44	-	82.44	87.36	-	87.36
(g) Capital work-in-progress	-	-	-	12.61	12.61	-
(h) Intangible assets under development	-	-	-	-	-	-
(i) Goodwill	-	-	-	-	-	-
(j) Other Intangible assets	7.73	-	7.73	10.50	-	10.50
(k) Other non-financial assets	243.84	91.03	152.81	198.71	45.90	152.81
	1,851.51	91.03	1,760.48	1,900.97	58.51	1,842.46
<b>Total Assets</b>	<b>9,738.21</b>	<b>3,844.65</b>	<b>5,893.56</b>	<b>9,163.75</b>	<b>4,705.92</b>	<b>4,457.83</b>

*(₹ in lakhs)*

Particulars	As at 31-3-2023			As at 31-3-2022		
	As at 31-3-2023	Within 12 months	After 12 months	As at 31-3-2022	Within 12 months	After 12 months
<b>LIABILITIES</b>						
<b>(1) Financial Liabilities</b>						
(a) Derivative financial instruments	-	-	-	-	-	-
(b) Payables						
(I) Trade Payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(II) Other Payables	-	-	-	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	57.81	57.81	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	99.89	99.89	-	56.50	56.50	-
(c) Debt Securities	-	-	-	-	-	-
(d) Borrowings (Other than Debt Securities)	278.52	278.52	-	-	-	-
(e) Deposits	-	-	-	-	-	-
(f) Subordinated Liabilities	-	-	-	-	-	-
(g) Other financial liabilities	1,705.36	1,698.06	7.30	1,761.10	1,752.29	8.81
	2,083.77	2,076.47	7.30	1,875.41	1,866.60	8.81
<b>(2) Non-Financial Liabilities</b>						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(b) Provisions	149.54	25.44	124.10	124.66	124.66	-
(c) Deferred tax liabilities (Net)	-	-	-	-	-	-
(d) Other non-financial liabilities	54.36	39.69	14.67	50.44	50.44	-
	203.90	65.13	138.77	175.10	175.10	-
<b>Total Liabilities</b>	<b>2,287.67</b>	<b>2,141.60</b>	<b>146.07</b>	<b>2,050.51</b>	<b>2,041.70</b>	<b>8.81</b>
<b>Net</b>	<b>7,450.54</b>	<b>1,703.05</b>	<b>5,747.49</b>	<b>7,113.24</b>	<b>2,664.22</b>	<b>4,449.02</b>

**NOTE: 44 ADDITIONAL REGULATORY INFORMATION**

- (i) No loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (ii) The company does not hold any benami property and no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The Company has not availed any borrowings from banks or financial institutions on the basis of security of current assets.
- (iv) The Company is not declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (v) The Company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956
- (vi) There are no charges or satisfaction yet to be registered with Registrar of companies (ROC).
- (vii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) There are no Scheme of Arrangements placed before the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 for approval.
- (ix) Utilisation of Borrowed funds and share premium
- (a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in party identified in any manner by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any fund (which are material either individually or in the aggregate) from any party(s) (Funding Party(ies)) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company has not traded or invested in Crypto currency or Virtual currency during the year ended 31st March, 2023.
- (xi) The Company did not have any transactions which had not been recorded in the books of accounts that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) Additional regulatory information required under (WB) (xvi) of Division III of amended Schedule III of the Companies Act, 2013 i.e., the disclosure of ratios, is not applicable to the Company as it is in stock broking business and also the Company has not conducted any Non-Banking Financial activities or any Housing Finance activities and it is not required to obtain Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per section 45-IA of Reserve Bank of India Act, 1934.

**IMRAN AMIN SIDDIQUI**

 DIRECTOR  
 09153707

**SUNIL JAIN**

 DIRECTOR  
 09665264

**V HARIBABU**

 PRESIDENT AND  
 WHOLE TIME DIRECTOR  
 09523733

**As per our report of even date attached  
 For BRAHMAYYA & CO  
 CHARTERED ACCOUNTANTS**

(FRN 000511S)

**TAUSIF INAMDAR**  
 VICE PRESIDENT & CFO

**CS. CHITRA M A**  
 COMPANY SECRETARY  
 (M.No: 33512)

**CA. K JITENDRA KUMAR**

 PARTNER  
 (M.No: 201825)

Date : 21/04/2023

Place : Chennai



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# Indbank

Merchant Banking Services Ltd  
(A Subsidiary of Indian Bank)

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