

**Registered Office :**

1<sup>st</sup> Floor, Khivraj Complex 1  
 No. 480, Anna Salai,  
 Nandanam, Chennai 600 035  
 Phone : 24313094 to 97  
 Fax : 24313093  
 Email : registered@indbankonline.com  
 CIN No. L65191TN1989PLC017883



# Indbank

**Merchant Banking Services Ltd**

(A Subsidiary of Indian Bank)

Ref: Sec/2020-21/31

June 11, 2020

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

Sub: Outcome of Board Meeting

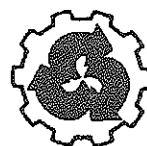
The Board of Directors at their meeting held on 11.06.2020 considered and approved the following:

1. Audited financial results for the year ended 31.03.2020 along with Auditors' Report on the Audited financial results for the year ended 31.03.2020 were duly approved and taken on record at the Board meeting held on 11.06.2020.
2. A declaration on the unmodified opinion given by the Statutory Auditors in their Audit Report dated 11.06.2020.
3. Board's Report of the Company for the financial year 2019-20.
4. Shri.K.Ramachandran, DIN: 08589628, was recommended to Board to appoint as an Additional Director of the Company by the Nomination and Remuneration Committee at its meeting held on 11.06.2020 and the Board of the Company at its meeting held on 11.06.2020 appointed him as an Additional Director with effect from 11.06.2020, who shall hold office till the conclusion of the ensuing Annual General Meeting.

1	Full Name	K Ramachandran
2	Age & Date of Birth	59 years, 07.06.1961
3	Educayional Qualification	Post Graduate in Science with Post Graduate Diploma in Computer Application
4	Occupation & Experience	Shri K.Ramachandran, is an Executive Director of Indian bank from 01.04.2020.  Earlier he held the office of Executive Director of Allahabad Bank since 26th December, 2018 to 31st March, 2020 (up to the merger of Allahabad Bank with Indian Bank).

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		He joined Corporation Bank as Probationary Officer in May 1985 and had worked in Branches, Corporate Office and other Controlling Offices. He was part of the core team involved in the design, development and implementation of the total Branch Automation, Internet Banking and Mobile Banking application of Corporation Bank. As Asst. General Manager, Priority Sector he had implemented the voice enabled Point of Transaction, Hand Held Terminals used by Business Correspondents. Shri Ramachandran held independent charge of Alternate Channels, Credit Monitoring verticals and had headed Thane Zone of Corporation Bank. On elevation to General Manager Cadre, he was heading Chennai Circle of Corporation Bank from April 2016.
5	Interest in other companies, firms etc., as a Director / Partner / Member of Institution etc.,	Universal Sompo General Insurance Co., Ltd
6	Disclosure of relationship between Directors	NIL

The Meeting Commenced at 2.00 P.M and concluded at 4.00 P.M

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For **INDBANK MERCHANT BANKING SERVICES LIMITED**

CS BALAMURUGAN V  
 COMPANY SECRETARY AND COMPLIANCE OFFICER

Enclosed: As above

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**INDBANK MERCHANT BANKING SERVICES LIMITED**

(A Subsidiary of Indian Bank)

Regd. Office : First Floor, Khivraj Complex 1, No. 480, Anna Salai, Nandanam, Chennai 600035

Phone No. 24313094-97

CIN No: L65191TN1989PLC017883

Email: investors@indbankonline.com

Website: www.indbankonline.com

PART I

**Statement of Audited Financial Results for the year ended 31.03.2020**

Sl. No.	Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date for the current year ended	Previous Accounting Year ended
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Audited	Un-Audited	Audited	Audited	Audited
1	Revenue from Operations	238.42	195.92	188.54	877.17	811.78
2	Other Income	602.81	86.01	79.93	846.66	433.12
3	<b>Total Revenue (1+2)</b>	<b>841.23</b>	<b>281.93</b>	<b>268.47</b>	<b>1723.83</b>	<b>1244.90</b>
4	<b>Expenditure</b>					
(a)	Cost of Services	9.40	8.40	5.62	37.03	36.26
(b)	Purchases of Stock-in-Trade	0.00	0.00	0.00	0.00	0.00
(c)	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	0.00	0.00	0.00	0.00	0.00
(d)	Employee Benefits Expense	160.35	113.26	142.56	496.10	438.33
(e)	Finance Costs					
(i)	Payment under Right to Recompense	37.50	37.50	37.50	150.00	150.00
(ii)	Others	1.48	0.12	0.77	2.18	3.08
	<b>Finance Costs - Total</b>	<b>38.98</b>	<b>37.62</b>	<b>38.27</b>	<b>152.18</b>	<b>153.08</b>
(f)	Depreciation and Amortization expenses	5.14	8.58	6.09	30.21	23.29
(g)	Other expenses					
	Provision for Non Performing Assets/Write off	136.81	(6.57)	6.88	153.32	82.13
	Other expenditure	415.83	37.80	42.82	561.00	338.00
	<b>Total Other Expenses</b>	<b>552.63</b>	<b>31.23</b>	<b>49.70</b>	<b>714.31</b>	<b>420.13</b>
	<b>Total Expenses</b>	<b>766.50</b>	<b>199.09</b>	<b>242.24</b>	<b>1429.83</b>	<b>1071.09</b>
5	<b>Profit/(Loss) before exceptional items and tax (3-4)</b>	<b>74.73</b>	<b>82.84</b>	<b>26.23</b>	<b>294.00</b>	<b>173.81</b>
6	Exceptional items	0.00	0.00	7.22	0.00	7.22
7	<b>Profit/(Loss) before tax (5-6)</b>	<b>74.73</b>	<b>82.84</b>	<b>33.45</b>	<b>294.00</b>	<b>181.04</b>
8	Tax Expense					
(a)	Current Tax	22.43	0.00	59.87	50.95	59.87
(b)	MAT Tax	0.00	0.00	(51.35)	0.00	(51.35)
(b)	Deferred Tax	35.50	1.59	(3.97)	34.15	(4.02)
(c)	Prior years	0.00	0.00	0.00	0.00	0.00
(d)	<b>Total</b>	<b>57.93</b>	<b>1.59</b>	<b>4.55</b>	<b>85.10</b>	<b>4.50</b>
9	<b>Profit/(loss) for the period (7-8)</b>	<b>16.80</b>	<b>81.25</b>	<b>28.90</b>	<b>208.90</b>	<b>176.53</b>
10	<b>Other Comprehensive Income</b>					
10A	<b>Items that will not be reclassified to profit or loss</b>					
(a)	Remeasurements of the defined benefit plans	(11.62)	0.00	(3.78)	(11.62)	(3.78)
10B	<b>Items that may be reclassified to profit or loss</b>					
		0.00	0.00	0.00	0.00	0.00
11	<b>Total Other Comprehensive Income</b>	<b>(11.62)</b>	<b>0.00</b>	<b>(3.78)</b>	<b>(11.62)</b>	<b>(3.78)</b>
12	<b>Total Comprehensive Income for the period (9+11)</b>	<b>5.18</b>	<b>81.25</b>	<b>25.12</b>	<b>197.28</b>	<b>172.75</b>
13	Paid up equity share capital (Face value per share - Rs. 10/-)	4437.82	4437.82	4437.82	4437.82	4437.82
14	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	0.00	0.00	0.00	1582.85	1385.57
15	Earnings Per Share (EPS) (Rs)					
(a)	Basic & diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualised)	0.04	0.18	0.07	0.47	0.40
(b)	Basic & diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualised)	0.04	0.18	0.07	0.47	0.40



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Statement of Assets & Liabilities as on 31.03.2020			
Sl.No.	Particulars	As on 31.03.2020 Rs.Lakhs	As on 31.03.2019 Rs.Lakhs
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Property, plant and equipment	39.52	59.86
	(b) Capital work-in-progress	0.00	0.00
	(c) Investment property	288.25	296.03
	(d) Goodwill	0.00	0.00
	(e) Other intangible assets	5.51	2.40
	(f) Intangible assets under development	0.00	0.00
	(i) Biological assets other than bearer plants	0.00	0.00
	(j) Investments accounted for using equity method	0.00	0.00
	Sub total - Non Current Assets	333.29	358.28
	<b>Non Current Financial Assets</b>		
	(a) Non-current investments	18.54	45.21
	(b) Trade receivables, non-current	0.00	0.00
	(c) Loans, non-current	0.00	0.00
	(d) Other non-current financial assets	1407.62	454.05
	Sub total - Non Current Financial Assets	1426.16	499.27
	Deferred tax assets (net)	386.74	420.89
	Other non-current assets	1311.63	1193.10
	<b>Total Non-Current Assets</b>	<b>3457.82</b>	<b>2471.54</b>
<b>2</b>	<b>Current Assets</b>		
	Inventories	0.00	0.00
	<b>Current Financial Asset</b>		
	(a) Current investments	0.00	0.00
	(b) Trade receivables	91.79	525.50
	(c) Cash and Cash equivalents	1151.73	691.08
	(d) Bank balance other than Cash & Cash Equivalents	2380.46	2727.36
	(e) Loans, Current	5.26	4.88
	(f) Other current financial assets	299.39	295.85
	<b>Sub total - Current Financial Assets</b>	<b>3928.64</b>	<b>4244.67</b>
	Current tax assets (net)	0.00	0.00
	Other current assets	28.34	38.69
	<b>Total current assets</b>	<b>3956.99</b>	<b>4283.36</b>
	Non-current assets classified as held for sale	0.00	0.00
	Regulatory deferral account debit balances and related deferred tax Assets	0.00	0.00
	<b>Total - Assets</b>	<b>7414.80</b>	<b>6754.90</b>
<b>B</b>	<b>Equity and Liabilities</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity attributable to owners of parent	0.00	0.00
	(b) Equity Share Capital	4437.82	4437.82
	(c) Other Equity	1582.85	1385.57
	(d) Non controlling interest	0.00	0.00
	<b>Total Equity</b>	<b>6020.67</b>	<b>5823.39</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non Current Liabilities</b>		
	<b>Non Current Financial Liabilities</b>		
	(a) Borrowings, non-current	0.00	0.00
	(b) Trade payables, non-current	0.00	0.00
	(c) Other non-current financial liabilities	0.00	0.00
	<b>Total - Non Current Financial Liabilities</b>	<b>0.00</b>	<b>0.00</b>
	(a) Provisions, non-current	0.00	0.00
	(b) Deferred tax liabilities (net)	0.00	0.00
	(c) Deferred government grants, Non-current	0.00	0.00
	(d) Other non-current liabilities	0.00	0.00
	<b>Total non-current liabilities</b>	<b>0.00</b>	<b>0.00</b>
	<b>Current liabilities</b>		
	<b>Current financial liabilities</b>		
	Borrowings, current	0.27	0.00
	Trade payables, current	0.00	0.00
	Other current financial liabilities	180.04	172.08
	<b>Total current financial liabilities</b>	<b>180.31</b>	<b>172.08</b>
	Other current liabilities	953.59	622.80
	Provisions, current	91.76	74.87
	Current tax liabilities (Net)	168.47	61.76
	Deferred government grants, Current	0.00	0.00
	<b>Total current liabilities</b>	<b>1213.82</b>	<b>759.43</b>
	Liabilities directly associated with assets in disposal group classified as held for sale	0.00	0.00
	Regulatory deferral account credit balances and related deferred tax liability	0.00	0.00
	<b>Total liabilities</b>	<b>1394.13</b>	<b>931.51</b>
	<b>Total equity and liabilities</b>	<b>7414.80</b>	<b>6754.90</b>



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**Notes**

1. The Market value of quoted investments (Cost-Rs.0.52 crore) of the Company as on 31.03.2020 was Rs.0.18 Crore and the provisions held for the same was Rs.0.34 crore.
2. The unquoted shares and the bought out deals held by the company are valued at Fair value as at 31.03.2020 as required by Ind AS 109 and there is no material increase in fair value as on 31.03.2020.
3. The previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.
4. Under IND-AS it has been identified that the company operates only at one segment and hence the segment reporting has been found to be not applicable.
5. The figures for the quarter ended 31.03.2020 are the balancing figures between Audited figures for the year ended 31.03.2020 and the published unaudited figures upto the quarter ended 31.12.2019.
6. Due to COVID-19 pandemic the operations are effected due to restricted availability of manpower. However the impact of this on the operations of company and on the profitability for the financial year 2019-20 is not significant.
7. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors at their meeting held on 11.06.2020

Place: Chennai  
Date: 11.06.2020



By the Order of the Board

  
P L V K SESA SAI  
PRESIDENT & WHOLE TIME DIRECTOR

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**INDBANK MERCHANT BANKING SERVICES LIMITED**

Regd.Off: I Floor, Khivraj Complex 1, No. 480, Anna Salai, Nandanam, Chennai 600035

**Cash Flow Statement for the period ended 31.03.2020**

	2019-20 as on 31.03.2020 Rs. in Lakhs	2018-19 as on 31.03.2019 Rs. in Lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit after tax	197.28	172.75
Adjustments for:		
Add : Depreciation/Lease Adjustments	30.21	23.29
Provision for taxation - Current	50.95	59.87
- Mat Tax	0.00	(51.35)
- Deferred	34.15	(4.02)
- Prior Year taxes	0.00	0.00
Loss on sale of assets (net)	0.00	0.00
Interest expense	152.18	153.08
	464.77	353.63
Less:		
Profit on sale of investments(net)	(377.35)	(129.94)
Dividend income	0.90	0.71
Profit on sale of assets	1.12	1.11
	(375.33)	(128.12)
Operating Profit before working capital changes	840.09	481.75
Less : Decrease in Current liabilities	(417.15)	8.92
	1257.24	472.83
Add:		
Decrease in other current assets	438.04	184.11
Cash generated from operations	1695.28	656.94
Less : Interest expense	152.18	153.08
Less : Taxes	50.95	8.52
Cash Flow before Extraordinary Items	1492.15	495.33
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(8.77)	(9.09)
Decrease in Term Deposits with banks	(674.23)	(289.72)
Sale of Fixed Assets	4.68	1.48
Decrease in Investments net of provision	(350.68)	(44.49)
Dividend received	0.90	0.71
Net cash from Investing Activities	(1028.10)	(341.11)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short term loans & Adv.	0.27	0.00
Dividend paid(including taxes thereon)	0.00	0.00
Net Cash used in Financing Activities	0.27	0.00
Net increase in cash & cash equivalents	464.32	154.22
Cash & Cash equivalents as at 01.04.19 (opg.bal.)	197.40	43.18
Cash & Cash equivalents as at 31.03.20 (clg. bal.)	661.72	197.40



*[Handwritten signature]*

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

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

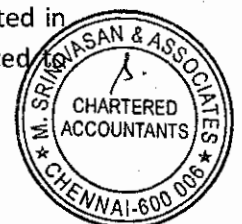
Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative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

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

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

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

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



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**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e) On the basis of written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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# M. Srinivasan & Associates Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in Note 28 to its standalone financial statements
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 3) As required by section 143(5) we have included in "Annexure C", a statement on the matters specified in the directions issued by the Comptroller and Auditor General of India, and in our opinion, no action is required to be taken thereon and there is no impact on the accounts and the financial statements of the company.

**For M.Srinivasan & Associates**

**Chartered Accountants**

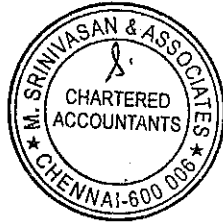
**FRN 004050S**

*S. Santhosh*

**S.Santhosh**

**Partner**

**M.No : 230839**



**Date : 11/06/2020**

**Place : Chennai**

**UDIN : 20230839AAAAAQ5140**

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ANNEXURE A

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

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

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

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



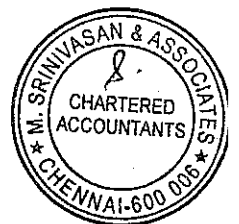
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**M. Srinivasan & Associates**  
**Chartered Accountants**

Sales tax and VAT Laws	Sales tax/ Additional Sales tax , Penalty and Interest	14.20	1998-99	Commercial Tax Officer Tamil Nadu	
	Sales tax/ Additional Sales tax , Penalty and Interest	12.05	1995-96	Commercial Tax Officer Tamil Nadu	
	Sales tax/ Additional Sales tax , Penalty and Interest	10.48	1994-95	Commercial Tax Officer Tamil Nadu	

- 8) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial Institution(s) and bank(s).
- 9) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

For M.Srinivasan & Associates  
Chartered Accountants

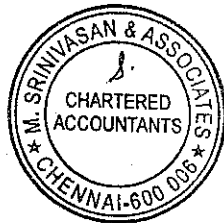
FRN 004050S

*S. Santhosh*

S.Santhosh

Partner

M.No : 230839



Date : 11/06/2020

Place : Chennai

UDIN : 20230839AAAAAQ5140

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**ANNEXURE B**

Referred to in paragraph 2(f) under "Report on other Legal and Regulatory Requirements" of our report of even date

**Report on the Internal Financial Controls over financial Reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of "INDBANK MERCHANT BANKING SERVICES LIMITED" as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

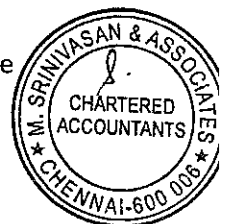
**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



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Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

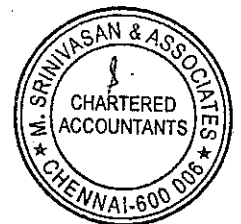
#### **Meaning of Internal Financial Controls Over financial Reporting**

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

#### **Inherent Limitations of Internal Financial controls Over Financial Reporting**

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

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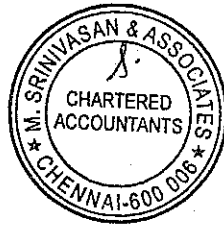
**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal financial control Over Financial Reporting issued by The Institute of Chartered Accountants of India.

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

*S. Santhosh*

**S.Santhosh**  
**Partner**  
**M.No : 230839**  
**Date : 11/06/2020**  
**Place : Chennai**



**UDIN : 20230839AAAAAQ5140**

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ANNEXURE 'C'

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

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

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

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

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

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

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

**Not applicable to this company**

For M.Srinivasan & Associates  
Chartered Accountants  
FRN 004050S

*S. Santhosh*

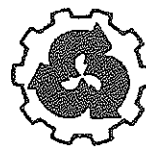
S.Santhosh  
Partner  
M.No : 230839  
Date : 11/06/2020  
Place : Chennai



UDIN : 20230839AAAAAQ5140

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**Registered Office :**  
1<sup>st</sup> Floor, Khivraj Complex 1  
No. 480, Anna Salai,  
Nandanam, Chennai 600 035  
Phone : 24313094 to 97  
Fax : 24313093  
Email : registered@indbankonline.com  
CIN No. L65191TN1989PLC017883



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

Ref: Sec/2020-21/30

June 11, 2020

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

**Sub:** Declaration, in respect of audit reports, for the year ended 31.03.2020, with unmodified opinion(s).

**Ref:** Regulation 33 of SEBI (LODR), Regulations 2015  
SEBI Circular CIR/CFD/CMD/56/2016 dated 27.05.2016

With reference to the above, we hereby declare that the Statutory Auditors have provided an unmodified opinion in their Audit Report on the financials for the year ended 31.03.2020.

Thanking you,

Yours faithfully,

**For INDBANK MERCHANT BANKING SERVICES LIMITED**

**CS BALAMURUGAN V**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**

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