



**IFIN SECURITIES FINANCE LIMITED**

**ANNUAL REPORT 2018-19**

# **IFIN SECURITIES FINANCE LIMITED**

## **Board of Directors\***

Shri Ramesh NGS

Smt Meera Ranganathan

Shri V Ramanan

Shri Sreekumaran V Nair

Shri Ramkumar Srinivasan

Additional Director<sup>(w.e.f.June 17,2019)</sup>

Managing Director <sup>(w.e.f.May29,2019)</sup>

Independent Director

Nominee Director

Director

*\* As on the date of this Report*

## **Company Secretary**

Shri Sabareeswar T

## **Chief Financial Officer**

Shri A.V. Pushparaj

## **Statutory Auditors**

M/s. Jagannathan & Sarabeswaran

FRN 001204S

Chartered accountants

G.R.Ravi

M.no: 025669

Partner

## **Registered Office**

Continental Chambers, 3<sup>rd</sup> Floor

142, Mahatma Gandhi Road

Nungambakkam, Chennai - 600 034

Ph: 044 2830 6600

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**NOTICE**

**Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the shareholders of M/s. IFIN Securities Finance Limited will be held at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Tuesday, September 17, 2019 at 03:15 P.M to transact the following business:**

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2019, together with the Board of Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Shri Ramkumar Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2019-20, as may be deemed fit."

**AS SPECIAL BUSINESS**

**4. To appoint Shri Ramesh NGS as Director of the Company**

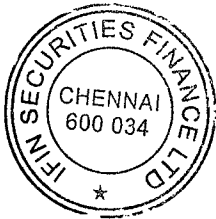
To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 152 and 161 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] Shri Ramesh NGS (DIN: 06932731), who was appointed by the Board of Directors as Additional Director on June 17, 2019 be and is hereby appointed as Director of the Company liable to retire by rotation with effect from



September 17, 2019."

**"RESOLVED FURTHER THAT** any of the Directors or the Company Secretary of the Company be and are hereby authorized to digitally sign and file necessary e-form with the Registrar of Companies and other statutory authorities as may be necessary in connection with the above appointment."



Place: Chennai

Date: August 23, 2019

By Order of the Board  
For **IFIN Securities Finance Limited**

**Sabareeswar T**  
**Company Secretary**  
**SABAREESWAR T**  
**COMPANY SECRETARY**

MEM No: A42462

DHARA 20, FRANKLIN HEIGHTS

KERALA 005604

**Notes:**

1. A member entitled to vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxy forms should be submitted to the Company 48 hours before the commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members should bring the attendance slip duly filled in for attending the meeting.
4. All documents referred to in the accompanying notice and explanatory statement shall be open for inspection at the Registered Office of the Company during the business hours except on holidays, upto and including the date of the Annual General Meeting of the Company.
5. Details of Director(s) seeking appointment/ re-appointment at the Annual General Meeting of the Company are provided in **Annexure-A** of this notice.

## **Explanatory Statement**

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business under Item no. 4 accompanying the Notice dated August 30, 2019.

### **4. To appoint Shri Ramesh NGS as Director of the Company**

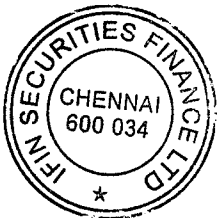
Shri Ramesh NGS (DIN: 06932731) was appointed as the Additional Director by the Board of Directors with effect from June 17, 2019 in accordance with provision of Section 152 and 161 of the Companies Act, 2013 and will hold office of Directorship only until the conclusion of this Annual General Meeting under Section 161 of the Companies Act, 2013.

A brief profile of Shri Ramesh NGS is provided below for the reference of the members:

Shri Ramesh N G S has been heading Stockholding Corporation of India Limited as MD & CEO since 2014. He has an overall experience of 30+ years in Retail Business, Resource PMS & Training, HR, Operations and Vigilance. Prior to joining Stockholding, he worked with prominent institutions such as IDI Bank, HDFC Bank, Times Bank, IndusInd Bank & syndicate Bank. He holds a Bachelor's Degree in Science from the University of Pune and has also completed a Post-Graduate Diploma in Investment & Financial Management from the University of Pune.

In terms of requirement of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Shri Ramesh NGS. Hence, the Directors recommend the resolution at Item No.4 as Ordinary Resolution for the approval of Shareholders.

None of the Directors and the Key Managerial Personnel of the Company and their relatives except Shri Ramesh NGS, are in any way concerned or interested in the said resolution.



Place: Chennai  
Date: August 23, 2019

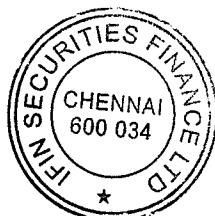
By Order of the Board  
**For IFIN Securities Finance Limited**

**Sabareeswar T**  
**Company Secretary**  
SABAREESWAR T  
COMPANY SECRETARY  
MEM No: A42462  
PHRA-29, PRAKRUTHY HEIGHTS,  
VAZHAYILA, TRIVANDRUM,  
KERALA-695564

**Annexure – A**

Details of the Directors seeking Re-Appointment in the forthcoming Annual General Meeting

Name of the Director	Shri Ramkumar Srinivasan	Shri Ramesh N G S
Date of Birth	Jun 12, 1970	October 14, 1961
Date of Appointment	June 15, 2017	June 17, 2019
Expertise in Specific functional area	Financial Services and Banking	Financial Services and Banking
Qualification	BA (CS) & CMA	B.Sc., PGDIFM
Experience	20 plus years of functional experience in stock, currency and commodity broking, retail and investment banking	30 plus years of experience in banking and Financial Services
Directorships in other Companies	1. IFIN Credit Limited	1. Stockholding Securities IFSC Limited 2. SHCIL Services Limited 3. Wonder Home Finance Limited 4. Stockholding Corporation of India Limited 5. Stockholding Document Management Services Limited
Number of Board Meetings attended during the Year	8	Nil
Chairman/ Membership of the Committee across all Companies	Member of Audit Committee [IFIN Securities Finance Limited]  Member of Credit Committee [IFIN Securities Finance Limited]  Member of Investment Committee [IFIN Securities Finance Limited]	Nil
Shareholding in the Company	1	Nil
Relationship with other Directors	Nil	Nil



**IFIN Securities Finance Limited**

**CIN: U65991TN1989GOI017792**

**Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,  
Nungambakkam, Chennai – 600034**

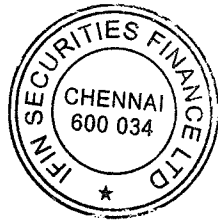
**ATTENDANCE SLIP**

*(To be handed over at the entrance of the Meeting Hall)*

Name of the attending Member (in Block Letters) : \_\_\_\_\_  
Member's Folio/Account Number : \_\_\_\_\_  
Number of Shares held : \_\_\_\_\_

I hereby record my presence at the **30<sup>th</sup> Annual General Meeting** of the Company held on **Tuesday, September 17, 2019** at **03:15 P.M.** at **Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.**

**Member's/Proxy's Signature**





**FORM NO MGT-11  
PROXY FORM**

*(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)*

<b>CIN</b>	U65991TN1989GOI017792
<b>Name of the Company</b>	IFIN Securities Finance Limited
<b>Registered Office</b>	Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034
<b>Email</b>	cs@ifinltd.in
<b>Telephone</b>	044 2830 6613
Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- (1) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him/her
- (2) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30<sup>th</sup> Annual General Meeting** of the Company, to be held on **Tuesday, September 17, 2019 at 03:15 P.M** at **Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034** and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	Receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2019, together with the Board of Directors' Report and Auditors' Report thereon.		
2.	Appoint a director in place of Shri Ramkumar Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013		
<b>Special Business</b>			
4.	To appoint Shri Ramesh NGS as Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of the Shareholder

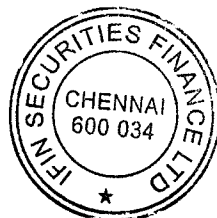
Signature of Proxy holder(s)

Affix Revenue  
Stamp

**Notes:**

The form of Proxy, in order to be effective, should be duly completed and deposited at the registered office of the company not less than 48 Hours before the commencement of the Meeting.

- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The form of Proxy confers authority to demand or join in demanding a poll.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



**BOARD'S REPORT**

To

The Members of

**IFIN Securities Finance Limited**

The Board of Directors of your Company presents the 30<sup>th</sup> Annual Report of IFIN Securities Finance Limited (ISFL) together with the Audited Financial Statement, for the year ended on 31<sup>st</sup> March 2019.

**1. Financial Performance**

(Rs. in lakh)

<b>Particulars</b>	<b>YE 31.3.2019</b>	<b>YE 31.3.2018</b>
Revenue from operations	499.71	573.41
Other income	41.16	18.80
<b>Total income</b>	<b>540.87</b>	<b>592.21</b>
Employee cost	125.15	120.57
Finance cost	0.33	18.61
Depreciation and Amortization Expense	0.15	0.03
Fees and Commission Expense	0.40	3.54
Net loss on fair value changes	7.17	4.96
Impairment on financial instruments	708.83	-
Bad debts written off	-	196.35
Other expenses	78.87	75.52
<b>Total expenses</b>	<b>920.90</b>	<b>419.58</b>
Profit Before Tax, Provision, Prior Period Items	(380.03)	172.63
Exceptional Items	-	-
<b>Profit/ (loss) before tax</b>	<b>(380.03)</b>	<b>172.63</b>
Tax	54.52	53.91

<b>PAT</b>	<b>(434.55)</b>	<b>118.72</b>
Book size	1898.37	3078.12
Own funds	2881.49	3316.04
Borrowings	-	10.00

## 2. Business Outlook and Performance

India's NBFC sector continues to remain at the forefront in driving new credit disbursements for the country's underserved retail and MSME market. Over the last five years, the NBFC lending book has grown at nearly 18% driven by a deep understanding of target customer segments, use of technology advances, lean cost structures and differentiated business models to reach credit-starved segments. Despite recording robust growth, the NBFC market share has been dominated by large players, while many small players have struggled to scale up operations profitably. Moreover, recently, the sector has taken a beating in the stock market with defaults and liquidity challenges, specifically related to one large NBFC. Although the problem seems isolated, it has concerned regulators due to the risk of contagion effect and the overall governance in the sector. Given the sector is fairly large now to impact the overall economy, this certainly entails some potential implications, including new compliance measures by the regulator, lending slowdown and potential consolidation by larger players.

NBFCs have played a critical role as a key contributor to the economy by providing a fillip to infrastructure, employment generation, wealth creation and access to financial services for the rural and weaker sections of society. The health and success of NBFC Sector has far reaching implications on the inclusive development of the economy, financial inclusion and diverse population segments, capital formation and eventually the growth in GDP.

The market is expected to continue to grow and mature leading to differentiation of products and services. The Company is cautiously optimistic in its outlook for the year 2019-20. The company has its focus set on the retail customers who form a sizable

chunk in the market for the company's product. By targeting the retail customers, the Company is looking for broad basing its customers. The broad basing will ensure granularity of customers thereby minimizing the risks of default. The Company is also in the process of having tie-ups with other companies like Stockholding Corporation of India for sourcing business. Also the company is keen to use the branch network of IFCI Financial Services Ltd., to foray aggressively into retail base.

The outstanding loans [including outstanding on loans given to promoters of Ashapura Intimates Fashion Ltd(AIFL)] as on March 31, 2019 stood at Rs. 2014 lakh as against the sanctioned amount of Rs. 2827 lakh (including loan of Rs. 850 lakh sanctioned to the promoters of AIFL), representing 71.24% of the sanctioned loans.

Interest income had decreased from Rs.500.67 lakh in FY 2017-18 (As per Ind-As figure) to Rs. 330.88 lakh during FY 2018-19(As per Ind-As figure) and that the total income from operations also decreased from Rs.592.21 lakh(As per Ind-As figure) to Rs. 540.87 lakh during 2018-19(As per Ind-As figure).

Other income for year ended 31.03.2019 consisted of profit on sale of investments of Rs.41.61 lakh. During the year, an amount of Rs.138 lakh was booked as "Net Gain on De-recognition of Financial Instruments" in respect of two loan accounts of Videocon group which were written off in FY 2017-18.

On expense front, the finance cost was lower at Rs 0.33 lakh as compared to Rs 18.61 lakh in FY 2017-18 primarily due to reduction in loan book size and operational cost (i.e., Fees & Commission expenses and Other Expenses) was marginally increased of Rs.0.20 lakh (from Rs.79.06 lakh in FY 2017-18 to Rs 79.26 lakh in FY 2018-19). There was an increase in "Repair and Office Maintenance" by Rs 3 lakh and Staff Welfare Expenditure by Rs 5 lakh primarily due to Diwali Expenditure incurred for staffs and loan parties.

An amount of Rs 708.83 lakh was provided as additional ECL provision (Impairment) mainly due to provision in respect of two loan accounts of Ashapura intimates group turning NPA.

During the FY 2018-19, due to loan provision, the company recorded a loss of Rs.434.55 lakh as compared to the PAT of Rs 118.72 lakh in the previous Financial Year.

Your Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition was April 1, 2017 and the Financial Statements for the year ended March 31, 2018 has been prepared in presented as per the Ind AS norms. Such transition had been carried out from the erstwhile Accounting Standards notified under the Act read with relevant rules issued thereunder and the guidelines issued by the Reserve Bank of India (collectively referred to as 'The Previous GAAP'). Being the first reporting of financials under Ind-AS, the financials as on 31st March, 2017 and 31st March, 2018 are also reported in Ind-AS format after redrawing the same as per Ind-AS from IGap.

### **3. Dividend**

No dividend is being recommended by the Directors for the year ended March 31, 2019.

### **4. Transfer To Reserves**

For the FY 2018-19, the Company had reported a net loss of Rs. 434 lakh and hence no amount was transferred to the Statutory Reserves during the year.

## 5. Directors and Key Managerial Personnel

### Changes in Directors and KMP during the year:

- i) Shri Jayaraman Chandrasekaran had resigned from the office of Independent Director due to the expiry of his tenure with effect from April 01, 2018.
- ii) Smt S Usha had retired from the office of Managing Director of the Company with effect from April 27, 2018.
- iii) Shri Karra Visweswar Rao was appointed as the Managing Director of the Company with effect from May 8, 2018 for a term of one year. The term of Shri Karra Visweswar Rao was further extended upto May 31, 2019 on the existing terms and conditions.

The Company has received declaration made by Shri V.Ramanan under section 149(6) of the Companies Act, 2013.

As at March 31, 2019, the Board consisted of 5 (five) Directors comprising of one Independent Directors two Nominee Directors, one Director and a Managing Director. The Management of the Company is headed by the Managing Director who operates under the supervision and control of the Board.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director who was on Board as on 31.03.2019 is as given below:-

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31 <sup>st</sup> March, 2019
		No. of Meetings during the tenure of respective directors in FY 2018 - 19		Other Director-ships (Including Private Limited Companies )
		Held	Attended	
1.	Shri Biswajit Banerjee <sup>(a)</sup>	8	8	5
2.	Shri Sreekumaran V Nair	8	8	4
3.	Shri V Ramanan	8	8	10
4.	Shri Ramkumar Srinivasan	8	8	1
5.	Shri Karra Visweswar Rao <sup>(b)</sup>	6	6	3

**Notes:**

(a) The nomination of Shri Biswajit Banerjee was withdrawn by the appointing authority with effect from May 23, 2019.

(b) Shri Karra Visweswar Rao who was appointed as the Managing Director of the Company with effect from May 8, 2018 for a term on one year in place of Smt S Usha who had retired from the services of the Company on April 27, 2018. Thus, his tenure got expired on May 8, 2019. The Board of Directors at their meeting held on April 17, 2019 had extended the tenure of Shri Karra Visweswar Rao upto May 31, 2019. The appointing authority on June 01, 2019 had withdrawn the nomination of Shri Karra Visweswar Rao.

i) Smt Meera Ranganathan was appointed as the Managing Director of the Company with effect from May 29, 2019 in place of Shri Karra Visweswar Rao.

ii) Shri Ramesh NGS was appointed as the Additional Director of the Company with effect from June 17, 2019.

During the Financial Year 2018-19, Eight (8) Board Meetings were held on the following dates:

April 28, 2018	May 8, 2018	July 12, 2018	August 7, 2018
November 12, 2018	February 7, 2019	March 1, 2019	March 28, 2019

## 6. Committee of Board of Directors

### Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013. The composition of the committee as on March 31, 2019 is as follows:

S. No.	Name of the Director	Designation /Category	No. of Meetings during the tenure of respective directors in FY 2018-19	
			Held	Attended
1.	Shri V Ramanan	Chairman	4	4
2.	Shri Ramkumar Srinivasan	Member	3	3
3.	Shri Karra Visweswar Rao	Member	3	3

**Notes:**  
Smt S Usha, Member had retired from the services of the Company with effect from April 27, 2018 and the Committee was reconstituted on July 12, 2018 by addition of Shri Ramkumar Srinivasan and Shri Karra Visweswar Rao in place of Smt S Usha.

The Committee met four times during the year with necessary quorum on the following dates:

April 26, 2018	August 7, 2018
November 12, 2018	February 7, 2019

### Terms of reference in brief:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;



4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Overseeing the vigil mechanism / Whistle Blower policy of the Company
10. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
11. Such other matters as may be prescribed by the Board from time to time.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013. The composition of the committee as on March 31, 2019 is as follows:

S. No.	Name of the Director	Designation Category	No. of Meetings during the tenure of respective directors in FY 2018-19	
			Held	Attended
1.	Shri V.Ramanan	Chairman	2	2
2.	Shri Sreekumaran V Nair	Member	1	1
3.	Shri Karra Visweswar Rao	Member	-	-

#### **Notes:**

- a) The Committee was reconstituted on April 26, 2018 to replace the member Shri Jayaraman Chandrasekaran with Shri Sreekumaran V Nair on account of expiry of his tenure.
- b) The Committee was again reconstituted at the meeting of Board of Directors of the Company held on February 07, 2019 to induct Shri Karra Visweswar Rao.
- c) On June 17, 2019, the Committee was reconstituted to replace Smt Meera Ranganathan as a member in place of Shri Karra Visweswar Rao.

The Committee met two times during the year with necessary quorum on the following dates:

April 26, 2018	May 8, 2018
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**Terms of reference in brief:**

1. Identifying persons who are qualified to become directors and who may be appointed in Senior Management as per the criteria laid down and recommending to the Board their appointment and removal.  
"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. The Committee shall evaluate performance of every Director.
3. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.
4. The Committee shall also formulate and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
5. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
6. Other functions and duties specified by Board of Directors from time to time.

**Other Committees:**

The Company has also formed the following committees:

- i) Credit Committee
- ii) Internal Complaints Committee Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- iii) Risk Management Committee
- iv) Asset Liability Committee (ALCO) Committee

## **7. Extract of Annual Return as provided under sub-section (3) of Section 92**

An extract of Annual Return as provided under sub-section (3) of section 92 in Form MGT-9 as on March 31, 2018 is attached as **Annexure-I**. The copy of the Annual Return is also available at the website of the Company. The link is provided below:

URL:	<a href="http://www.ifinltd.in/Aboutus/Financials">http://www.ifinltd.in/Aboutus/Financials</a>
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## **8. Directors' Responsibility Statement**

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134 (3)(c) of the Companies Act, 2013:

- 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9. Declaration given by independent directors under sub-section (6) of section 149**

The Independent Directors of the company have declared that they meet the criteria of independence in terms of sub-section (6) of section 149 of the Companies Act, 2013 and there is no change in their status of independence.

**10. Policy on Directors' appointment and remuneration and other details**

The Company has in place a Nomination and Remuneration Policy for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

**Salient Features:**

The salient features of the policy include the following:

- The objectives of the policy
- Framework of the policy
- Eligibility criteria for recommending a candidate to be appointed on the Board of Directors such as the education qualification, relevant experience and expertise, disqualifications, ascertainment of 'fit and proper criteria', criteria of independence of Independent Directors
- Board level remuneration structure
- Monitoring and evaluation and
- Board Diversity

The copy of the policy has been made available at the website of the Company. The link is provided below:

URL:	<a href="http://www.ifinltd.in/privacy_policy/ISFLNRCPolicy.pdf">http://www.ifinltd.in/privacy_policy/ISFLNRCPolicy.pdf</a>
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## **11. Auditors**

M/s. Jagannathan & Sarabeswaran, Chartered Accountant, Chennai were appointed by the Comptroller & Auditor General of India (C&AG) as the Statutory Auditors of the Company for the FY 2018-19. C&AG shall appoint the Statutory Auditors for the Financial Year 2019-20.

## **12. Explanations/comments on the report of Comptroller & Auditor General of India**

Company is awaiting report on the accounts for the year ended 31st March, 2019 under Companies Act, 2013. On receipt of the same it would be attached as Annexure-II to this report.

## **13. The RBI Norms and Accounting Standards**

Your Company complies with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs and in the preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures.

## **14. Disclosure requirements as per RBI regulations for NBFCs**

The Company during the whole of the Financial Year ended March 31, 2019, as well as till this date in the current financial year, has not accepted/hold public deposits, as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. The company will not accept public deposits in future without obtaining prior written permission of Reserve Bank of India.

## **15. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statement.

## **16. Related Party Transactions**

All transactions entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis.

There were no materially significant transactions with Related Parties during the Financial Year 2018-19 which were in conflict with the interest of the Company.

The particulars of Contracts or Arrangement with related parties are given in notes to the financial statement. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-IV** in Form AOC-2.

## **17. The details relating to deposits, covered under chapter V of the Act**

During the Financial Year 2018-19, the Company did not accept any deposits within the meaning of provisions of chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

## **18. Material changes and commitments**

There were no material changes and commitments affecting the financial position of the Company between the end of Financial Year (March 31, 2019) and the date of this report.

## **19. Conservation of energy, technology absorption and foreign exchange earnings and outgo & expenditure on research and development**

The Company has taken measures to conserve energy by having energy efficient electronic equipments. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipments to increase its organizational efficiency, maximize productivity and to gain competitive advantage.

Your Company has neither incurred any expenditure nor earned any income in foreign exchange.

Further, your Company has not incurred any expenditure on Research and Development.

## **20. Risk Management**

The Company has formulated and put in place Risk Management policy. The policy encompasses identification, assessment, measurement, monitoring and mitigation of credit risks.

## **21. Internal Financial Control**

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business. The Company has appointed M/s. KPMG as single Advisor-cum-Implementation Partner (Advisor), for implementation of Internal Financial Control framework in the Company. The Company had appointed Shri Hariharan as the Internal Auditor of the Company for the FY 2018-19 to conduct internal audit of the functions and the activities of the Company in tune with the directions issued by RBI on Managing Risks and Code of Conduct in Outsourcing of

Financial Services by NBFCs vide DNBR.PD.CC.No.090/03.10.001/2017-18 dated November 9, 2017.

The findings and recommendations of the Internal Auditors were reviewed by the Board of Directors and necessary corrective actions were duly undertaken.

## **22. Vigil Mechanism/ Whistle Blower Policy**

Pursuant to Section 177(9) and Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the company. This policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee have denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## **23. Anti- Sexual Harassment Policy**

The Company has in place Anti Sexual Harassment Policy in line with the requirements of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint has been received by the internal Complaints Committee/ by the Company during the year.



## **24. Board Evaluation**

The Nomination and Remuneration Committee of Board of Directors have reviewed the performance of Board and its committees taking into consideration the contributions made by the Directors/members of the Committee at their meeting held on April 17, 2019.

Subsequently, the Board has made formal annual evaluation of its own performance, and that of its committees and individual directors taking into consideration the evaluation criteria as set in the Nomination and Remuneration Policy of the Company at their meeting held on April 17, 2019.

## **25. Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or Tribunals which would impact the going concern status of the Company.

## **26. Details of employees under Section 197 read with Sub rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

The company has no employee in respect of whom the information required under Section 197 read with Sub rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is required to be given.

The Board further places on record its appreciation of the services of all the employees of the Company.

## 27. Acknowledgement

The Board of Directors express their gratitude for the co-operation, guidance and support received from M/s. IFCI Limited, IFCI Financial Services Limited, bankers, RBI, Stock Exchanges, Clients, Statutory Authorities, employees and other stakeholders of the Company.

**By Order of the Board**

**For IFIN Securities Finance Limited**



**Meera Ranganathan**

**Managing Director**

(DIN: 08180208)



**Ramkumar Srinivasar**

**Director**

(DIN: 01175498)

Place: Chennai

Date: August 8, 2019

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U65991TN1989GOI017792
2.	Registration Date	27/07/1989
3.	Name of the Company	IFIN Securities Finance Limited
4.	Category/Sub-category of the Company	Company Limited by shares/Union Government Company
5.	Address of the Registered office & contact details	Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 Email: cs@ifinltd.in, Telephone: 044 2830 6613
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

**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)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Other financial service activities, except insurance and pension funding activities	649	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	IFCI Ltd IFCI Towers, 61, Nehru Place, New Delhi – 110019 110019	L74899DL1993GOI053677	Ultimate Holding Company	NIL*	Section 2 (87) & Section 2 (46)
2.	IFCI Financial Services Limited Continental Chambers, 142, 3rd Floor, MG Road, Nungambakkam, Chennai – 600 034	U74899DL1995GOI064034	Holding Company	100%	Section 2 (87) & Section 2 (46)

\*Direct holding is NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
Category-wise Share Holding)**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual*/HUF	NIL	6	6	0.01	NIL	6	6	0.01	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	NIL	30,00,994	30,00,994	99.99	NIL	30,00,994	30,00,994	99.99	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	NIL
<b>B. Public Shareholding</b>									
1. <b>Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) <b>Bodies Corp.</b>									
i) Indian									
ii) Overseas									
b) <b>Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									

c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	NIL

\*Beneficial interest are held by IFCI Financial Services Limited

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	IFCI Financial Services Limited (Holding Company)	30,00,994	99.99	NIL	30,00,994	99.99	NIL	NIL
2.	Smt. Chandra Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
3.	Shri Ram Kumar Srinivasan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
4.	Shri K Kasthuriengan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	0	0.00	NIL	NIL

	Services Limited)							
5.	Smt S Usha (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	0	0.00	NIL	NIL
6.	Smt Rajesh Kumar Gupta (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	0	0.00	NIL	NIL
7.	Smt V. S. Nair (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
8.	Smt Manjula S (Nominee of IFCI Financial Services Limited)	0	0.00	NIL	1	0.00	NIL	NIL
9.	Shri A V Pushparaj (Nominee of IFCI Financial Services Limited)	0	0.00	NIL	1	0.00	NIL	NIL
10.	Shri Karra Visweswar Rao (Nominee of IFCI Financial Services Limited)	0	0.00	NIL	1	0.00	NIL	NIL

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	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.	At the beginning of the year	30,01,000	100	30,01,000	100
2.	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	No change	No change	No change
3.	At the end of the year	30,01,000	100	30,01,000	100

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	NIL	NIL	NIL	NIL
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
3.	At the end of the year	NIL	NIL	NIL	NIL

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	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	At the beginning of the year a. Shri Ram Kumar Srinivasan b. Smt S Usha c. Shri Sreekumaran V Nair	1 1 1	0.00 0.00 0.00	1 1 1	0.00 0.00 0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
3	At the end of the year d. Shri Ram Kumar Srinivasan e. Shri Karra Visweswar Rao f. Shri Sreekumaran V Nair g. Shri A V Pushparaj (CFO)	1 1 1 1	0.00 0.00 0.00 0.00	1 1 1 1	0.00 0.00 0.00 0.00

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	10,00,000	-	-	10,00,000
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	<b>10,00,000</b>	<b>-</b>	<b>-</b>	<b>10,00,000</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	
* Reduction	10,00,000	-	-	10,00,000
<b>Net Change</b>	<b>(10,00,000)</b>	<b>-</b>	<b>-</b>	<b>(10,00,000)</b>

<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0.00	-	-	0.00
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	<b>0.00</b>	-	-	<b>0.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

in Rs.

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager*	Total Amount
		Shri Karra Visweswar Rao [MD]*	
1	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	<b>Total (A)</b>	Nil	Nil
	Ceiling as per the Act(as per Schedule V of the Companies Act, 2013)		N.A

\*The nomination of Shri Karra Visweswar Rao was withdrawn by the appointing authority with effect from June 1, 2019

### B. Remuneration to other directors

S. No	Particulars of Remuneration	Name of Directors	Total Amount In Rs.
		<b>Name of Directors</b>	
1	Independent Directors	Shri V.Ramanan	
	Fee for attending board/ committee meetings	1,10,000	1,10,000
	Commission	-	-
	Others, please specify	-	-
	<b>Total (1)</b>	<b>1,10,000</b>	<b>1,10,000</b>
2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	<b>Total (2)</b>	-	-
	<b>Total (B)=(1+2)</b>	<b>1,10,000</b>	<b>1,10,000</b>
	<b>Total Managerial Remuneration*</b>		<b>NIL</b>
	Overall Ceiling as per the Act	@1% of profits calculated under Section 198 of the Companies Act, 2013	

\*Excluding sitting fees under Section 197 (5) of the Companies Act, 2013 and as per Schedule V of the Companies Act, 2013



**C. Remuneration TO Key Managerial Personnel other than MD/MANAGER/WTD**

in Rs.

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,93,356	Nil	4,93,356
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>4,93,356</b>	<b>Nil</b>	<b>4,93,356</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**By Order of the Board**

**For IFIN Securities Finance Limited**

  
Meera Ranganathan

**Managing Director**

(DIN: 08180208)

  
Ramkumar Srinivasan

**Director**

(DIN: 01175498)

Place: Chennai

Date: August 8, 2018

# **Nomination and Remuneration Policy**

## **1. Background:**

- a) The objective of Nomination and Remuneration Policy is to ensure rationale and objectivity in the remuneration of the Directors, Senior Management & employees of the Company.
- b) The Policy also intends to bring in a pragmatic methodology in screening of candidates who may be recommended to the position of Directors and to establish an effective evaluation criterion to evaluate the performance of every Director and the overall Board of the Company.
- c) The Policy also intends to prevent the Board of Directors degenerating into a closed and narrow entity, in which incumbent members appoint their own kind.
- d) The Policy also serves as a guiding principle to ensure good Corporate Governance as well as to provide sustainability to the Board of Directors of the Company.

## **2. Framework**

- a) The requirement of formulating a Nomination and Remuneration Policy stems from the provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- b) References have also been made to the Guidelines of Reserve Bank of India (RBI) Corporate Governance Norms for NBFCs and as amended from time to time.=
- c) Any other Law, Statute as may be applicable for the time being in Force.

## **3. Objective**

- To identify suitable persons, interview them if necessary, and recommend them as suitable candidates to fill up vacancies on the Board and Senior Management.
- To develop a policy to ensure the optimum composition of the Board of Directors ensuring a mix of knowledge, experience and expertise from diversified fields of knowledge i.e. Policy on Board Diversity.
- The Policy also intends to add professionalism and objectivity in the process of deciding Board membership.
- To lay down criteria for the evaluation of the Board

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy thereon.
- To formulate criteria for evaluation of Directors.

#### **4. Eligibility criteria for recommending a candidate to be appointed on the Board of Directors**

The Nomination and Remuneration Committee (NRC) may consider the following parameters while considering the credentials of potential candidates for Directorship in the Company.

##### **a) Educational qualification:**

- Possess any Graduation/ Post Graduation/M.Phil/Doctorate
- Possess any other Professional Qualification/Degree/Diploma
- Such other qualification as the NRC may deem fit

##### **b) Experience/Expertise**

- To possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company//s business.
- The candidate should preferably have undergone requisite training programme or mid - career Professional Development trainings which would have enabled him/her to adapt to changing dynamics of business environment.

##### **c) Disqualifications**

- The Candidate should not be of unsound mind.
- The Candidate should not be an undischarged insolvent.
- The Candidate must not have applied to be adjudicated as an insolvent and his application must not be pending.

- The Candidate must not have been convicted by a Court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six (6) months.
- There must not be any order passed by Court or Tribunal disqualifying a person to be appointed as a Director.
- There should not be any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months must not have elapsed from the last date fixed for the payment of the call.
- The Candidate must not have been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act, 2013 at any time during the last preceding five (5) years.
- The Candidate must be in possession of his Director Identification Number (DIN).
- The Candidate is not or has not been a Director of a Company which has not filed Financial Statements or Annual Returns for any continuous three (3) financial years.
- The Candidate is not or has not been a Director of the Company which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.
- The Candidate should not have been found guilty of any offence consisting of violation of Rules/ Regulations/ Legislative requirements by Customs/ Excise/ Income Tax Authority/ Foreign Exchange/ Other Revenue Authorities.

**d) Other Eligibility Criteria**

- Each director must be an individual of high personal and professional integrity and ethical character.
- The candidate should have exhibited behavior that indicates he or she is committed to the highest ethical standards.
- The candidate should not deprive the Company of any opportunity that belongs to the Company.
- He should not be in a position of diverting the corporate opportunity for own benefits or to others, to the detriment of the Company.

- The candidate must not at any time compete with the company in respect of any business transaction.
- Each director must possess the ability to exercise sound business judgment on a broad range of issues.
- The candidate has preferably had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board's discussion and decision-making on the array of complex issues facing a large financial services business.
- The candidate has achieved prominence in his or her business, governmental or professional activities, and has built a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.
- The Nomination and Remuneration Committee must be satisfied that the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the company's stockholders and other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency.
- The Nomination and Remuneration Committee must satisfy itself that the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director.

**e) Fit and Proper Criteria.**

- The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'.
- The Committee shall undertake such Due Diligence exercise at the time of appointment as well as the time of renewal of the Directorships of the incumbent.

- The indicative criteria for determining the 'fit and proper' criteria forms part of the Policy and is placed at **Annexure-I**.

**THE DIRECTORS SHOULD SUBMIT AN ANNUAL DECLARATION (AS ON 31<sup>ST</sup> MARCH) OF ANY CHANGE IN INFORMATION ALREADY SUBMITTED, IF NO CHANGE THEN A NO CHANGE DECLARATION SHOULD BE SUBMITTED.**

**THE BOARD MUST ENSURE THAT IN PUBLIC INTEREST THE NOMINATED/ELECTED DIRECTOR EXECUTES THE DEED OF COVENANTS IN THE FORMAT PRESCRIBED AT ANNEXURE II.**

**f) Criteria for independence – For Directors to be appointed as Independent Director on the Board of the Company.**

- An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, -
  - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (b) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (c) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - (d) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - (e) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - (f) who, neither himself nor any of his relatives—
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;



- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (g) who possesses such other qualifications as may be prescribed.
- Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section

**Explanation for the purposes of this section, "nominee director" means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.**

## **5. Remuneration Policy**

### **1) Board Level Remuneration Structure**

#### **a) For Executive Directors (Managing Director and Whole-time Directors)**

Remuneration will be paid as approved from time to time subject to the approval of the Board and Shareholders as the case may be and as per the applicable provisions of Companies Act, 2013 and under any other Act/ Rules/Regulations for the time being in force.

#### **b) In case of Non-Executive/Independent Directors**

- (i) Sitting Fees — As approved from time to time. The Sitting Fees may be revised by the Board of Directors from time to time subject to the overall limits as prescribed under the applicable provisions.
- (ii) Remuneration other than Sitting Fees - As approved from time to time.

### **2) In case of Key Managerial Personnel and other Employees —**

- a) The pay structure of all Key Managerial Personnel and other Employees shall be considered in accordance with qualification, experience and industrial standards.

## **6. Monitoring and Evaluation**

The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly on the basis of below mentioned criteria:

- Whether the Directors/Board have acted in accordance with the provisions of the Articles of Association of the Company.

- The Committee shall assemble all information regarding a candidate's background and qualifications to determine if the candidate possesses or satisfies the minimum skills and qualifications that a director must possess.
- The Committee shall evaluate a candidate's mix of skills and qualifications and determine the contribution the candidate could be expected to make to the overall functioning of the Board.
- The Committee shall give due consideration to the overall Board balance of diversity of perspectives, backgrounds and experiences.
- With respect to current directors, the Committee shall consider past attendance at meetings and assess the participation in and contributions to the activities of the Board.
- Whether the Directors/Board have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the Community and for the protection of environment.
- Whether the Director/Board has exercised their duties with due and reasonable care, skill and diligence and whether the Director/Board have exercised independent judgment.
- Whether the Director/Board have involved in a situation in which he/they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Committee shall recommend director to the Board based on its assessment of overall suitability to serve on the Board in accordance with this Policy.

## **7. Board Diversity**

- The Nomination and remuneration Committee shall ensure that the Board comprises of Directors from diversified fields of Knowledge.
- The Board should have Directors who can add professionalism and objectivity in the decision making process.
- The overall Board should reflect representatives from areas like finance, law, accountancy, administration and other disciplines concerning the operational interests of the Company at large.

## 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**

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

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

There were no contracts or arrangements or transactions which were material in nature

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

**By Order of the Board  
For IFIN Securities Finance Limited**

  
**Meera Ranganathan**  
Managing Director  
(DIN: 08180208)

  
**Ramkumar Srinivasan**  
Director  
(DIN: 01175498)

Place: Chennai  
Date: August 8, 2019

**Independent Auditors' Report**  
**To The Members Of Ifin Securities Finance Limited**

**Report on the audit of Ind AS financial statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of Ifin Securities Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to be 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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the company as at March 31, 2019, and its loss, and its Cash Flow for the year then ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

The Primary activity of the company is to provide loans against shares and towards Margin Funding. The Company earns the major component of its income from interest and loans form the largest component of its total assets. The company has adopted the EIR method to recognize interest on loans from shares whilst stating its loan outstandings at amortised cost. Impairment provisioning on the loans has been done utilizing the expected credit loss model. Our audit procedures included considering appropriateness of policies and assessing compliance with Standards based on our testing. On verification we found them to be broadly in conformity except for some immaterial differences.

**Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flow 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 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. In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to Cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditors Responsibilities for the Audit of the Financial Statements**

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.

**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 Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.

1A. As required by Section 143(5) of the Act, we give in Annexure 'B', a statement of matters specified by the Comptroller and Auditor-General of India for the Company.

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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The Dept. of Company Affairs has clarified vide notification No. GSR 463(E) dated 5th June'2015 that the provisions of sub-sec (2) of section 164 of the Companies Act, 2013 regarding obtaining written representations from the directors are not applicable to a government Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditors' 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:

**JAGANNATHAN & SARABESWARAN**  
**CHARTERED ACCOUNTANTS**

- i. The Company did not have any pending litigation which would impact its financial position apart from the matters indicated in other notes II.
- ii. The Company did not have material foreseeable losses on long term contracts and derivative contracts.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Jagannathan & Sarabeswaran



G.R. Ravi  
(Partner)  
Chartered Accountants  
Firm Reg. No. 01204S  
M.No. 25669

Place: Chennai

Date: 17th APR '19

**ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 Under Report on other Legal and regulatory requirements)

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that fixed assets have been physically verified by the management in accordance with a regular programme of verification at reasonable intervals and no material discrepancies were noticed on such verification. According to information and explanations given to us the company does not own any immovable property.
2. The company does not have any inventory and reporting under clause (ii) of the CARO 2016 Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured loans to companies covered in the Register maintained under section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantee or security to any party covered under Sections 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence the question of reporting on compliance of Sec 73 to 76 of the Act does not arise.
6. Considering the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 Order is not applicable.
- 7.(a)The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, Income tax, Gst, and other dues. However we notice some delay in payment of Gst dues. There are no undisputed statutory dues which were outstanding for more than six months as at 31<sup>st</sup> March 2019 from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax or cess and Gst which have not been deposited on account of any dispute.
8. The company has not defaulted in the repayment of loans to any financial institution. The company has not taken any loan from banks or raised any moneys through debentures.
9. The company has not raised any moneys by way of initial / further public offer. In our opinion and according to information and explanations given us, the term loans have been applied by the company during the year for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
11. The Dept. of Company Affairs has clarified vide notification No. GSR 463(E) dated 5th June'2015 that the provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration are not applicable to a government Company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

*WDR*



**JAGANNATHAN & SARABESWARAN**  
**CHARTERED ACCOUNTANTS**

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions involving directors or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Jagannathan & Sarabeswaran



(G.R. Ravi)

Partner

Chartered Accountants

Firm Reg. No. 01204 S

M.No. 25669

Place: Chennai

Date: 17th April '19


**ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1A Under Report on other Legal and regulatory requirements)

General Directions under Section 143(5) of the Companies Act, 2013, for conducting audit of annual accounts for the year 2018-19

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.
  - All the accounting transactions have been processed through the IT system using Tally software. Outside of the Tally software no processing of transactions are generally undertaken except for accounting compliance purposes.
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.
  - There has been no restructuring, waiver, write off of loans taken by the company during the year.
3. Whether funds received/receivable for schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.
  - The company is a Non Banking Financial Company registered with Reserve Bank of India.
  - It does not receive any funds from any government agency.

For Jagannathan and Sarabeswaran

  
(G.R. Ravi)  
Partner  
Chartered Accountants  
M No. 025669  
Firm Regn No. 001204S

Place: Chennai

Date: 17th Apr '19

**Annexure C to the Auditors' Report**

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 with reference to financial statements of IFIN Securities Finance Ltd as of 31 March 2019 in conjunction with our audit of the IndAS 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 Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. ('ICAI') 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 the 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 with reference to 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, issued by ICAI and 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 applicable to an audit of Internal Financial Controls and, 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements 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 auditors' judgment, 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 with reference to financial statements.



**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the 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 with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2019 :

- a) The lending policies of the company need to be fine tuned and credit appraisals needs to be improved and commensurate credit limits be fixed which will factor the financial capabilities of the borrowers and volume of their operations. We are informed that the company is revisiting its loans policies at intervals.
- b) We notice that investment policy limits have been exceeded in respect of Mutual Funds investments. Approvals/ratifications are required.

A 'material weakness' is a deficiency, or a combination of deficiencies, in the internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects of the material weaknesses described above on the achievement of the objectives of the control criteria the company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of March 31, 2019, based on our audit.



**JAGANNATHAN & SARABESWARAN**  
**CHARTERED ACCOUNTANTS**

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company and these material weaknesses have not affected our opinion on the financial statements of the Company .

For Jagannathan & Sarabeswaran



G.R.RAVI

Partner

Chartered Accountants

Firm Reg. No : 01204S

Membership No: 25669

Place: Chennai

Date: 12<sup>th</sup> April '19

IFIN SECURITIES FINANCE LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in Rs.)

ASSETS				
Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(1) Financial Assets</b>				
(a) Cash and cash equivalents	1	1,45,03,213	20,59,528	46,40,014
(b) Bank balances other than above		-	-	-
(c) Derivative Financial instruments		-	-	-
(d) Receivables		-	-	-
(e) Loans	2	10,34,10,259	29,46,18,468	39,75,41,095
(f) Investments	3	16,76,74,171	4,17,67,619	1,72,699
(g) Other Financial Assets	4	2,61,365	36,175	55,261
<b>(2) Non - Financial Assets</b>				
(a) Inventories		-	-	-
(b) Current Tax Assets (Net)		11,10,871	29,03,806	-
(c) Deferred Tax Assets (Net)		-	-	-
(d) Investment Property		-	-	-
(e) Biological assets other than bearer plants		-	-	-
(f) Property, Plant and Equipment	5	1,23,833	4,662	8,026
(g) Capital work - in - progress		-	-	-
(h) Intangible assets under development		-	-	-
(i) Goodwill		-	-	-
(j) Other intangible assets	6	1	1	1
(k) Other non - financial assets (to be specified)		-	-	-
<b>Total Assets</b>		<b>29,20,83,653</b>	<b>34,13,99,259</b>	<b>40,24,17,096</b>

(Amount in Rs.)

LIABILITIES AND EQUITY				
Particulars	Note No.	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Unaudited)	As at 01.04.2017 (Unaudited)
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
(a) Derivative financial instruments		-	-	-
(b) Payables		-	-	-
(c) Debt Securities		-	-	-
(d) Borrowings (Other than Debt Securities)	7	-	10,00,000	7,15,00,000
(e) Deposits		-	-	-
(f) Subordinated Liabilities		-	-	-
(g) Other financial liabilities (to be specified)	8	35,81,366	86,72,109	51,63,810
<b>Non-Financial Liabilities</b>				
(a) Current tax liabilities (Net)		-	-	59,44,995
(b) Provisions	9	3,52,843	1,13,796	75,630
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-financial liabilities (to be specified)		-	-	-
<b>Equity</b>				
(a) Equity Share capital	10	30,01,00,000	30,01,00,000	30,01,00,000
(b) Other Equity	11	-1,19,50,556	3,15,94,354	1,96,32,661
<b>Total Liabilities and Equity</b>		<b>29,20,83,653</b>	<b>34,13,99,259</b>	<b>40,24,17,096</b>

Notes on accounts

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This is the Balance Sheet referred to in our report of even date

The Notes 1 to 11, 22 form an integral part of Balance Sheet

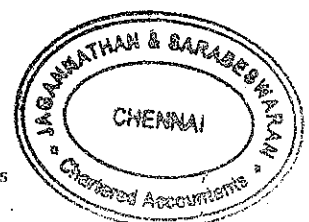
For: Jagannathan & Satabeswaran

For and on behalf of the Board of Directors

G R Ravi  
Partner  
Chartered Accountants  
Firm No: 012045  
Membership No: 25669

K V Rao  
Managing Director

Rajkumar Srinivasan  
Director



Place : Chennai  
Date : 17th April '19

Sabareeswar I  
Company Secretary

A V Pushparaj  
Chief Financial Officer

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

(Amount in Rs.)

#	Particulars	Note No.	Year ended	Year ended
			31.03.2019	31.03.2018
I	<b>Revenue From Operations</b>			
	(i) Interest Income	12	3,30,87,796	5,00,66,901
	(ii) Dividend Income		43,547	8,310
	(iv) Processing Fees and Commission Income		25,000	4,05,000
	(v) Net gain on fair value changes	13	30,14,606	6,53,870
	(vi) Net gain on derecognition of financial instruments under amortised cost category	14	1,37,99,998	-
	(ix) Others	15	-	62,06,688
II	Other Income	16	41,16,113	18,80,467
III	<b>Total Income (I+II)</b>		<b>5,40,87,060</b>	<b>5,92,21,236</b>
IV	<b>EXPENSES</b>			
	(i) Finance Costs	17	33,223	18,61,227
	(ii) Fees and commission expense		39,825	3,54,000
	(iii) Net loss on fair Value changes	18	7,17,138	4,96,200
	(v) Impairment on financial instruments	19	7,08,83,326	-
	(vi) Bad debts written off		-	1,96,34,943
	(ix) Employee Benefits Expenses	20	1,25,14,796	1,20,56,650
	(x) Depreciation, amortization and impairment		14,625	3,364
	(xi) Other expenses	21	78,87,089	75,52,061
	<b>Total expenses (IV)</b>		<b>9,20,90,022</b>	<b>4,19,58,445</b>
V	Profit / (loss) before exceptional items and tax (III - IV)		-3,80,02,962	1,72,62,791
VI	Exceptional Items		-	-
VII	<b>Profit/ (loss) before tax (V - VI)</b>		<b>-3,80,02,962</b>	<b>1,72,62,791</b>
VIII	Tax expense:			
	(1) Current tax		54,51,948	53,91,097
	(2) Deferred tax		-	-
IX	Profit / (loss) for the period from continuing operations (VII - VIII)		-4,34,54,910	1,18,71,694
X	Profit / (loss) from discontinuing operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit / (loss) for the period from discontinuing operations (after tax) (X - XI)		-	-
XIII	<b>Profit/ (loss) for the period (IX+XII)</b>		<b>-4,34,54,910</b>	<b>1,18,71,694</b>
XIV	Other Comprehensive Income			
XV	<b>Total Comprehensive income for the period (XIII+XIV) (Comprising Profit (loss) and other Comprehensive Income for the period)</b>		<b>-4,34,54,910</b>	<b>1,18,71,694</b>
XVI	<b>Earnings Per share (for the continuing Operations)</b>			
	Basic (Rs.)		-14.48	3.96
	Diluted (Rs.)		-14.48	3.96
XVII	<b>Earnings Per share (for the discontinuing Operations)</b>			
	Basic (Rs.)		-	-
	Diluted (Rs.)		-	-
XVII	<b>Earnings Per share (for the continuing and discontinuing Operations)</b>			
	Basic (Rs.)		-14.48	3.96
	Diluted (Rs.)		-14.48	3.96

Notes on accounts

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The Notes 12 - 22 form an integral part of Statement of Profit and Loss

For and on behalf of the Board of Directors

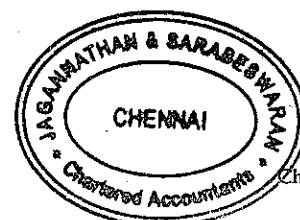
For Jagannathan &amp; Sarabeswaran

*K V Rao*  
K V Rao  
Managing Director

*Ramkumar Srinivasan*  
Ramkumar Srinivasan  
Director

*Sabareeswar T*  
Sabareeswar T  
Company Secretary

*A V Pushparaj*  
A V Pushparaj  
Chief Financial Officer



*G R Ravi*  
G R Ravi  
Partner

Chartered Accountants  
Firm No: 01204S  
Membership No: 25669

Place : Chennai  
Date : 17th April '19

IFIN SECURITIES FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in Rs.)

Particulars	As at 31st March 2019		As at 31st March 2018	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per P&L a/c		-3,80,02,962		1,72,62,791
Adjustments for:				
Depreciation / Amortisation on Fixed Assets	14,625		3,364	
Provision for diminution in value of Trade investments	7,17,138		4,96,200	
Gain in fair value of Trade investments	-30,14,606		-6,53,870	
Impairment provisions / Write Back	7,08,83,326		-62,06,688	
Bad debts written off	-		1,96,34,943	
<b>Operation Profit before adjustment for financial and non- financial assets</b>		6,86,00,483		1,32,73,949
		3,05,97,521		3,05,36,740
Adjustments for changes in Financial and Non-Financial Instruments				
(Increase) / Decrease in Loans	11,53,24,883		8,94,94,371	
(Increase) / Decrease in Other Financial Assets	-2,25,130		19,086	
(Increase) / Decrease in Current Tax Assets (Net)	-		-	
(Increase) / Decrease in Other Non - Financial Assets	-		-44,49,117	
Increase / (Decrease) in Other Financial liabilities	-50,90,743		35,08,299	
Increase / (Decrease) in Provisions	2,39,047		38,167	
<b>Cash Generated from Operation before tax</b>		11,02,48,057		8,86,10,806
Direct taxes payments/(refunds)		14,08,45,578		11,91,47,546
<b>Net cash from Operating Activities</b>		42,83,297		97,90,782
		13,65,62,281		10,93,56,764
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-1,33,796		-	
(Purchase) / Sale of Investment	-12,29,84,800		-4,14,37,250	
<b>Net Cash used in / raised from Investing Activities</b>		-12,31,18,596		-4,14,37,250
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase / (Decrease) in Borrowings	-10,00,000		-7,05,00,000	
		-10,00,000		-7,05,00,000
<b>Net Changes in Cash &amp; Cash Equivalent (A+B+C)</b>		1,24,43,685		-25,80,485
Opening Cash and Cash Equivalent		20,59,528		46,40,012
Closing Cash and Cash Equivalent		1,45,03,213		20,59,527
<b>Increase / Decrease in Cash &amp; Cash Equivalent</b>		1,24,43,685		-25,80,485

For and on behalf of the Board of Directors

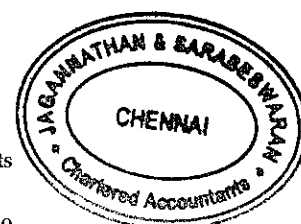
This is the Cash Flow Statement referred to in our report of even date

For Jagannathan & Sarabeswaran

K V Rao  
Managing Director

Ramkumar Srinivasan  
Director

G.R. Ravi  
Partner  
Chartered Accountants  
Firm No: 012045  
Membership No: 25669



Place : Chennai  
Date : 17th April '19

Sabareeswar T  
Company Secretary

A V Pushparaj  
Chief Financial Officer

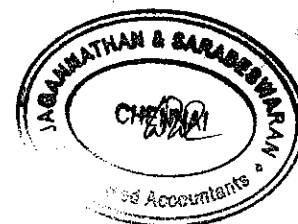


**IFIN SECURITIES FINANCE LIMITED**

**Note # 1 - Cash and Cash Equivalents**

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Cash and cash equivalents</b>			
(i) Cash in hand	3,674	5,287	16,337
(ii) Balances with Banks			
- Current Accounts	1,44,99,539	20,54,241	46,23,677
Less:ECL Impairment Loss Allowance			
<b>Total</b>	<b>1,45,03,213</b>	<b>20,59,528</b>	<b>46,40,014</b>
<b>Bank Balance other than above</b>			
(i) Bank Deposits with original maturity of more than three months	-	-	-
(ii) Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme			
- Bank balance	-	-	-
- Bank Deposits	-	-	-
(iii) Balances with Banks held as margin money against guarantees	-	-	-
(iv) Bank Deposits under directions of Court & Tribunal etc.	-	-	-
Less:ECL Impairment Loss Allowance	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivables</b>			
(I) Trade Receivables			
- Secured	-	-	-
- Unsecured	-	-	-
Less: ECL Impairment Loss Allowance	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
(II) Other Receivables			
- Secured	-	-	-
- Unsecured	-	-	-
Less: ECL Impairment Loss Allowance	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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IFIN SECURITIES FINANCE LIMITED

Note # 2 - Loans

Particulars	As at 31.03.2019				As at 31.03.2018				As at 01.04.2017									
	At Fair Value		Amortised cost	Sub Total	Total	At Fair Value		Amortised cost	Sub Total	Total	At Fair Value		Amortised cost	Sub Total	Total			
	At Fair Value through other comprehensive income	Designated at fair value through profit and loss account				At Fair Value through other comprehensive income	Designated at fair value through profit and loss account				At Fair Value through other comprehensive income	Designated at fair value through profit and loss account						
	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)	
<b>(A) Loans</b>																		
(i) Against Shares / Margin Funding	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
(ii) Margin Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A) - Gross</b>	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
Less: Impairment loss allowance	8,14,26,401	-	-	-	8,14,26,401	1,05,43,075	-	-	-	1,05,43,075	1,67,49,763	-	-	-	-	-	-	1,67,49,763
<b>Total (A) - Net</b>	10,84,10,259	-	-	-	10,84,10,259	29,46,18,468	-	-	-	29,46,18,468	39,75,41,095	-	-	-	-	-	-	39,75,41,095
<b>(B) Secured / Unsecured</b>																		
(i) Secured by tangible assets	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B) - Gross</b>	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
Less: Impairment loss allowance	8,14,26,401	-	-	-	8,14,26,401	1,05,43,075	-	-	-	1,05,43,075	1,67,49,763	-	-	-	-	-	-	1,67,49,763
<b>Total (B) - Net</b>	10,84,10,259	-	-	-	10,84,10,259	29,46,18,468	-	-	-	29,46,18,468	39,75,41,095	-	-	-	-	-	-	39,75,41,095
<b>C. Sector Analysis</b>																		
(C I) Loans in India																		
(i) Public Sectors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Private parties	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
<b>Total (C I) - Gross</b>	18,98,36,660	-	-	-	18,98,36,660	30,51,61,543	-	-	-	30,51,61,543	41,42,90,858	-	-	-	-	-	-	41,42,90,858
Less: Impairment loss allowance	8,14,26,401	-	-	-	8,14,26,401	1,05,43,075	-	-	-	1,05,43,075	1,67,49,763	-	-	-	-	-	-	1,67,49,763
<b>Total (C I) - Net</b>	10,84,10,259	-	-	-	10,84,10,259	29,46,18,468	-	-	-	29,46,18,468	39,75,41,095	-	-	-	-	-	-	39,75,41,095
(C II) Loans outside India																		
<b>Total (C II) - Gross</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C II) - Net</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total: (C I and C II)</b>	10,84,10,259	-	-	-	10,84,10,259	29,46,18,468	-	-	-	29,46,18,468	39,75,41,095	-	-	-	-	-	-	39,75,41,095

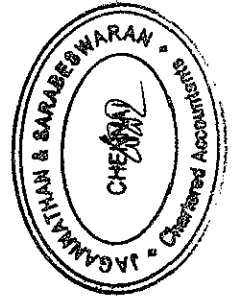


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IFIN SECURITIES FINANCE LIMITED

Note # 3 - Investments

Particulars	As at 31.03.2019						As at 01.04.2017							
	At Fair Value			Amortised cost	Sub-Total	Others*	Total	At Fair Value			Amortised cost	Sub-Total	Others*	Total
	Through other comprehensive income	Through profit and loss account	Designated at fair value through profit and loss account					Through other comprehensive income	Through profit and loss account	Designated at fair value through profit and loss account				
<b>Investments</b>	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
<b>A. Security type</b>														
(i) Mutual funds	-	16,62,19,577	-	-	16,62,19,577	-	16,62,19,577	-	-	3,95,95,887	-	3,95,95,887	-	3,95,95,887
(ii) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Equity instruments (other than investment in subsidiaries, associates and joint ventures)	-	-	14,54,594	-	14,54,594	-	14,54,594	-	-	21,71,732	-	21,71,732	-	21,71,732
<b>Gross</b>	-	16,76,74,171	16,76,74,171	-	16,76,74,171	-	16,76,74,171	-	-	4,17,67,619	-	4,17,67,619	-	4,17,67,619
<b>B. Sector Analysis</b>														
(i) Investments in India	-	16,76,74,171	-	-	16,76,74,171	-	16,76,74,171	-	-	4,17,67,619	-	4,17,67,619	-	4,17,67,619
(ii) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross</b>	-	16,76,74,171	16,76,74,171	-	16,76,74,171	-	16,76,74,171	-	-	4,17,67,619	-	4,17,67,619	-	4,17,67,619
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	-	16,76,74,171	16,76,74,171	-	16,76,74,171	-	16,76,74,171	-	-	4,17,67,619	-	4,17,67,619	-	4,17,67,619



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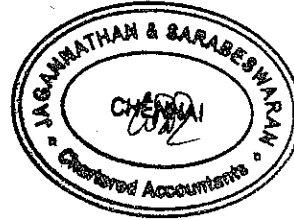
IFIN SECURITIES FINANCE LIMITED

Note # 4 - Other Financial Assets

Unsecured considered good

Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
<b>Other Financial Assets</b>			
Prepaid Expenses	84,830	31,770	31,850
Advance to Staff	9,250	2,000	8,000
Other Advances	1,67,225	2,405	15,411
<b>Total</b>	<b>2,61,305</b>	<b>36,175</b>	<b>55,261</b>

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IFIN SECURITIES FINANCE LIMITED

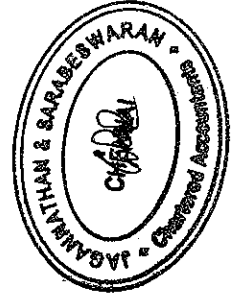
Note # 5 & 6 - Property, Plant and Equipment & Other Intangible Assets

Property, Plant and Equipment

#	Fixed Assets	Gross Block						Accumulated Depreciation						Net Block	
		Balance as at 1st April 2017	Additions	Disposals	Acquired through business combinations	Revaluation s/ (impairment s)	Balance as at 31st Mar 2018	Balance as at 1st April 2017	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2018	Adjustment against retained earning	Balance as at 31st Mar 2018	Balance as at 31st March 2017
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Office equipment	56,145	-	-	-	-	48,119	3,364	-	-	51,483	-	-	4,662	8,026
	Total	56,145	-	-	-	-	48,119	3,364	-	-	51,483	-	-	4,662	8,026

Other Intangible Assets

#	Fixed Assets	Gross Block						Accumulated Depreciation						Net Block	
		Balance as at 1st April 2017	Additions	Disposals	Acquired through business combinations	Revaluation s/ (impairment s)	Balance as at 31st Mar 2018	Balance as at 1st April 2017	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2018	Adjustment against retained earning	Balance as at 31st Mar 2018	Balance as at 31st March 2017
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Computer software	12,60,000	-	-	-	-	12,59,999	-	-	-	12,59,999	-	-	1	1
	Total	12,60,000	-	-	-	-	12,59,999	-	-	-	12,59,999	-	-	1	1



IFIN SECURITIES FINANCE LIMITED

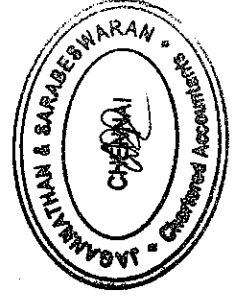
Note # 5 & 6 - Property, Plant and Equipment & Other Intangible Assets

Property, Plant and Equipment

#	Gross Block							Accumulated Depreciation					Net Block	
	Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Revaluations / (Impairments)	Balance as at 31st Mar 2019	Balance as at 1st April 2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2019	Adjustment against retained earning	Balance as at 31st Mar 2019	Balance as at 31st Mar 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Fixed Assets	56,145	-	-	-	-	56,145	51,483	1,049	-	-	52,532	-	3,613	4,662
Computers	-	1,33,796	-	-	-	1,33,796	-	13,576	-	-	13,576	-	1,20,220	-
<b>Total</b>	<b>56,145</b>	<b>1,33,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,89,941</b>	<b>51,483</b>	<b>14,625</b>	<b>-</b>	<b>66,108</b>	<b>-</b>	<b>1,23,833</b>	<b>4,662</b>	

Other Intangible Assets

#	Gross Block				Accumulated Depreciation					Net Block			
	Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2019	Balance as at 1st April 2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2019	Adjustment against retained earning	Balance as at 31st Mar 2019	Balance as at 31st Mar 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Fixed Assets	12,60,000	-	-	-	12,60,000	12,59,999	-	-	-	12,59,999	-	1	1
Computer software	12,60,000	-	-	-	12,60,000	12,59,999	-	-	-	12,59,999	-	1	1
<b>Total</b>	<b>12,60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,60,000</b>	<b>12,59,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,59,999</b>	<b>-</b>	<b>1</b>	<b>1</b>



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IFIN SECURITIES FINANCE LIMITED

Note # 5 & 6 - Property, Plant and Equipment & Other Intangible Assets

Particulars	As at		
	31.03.2019	31.3.2018	01.04.2017
Carrying amounts of:			
Office Equipment	56,145	56,145	56,145
Computers	1,33,796	-	-
Capital work-in-progress	1,89,941	56,145	56,145
	1,89,941	56,145	56,145

Particulars	Office Equipment	Computers	Total
Cost or deemed cost			
Balance at April 1, 2017 (Deemed cost)	56,145	-	56,145
Additions	-	-	-
Disposals	-	-	-
Balance at March 31, 2018	56,145	-	56,145
Additions	-	1,33,796	1,33,796
Disposals	-	-	-
Balance at March 31, 2019	56,145	1,33,796	1,89,941

Particulars	Office Equipment	Computers	Total
Accumulated depreciation and impairment			
Balance at April 1, 2017	48,119	-	48,119
Eliminated on disposal of Disposals	-	-	-
Depreciation expense	3,364	-	3,364
Balance at March 31, 2018	51,483	-	51,483
Additions	1,049	13,576	14,625
Disposals	-	-	-
Balance at March 31, 2019	52,532	13,576	66,108



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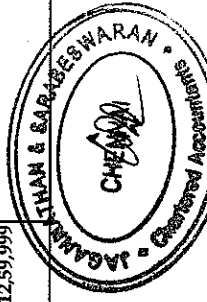
Particulars	Software	Total
<b>Cost or deemed cost</b>		
Balance at April 1, 2017	12,60,000	12,60,000
Additions	-	-
Balance at March 31, 2018	12,60,000	12,60,000
Additions	-	-
Disposals	-	-
Balance at March 31, 2019	12,60,000	12,60,000

Particulars	Software	Total
<b>Accumulated depreciation and impairment</b>		
Balance at April 1, 2017	12,59,999	12,59,999
Amortisation expense	-	-
Balance at March 31, 2018	12,59,999	12,59,999
Additions	-	-
Balance at March 31, 2019	12,59,999	12,59,999

Particulars	Software	Total
<b>Carrying amount</b>		
Balance at April 1, 2017	1	1
Additions	-	-
Acquisition through business combination	-	-
Amortisation expense	-	-
Balance at March 31, 2018	1	1
Additions	-	-
Disposals	-	-
Acquisition through business combination	-	-
Amortisation expense	-	-
Balance at March 31, 2019	1	1

Details of Deemed cost as at 01.04.2018

Particulars	Gross block		Written down value as
	Cost	Depreciation	
Software	12,60,000	12,59,999	1
Total	12,60,000	12,59,999	1



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Particulars	Office Equipment	Computers	Total
Carrying amount			
Balance at April 1, 2017	8,026	-	8,026
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	3,364	-	3,364
Balance at March 31, 2018	4,662	-	4,662
Additions	-	1,33,796	1,33,796
Disposals	-	-	-
Depreciation expense	1,049	-	1,049
Balance at March 31, 2019	3,613	1,20,220	1,23,833

**Capitalised borrowing cost:**

No Borrowing cost has been capitalised on property, plant and equipment for the year ended 31st March 2019 & 31st March 2018

**Under Ind AS 101 :-**

In accordance with Ind-AS transitional provisions, the company opted to consider previous GAAP carrying value of plant and equipment and intangible assets as deemed cost on the transition date.

Particulars	Details of Deemed cost as on 01.04.2018		Amounts in Rs.
	Cost	Depreciation	
Office Equipment	56,145	52,532	3,613
Computers	1,33,796	13,576	1,20,220
Total	1,89,941	66,108	1,23,833

**Other Intangible assets**

Software

	Amounts in Rs.	
	As at	As at
	31.03.2019	31.3.2018
Software	12,60,000	12,60,000
	12,60,000	12,60,000
		01.04.2017
		12,60,000
		12,60,000



IFIN SECURITIES FINANCE LIMITED

Note # 7 - Borrowings

Particulars	As at 31st March 2019			As at 31st March 2018			As at 01st April 2017					
	Amortised cost	At Fair Value through profit and loss account	Designated at fair value through profit and loss account	Total	Amortised cost	At Fair Value through profit and loss account	Designated at fair value through profit and loss account	Total	Amortised cost	At Fair Value through profit and loss account	Designated at fair value through profit and loss account	Total
	(1)	(2)	(3)	(4) = (1) + (2) + (3)	(1)	(2)	(3)	(4) = (1) + (2) + (3)	(1)	(2)	(3)	(4) = (1) + (2) + (3)
<b>Borrowings (Other than Debt Securities issued)</b>												
(a) Term Loans	-	-	-	-	-	-	-	-	-	-	-	-
(i) from Banks	-	-	-	-	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-	-	-	-	-
(b) Deferred payment liabilities	-	-	-	-	-	-	-	-	-	-	-	-
(c) Loans from related parties	-	-	-	-	-	-	-	-	-	-	-	-
(d) Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
(f) Loans repayable on demand	-	-	-	-	-	-	-	-	-	-	-	-
(i) from Banks	-	-	-	-	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	-	-	-	-	-
(g) Others loans (specify nature)	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000
<b>Total (A)</b>	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000
<b>B. Secured / Unsecured</b>												
(i) Secured	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000
(vi) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000
<b>C. Sector Analysis</b>												
(i) Borrowings in India	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000
(ii) Borrowings outside India	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (C)</b>	-	-	-	-	10,00,000	-	-	10,00,000	7,15,00,000	-	-	7,15,00,000



Borrowings are secured by loan receivables and further secured by a letter of comfort issued by IFCI Ltd the ultimate holding Company.

**IFIN SECURITIES FINANCE LIMITED**

**Note # 8 & 9 - Other Financial liabilities & Provisions**

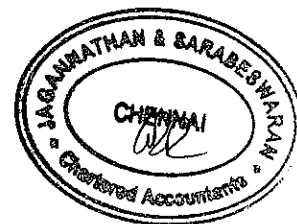
**Other Financial liabilities**

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Statutory remittances	2,15,002	2,37,040	4,88,012
Creditors for expenses	6,53,430	41,39,678	4,27,091
Other liabilities	27,12,934	42,95,391	42,48,707
<b>Total</b>	<b>35,81,366</b>	<b>86,72,109</b>	<b>51,63,810</b>

**Provisions**

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Leave Encashment	1,57,821	99,796	63,965
Provision for Bonus	11,962	14,000	11,665
Provision for Gratuity	1,83,060	-	-
<b>Total</b>	<b>3,52,843</b>	<b>1,13,796</b>	<b>75,630</b>

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**IFIN SECURITIES FINANCE LIMITED**

**Note # 10 - Equity Share Capital**

Particulars	As at 31st March 2019		As at 31st March 2018		As at 31st March 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
<b>Authorised</b>						
Equity Shares of Rs.100/- each	59,75,500	59,75,50,000	59,75,500	59,75,50,000	59,75,500	59,75,50,000
Preference Shares	24,500	24,50,000	24,500	24,50,000	24,500	24,50,000
<b>Total</b>	<b>60,00,000</b>	<b>60,00,00,000</b>	<b>60,00,000</b>	<b>60,00,00,000</b>	<b>60,00,000</b>	<b>60,00,00,000</b>
<b>Issued</b>						
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000	30,01,000	30,01,00,000
<b>Subscribed &amp; Paid up</b>						
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000	30,01,000	30,01,00,000
<b>Total</b>	<b>30,01,000</b>	<b>30,01,00,000</b>	<b>30,01,000</b>	<b>30,01,00,000</b>	<b>30,01,000</b>	<b>30,01,00,000</b>

Particulars	Equity Shares March 2019		Equity Shares March 2018		Equity Shares March 2017	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000	30,01,000	30,01,00,000

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

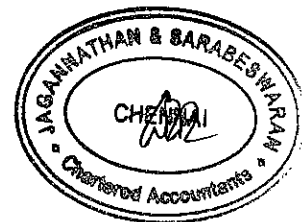
Name of Shareholder	As at 31st March 2019		As at 31st March 2018		As at 31st March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited (Holding Company)	30,00,994	99.99	30,00,994	99.99	30,00,994	99.99

**Capital management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company determines the amount of capital required on the basis of annual master planning and budgeting and for working capital, capital outlay and loan disbursement. The funding requirements are met through equity, internal accruals and a combination of borrowing. The Company monitors the capital structure on the basis of total debt to equity and maturity profile of the overall debt portfolio of the Company.

The company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India. The adequacy of the company's capital is monitored using, among other measures, the regulations issued by RBI.

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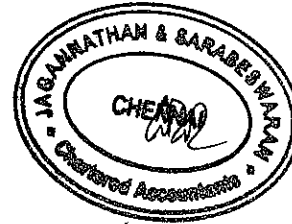
IFIN SECURITIES FINANCE LIMITED

Note # 11 - Other Equity

Other Equity

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Capital Reserve		2,51,000	2,51,000	2,51,000
Securities Premium Reserve		-	-	-
Capital Redemption Reserve		4,50,000	4,50,000	4,50,000
Statutory Reserve		94,25,006	94,25,006	83,70,506
Debenture Redemption Reserve		-	-	-
Share Options Outstanding Account		-	-	-
General Reserve		25,16,200	25,16,200	25,16,200
Cash Flow Hedge Reserve		-	-	-
Foreign currency monetary item translation difference		-	-	-
Retained Earnings		-2,45,92,762	1,88,62,148	80,44,955
Total		-1,19,50,556	3,15,04,354	1,96,32,661

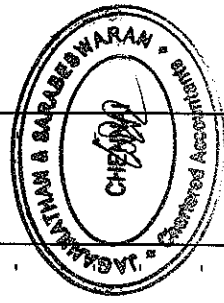
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IFIN SECURITIES FINANCE LIMITED

Note # 11 - Other Equity

Particulars	Share pending allotment	Capital Reserve	Reserves and Surplus							Effective portion of Cash Flow Hedges	Total	
			Securities Premium Reserve	Capital Redemption Reserve	Debt Redemption Reserve	Statutory Reserve	Share Options Outstanding Account	General Reserve	Foreign currency monetary item translation difference			
Balance at the beginning of April 1, 2017	-	2,51,000	-	4,50,000	-	83,70,506	-	25,16,200	-	80,44,955	-	1,96,32,661
Profit for the year	-	-	-	-	-	-	-	-	-	1,18,71,694	-	1,18,71,694
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	2,51,000	-	4,50,000	-	83,70,506	-	25,16,200	-	1,99,16,649	-	3,15,04,355
Adjustment on account of componentisation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of outstanding loan balances	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference amortised	-	-	-	-	-	-	-	-	-	-	-	-
Dividend including tax thereon	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	10,54,500	-	-	-	-10,54,500	-	-
Balance at the end of March 31, 2018	-	2,51,000	-	4,50,000	-	94,25,006	-	25,16,200	-	1,88,62,149	-	3,15,04,355
Profit for the year	-	-	-	-	-	-	-	-	-	-4,34,54,910	-	-4,34,54,910
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	2,51,000	-	4,50,000	-	94,25,006	-	25,16,200	-	-2,45,92,762	-	-1,19,50,556
Exchange difference on translation of outstanding loan balances	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference amortised	-	-	-	-	-	-	-	-	-	-	-	-
Dividends including tax thereon	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	-	-
Taken over pursuant to business combination (Refer Note 3.21)	-	-	-	-	-	-	-	-	-	-	-	-
Consequent to business combination (Refer Note 3.21)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of March 31, 2019	-	2,51,000	-	4,50,000	-	94,25,006	-	25,16,200	-	-2,45,92,762	-	-1,19,50,556



IFIN SECURITIES FINANCE LIMITED

Note # 11 - Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Debt Instruments Through Other Comprehensive Income	Equity Instruments Through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income	Money received against share warrants	Total
			Statutory Reserves	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Amalgamation Reserve	Retained Earnings								
Balance at the beginning of the reporting 01st April 2016	-	-	32,35,506	2,51,000	4,50,000	-	25,16,200	-	24,95,282	-	-	-	-	-	-	-	89,47,988
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	1,06,84,673	-	-	-	-	-	-	-	1,06,84,673
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	51,35,000	-	-	-	-	-	-	-	-	-	-	-	-	-	51,35,000
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserves as per Sec 45	-	-	-	-	-	-	-	-	51,35,000	-	-	-	-	-	-	-	51,35,000
Balance at the end of the year	-	-	83,70,506	2,51,000	4,50,000	-	25,16,200	-	80,44,955	-	-	-	-	-	-	-	1,96,32,661



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IFIN SECURITIES FINANCE LIMITED

Note # 11 - Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Debt Instruments Through Other Comprehensive Income	Equity Instruments Through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (Expense)	Money received against share warrants	Total
			Statutory Reserves	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Amalgamation Reserve	Retained Earnings								
Balance at the beginning of the reporting 01st April 2017			83,70,506	2,51,000	4,50,000		25,16,200		80,44,954								1,96,32,660
Changes in accounting policy or prior period errors																	
Restated balance at the beginning of the reporting period																	
Total Comprehensive Income for the year									1,18,71,694								1,18,71,694
Dividends																	
Transfer from retained earnings			10,54,500														10,54,500
Any other change																	
Transfer to Statutory Reserves as per Sec 45									10,54,500								10,54,500
Balance at the end of the year			94,25,006	2,51,000	4,50,000		25,16,200		1,88,62,148								3,15,04,354



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IFIN SECURITIES FINANCE LIMITED

Note # 11 - Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus										Total			
			Statutory Reserves	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Amalgamation Reserve	Retained Earnings	Debt Instruments Through Other Comprehensive Income	Equity Instruments Through Other Comprehensive Income	Effective portion of Cash Flow Hedges		Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (Specify nature)
Balance at the beginning of the reporting 01st April 2018	-	-	94,25,006	2,51,000	4,50,000	-	25,16,200	-	1,88,62,148	-	-	-	-	-	-	3,15,04,354
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-4,34,54,910	-	-	-	-	-	-	-4,34,54,910
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserves as per Sec 45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	94,25,006	2,51,000	4,50,000	-	25,16,200	-	-2,45,92,762	-	-	-	-	-	-	-1,19,50,556



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IFIN SECURITIES FINANCE LIMITED

Notes # 12 - Interest Income

Particulars	For the Year Ended 31.03.2019				For the year ended 31.03.2018			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
<b>Interest income</b>								
(i) Interest on loans	-	3,30,87,796	-	3,30,87,796	-	5,00,66,901	-	5,00,66,901
(ii) Interest income from investments	-	-	-	-	-	-	-	-
(iii) Interest on debentures	-	-	-	-	-	-	-	-
(iv) Other interest income	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3,30,87,796</b>	-	<b>3,30,87,796</b>	-	<b>5,00,66,901</b>	-	<b>5,00,66,901</b>



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IFIN SECURITIES FINANCE LIMITED

Notes # 13, 14, 15 & 16 - Net gain on fair value changes, Net gain on derecognition of financial instruments under amortised cost category, Others & Other Income

Net gain on fair value changes

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio -		
-Investments	30,14,606	6,53,870
-Derivatives	-	-
-Others	-	-
(ii) On financial instruments at fair value through profit or loss		
<b>(B) Others (to be specified)</b>		
Total Net gain/(loss) on fair value changes (C)	30,14,606	6,53,870
Fair Value Changes :		
-Realised	-	-
-Unrealised	30,14,606	6,53,870

Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Financial Instrument written off in earlier year now recovered	1,37,99,998	-
<b>Total</b>	<b>1,37,99,998</b>	<b>-</b>

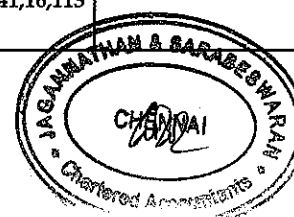
Others

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Provisions for impairment on financial instrument Written back	-	62,06,688
<b>Total</b>	<b>-</b>	<b>62,06,688</b>

Other Income

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Net gain/(loss) on ineffective portion of hedges	-	-
Net gain/(loss) on derecognition of property, plant and equipment	-	-
Net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost)	-	-
Bad Debts written off earlier recovered	-	-
Interest on IT Refund	-	3,38,450
Profit on sale of Investments (Net)	41,16,113	15,42,017
<b>Total</b>	<b>41,16,113</b>	<b>18,80,467</b>

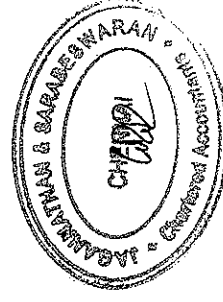
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IFIN SECURITIES FINANCE LIMITED

Notes # 17 - Finance Cost

Particulars	For the Year ended 31.03.2019		For the Year ended 31.03.2018		Total
	On Financial Liabilities measured at fair value through profit or loss	On Financial Liabilities measured at Amortised Cost	On Financial Liabilities measured at fair value through profit or loss	On Financial Liabilities measured at Amortised Cost	
Finance cost					
(i) Interest on deposits	-	-	-	-	-
(ii) Interest on borrowings	-	33,223	-	18,61,227	18,61,227
(iii) Interest on debt securities	-	-	-	-	-
(iv) Interest on subordinated liabilities	-	-	-	-	-
(v) Other interest expenses	-	-	-	-	-
(vi) Bank charges	-	-	-	-	-
(vii) Other finance costs	-	-	-	-	-
Total	-	33,223	-	18,61,227	18,61,227



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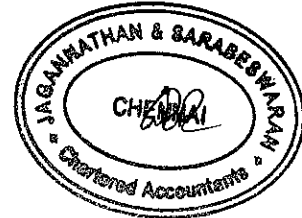
**IFIN SECURITIES FINANCE LIMITED**

**Notes # 18 - Net loss on fair value changes**

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
<b>(A) Net loss on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio -		
-Investments	7,17,138	4,96,200
-Derivatives	-	-
-Others	-	-
(ii) On financial instruments at fair value through profit or loss		
<b>(B) Others (to be specified)</b>		
Total Net loss on fair value changes (C)	7,17,138	4,96,200
Fair Value Changes :		
-Realised	-	-
-Unrealised	7,17,138	4,96,200
Total Net gain/(loss) on fair value changes (D) to tally with (C)	7,17,138	4,96,200

\*Fair Value changes in this schedule are other than those arising on account of accrued interest income / expense.

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**IFIN SECURITIES FINANCE LIMITED**

**Notes # 19, 20 & 21 - Impairment on financial Instruments, Employee Benefit Expenses & Other Expenses**

**Impairment on financial Instruments**

Particulars	For the Year ended 31.03.2019			For the Year ended 31.03.2018		
	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	Total
Loans	-	7,08,83,326	7,08,83,326	-	-	-
Investments	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-
<b>Total</b>	-	7,08,83,326	7,08,83,326	-	-	-

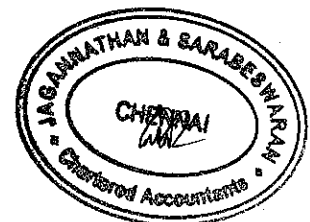
**Employee Benefit Expenses**

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
(a) Salaries and incentives	1,18,08,151	1,18,63,740
(b) Contributions to -		
Provident fund & Employee State Insurance	1,71,538	1,56,692
Staff Welfare Expenditure	5,35,107	36,218
<b>Total</b>	1,25,14,796	1,20,56,650

**Other Expenses**

Particulars	For the Year ended 31st Mar 2019	For the Year ended 31st Mar 2018
Rent	21,00,000	21,00,000
Telephone expenses	8,99,078	9,49,334
Electricity Charges	5,00,000	5,00,000
Auditor's fees and expenses	3,44,265	3,39,315
Legal and Professional Charges	6,29,096	5,50,474
Repairs and Office Maintenance	24,22,173	20,81,026
Printing and Stationery	10,832	10,333
Tour, travel & Conveyance	2,73,666	1,38,793
Rates And Taxes	70,245	70,917
Information technology Expenses	3,24,415	3,01,765
Meeting Expenses	31,889	30,473
Sitting Fees	1,10,000	3,56,500
Insurance Charges	45,569	33,187
Service Tax Expenses / GST Expenses	37,805	54,950
Miscellaneous expenses	88,055	34,994
<b>Total</b>	78,87,089	75,52,061

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**IFIN Securities Finance Limited**  
(Formerly known as Narayan Sriram Investments Private Limited)

Note: 22

**A. Company Background**

IFIN Securities Finance Limited ("the Company") is a non-deposit taking Non Banking Financial Services Company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). It is registered with the Reserve Bank of India as a Loan Company. The name of the company was changed to IFIN Securities Finance Limited vide Certificate of Registration dated 26th August 2013 from erstwhile name of Narayan Sriram Investments Private Limited. The Company's registered office is situated at Continental Chambers, 3<sup>rd</sup> Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai 600034 Tamil Nadu, India.

The company is primarily engaged in the business of providing loans against shares and margin funding.

**B. Significant Accounting Policies**

**1. Basis of preparation and presentation**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2017.

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### **First-time adoption**

In accordance with Ind AS 101 on First time adoption of Ind AS, the Company has prepared its first Ind AS financial statements which include:

- I. Three Balance sheets namely, the opening Balance sheet as at April 1, 2017 (the transition date) by recognising all assets and liabilities whose recognition is by Ind AS, not recognising assets or liabilities which are not required by Ind AS, by reclassifying assets and liabilities from previous GAAP as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities; and Balance sheets as at March 31, 2019 and 2018; and
- II. Two statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2019 and 2018 together with the related notes.

The same accounting policies have been applied for all the periods presented

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 or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share- based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17.

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:

- I. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- II. 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
- III. Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest rupee, except where otherwise indicated. The financial statements were approved for issue by the Board of Directors on April 17, 2019.

## **2. Use of estimates**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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**Estimates** and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements** are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

**Assumptions** and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

The areas involving critical estimates or judgements are:

S.No	Particulars	Note No.
1.	Revenue recognition using effective interest rate	3
2.	Impairment of loans -Expected credit loss	11 a

### 3. Revenue recognition

#### Interest Income on Loan against shares

Interest earned on loans against shares (financial asset) is recognized based on the effective interest rate (EIR) method as per Ind AS 109 & 32 and is the rate that exactly discounts the estimated future repayments of principal and interest through the expected life of the financial asset to the gross carrying amount of a financial asset i.e the amortised cost of the financial asset, before adjusting for any credit loss allowance which are applicable for Stage 1 (Performing) and Stage 2 (Under performing) assets. For Stage 3 (Non-performing) assets, expected interest rate is calculated on the amortised cost less expected credit loss adjustment. Refer note 11a for details on impairment.

Processing fee received by the company relating to the creation or acquisition of a financial asset is considered an integral part of the effective interest rate of a financial instrument and is treated as an adjustment to the effective interest rate and recognised over the lifetime of the financial instrument.

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### **Interest income on margin funding**

Considering the nature and complexity of margin trading, it is not possible to apply the effective interest rate method and so interest has been considered on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **Dividend Income**

Dividends are recognised in profit or loss only when

- (a) the company's right to receive payment of the dividend is established;
- (b) it is probable that the economic benefits associated with the dividend will flow to the company; and
- (c) the amount of the dividend can be measured reliably.

### **4. Borrowing costs**

The borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **5. Employee benefits**

#### **(a) Defined contribution plan:**

The Company's Provident Fund Scheme and other statutory funds are defined contribution plan and the company's contribution paid/payable is recognized as expense in Statement of Profit & Loss during the period in which the employee renders the related service.

#### **(b) Defined benefit plan**

Provision is made in the company's books for gratuity payable to employees who have completed five years of continuous service in the company.

#### **(c) Compensated absences**

The company employees are entitled to 24 days of earned leave per year, out of this 15 days leave standing to the credit of the employee at the end of the

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calendar year will be paid as leave salary. (Calculated on the gross pay) This balance is allowed to be accumulated. The expenses arising therefrom are recognized in the statement of profit and loss.

#### **6. Income taxes**

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

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

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 (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

#### **7. Tangible assets**

Tangible assets comprising of office equipment and computers are stated at historical cost less accumulated depreciation.

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**Deemed cost on transition to Ind AS**

The Company has elected to continue with the carrying value of all of its office equipment and computers recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

**Depreciation/ amortisation**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the written down value in the manner prescribed under Schedule II of the Companies Act, 2013. 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 estimates accounted on a prospective basis.

**8. Intangible assets – Computer software**

Intangible assets comprising of computer software is recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the statement of profit and loss.

**Deemed cost on transition to Ind AS**

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

Intangible assets are amortised over their useful life.

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## **9. 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).

## **10. Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **11. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision 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 asset or financial liabilities, as appropriate, on initial recognition.

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Transactions 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.

## **11a. Financial assets**

### **Classification of financial assets**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost using effective interest rate method if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Financial assets i.e. derivative instruments and investments in instruments other than equity of subsidiaries, joint ventures and associates) are subsequently measured at fair value.

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Such financial assets are measured at fair value at the end of each reporting period, with any gains (e.g. any dividend or interest earned on the financial asset) or losses arising on re-measurement recognised in profit or loss and included in the "Other Income". Investments in equity instruments & mutual funds are classified as fair value through profit or loss.

#### **Impairment of financial assets**

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive.

#### **Expected Credit Loss (ECL)**

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. The twelve months expected credit losses are portion of the lifetime cash shortfalls that will

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result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted beyond the 12 months.

If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

The company recognises stages for recognition of expected credit loss on financial instruments for which there has been significant increase in credit risk since initial recognition. The probability of default and loss given default have been measured using past credit history, and forward looking credit risk estimations which may include external credit ratings and credit loss experiences of other peer companies wherever applicable.

Stage	Category	Days due since initial recognition	Expected credit loss (ECL)
1	Performing	0-30 days or cash Margin clause not	12 months ECL

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		invoked as Stage 1	
2	Under-performing	31-90 days or cash margin clause invoked and the client has paid cash margin	Life time ECL
3	Non-performing	Beyond 90 days or cash margin clause invoked but the client has not paid ,entity has sold the security to the extent of cash margin short fall to recover the dues.	Life time ECL

#### **De-recognition 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. The company directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

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. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

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The Company has applied the de-recognition requirements of financial assets prospectively for transactions occurring on or after April 1, 2017 (the transition date).

#### **11b. Financial liabilities**

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost, if material.

#### **De-recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The Company has applied the de-recognition requirements of financial liabilities prospectively for transactions occurring on or after April 1, 2017 (the transition date). The company removes a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished – ie when the obligation specified in the contract is discharged or cancelled or expires.

#### **12. Earnings per share**

Basic earnings per Share is calculated by dividing net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares issued.

#### **13. Contingent liabilities**

Contingent liabilities are disclosed for:

- I. Possible obligation which will be confirmed only by future events not wholly within the control of the Company; or

Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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## Other Notes

### I. Contingent liabilities

- i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (NIL).
- ii. Other Contingent liabilities (NIL).

II. Loans due from two parties (one of whom is absconding) amount to Rs. 8.45 crores. The company has lodged a complaint with police department and EOW. Cheque returned cases have also been filed. Provision for ECL has been created at Rs.7.49 Crores.

### III. Managerial Remuneration:

(Amount in Rs.)

Particulars	2018-19	2017-18
To Whole Time Director		
(a) Salary, Allowances, Contribution to PF and other funds	-	2,87,509
<b>Total</b>	<b>-</b>	<b>2,87,509</b>

### IV. Remuneration to auditor:

(Amount in Rs.)

Nature of Service	2018-19	2017-18
Statutory Audit Fee	2,00,000	2,00,000
For quarterly reporting	79,500	79,500
Tax Audit and Other Fees	10,000	10,000
GST / Others	54,765	52,110
<b>Total</b>	<b>3,44,265</b>	<b>3,41,610</b>

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**V. Employee Benefits**

(a) The Company is making contribution to Provident fund which is a defined contribution plan and the amount charged to Statement of Profit & Loss is Rs.1,71,538/- (Rs. 1,56,692/-)

(b) Provisions for Gratuity has been made for one employee amounting to Rs.1,83,060/-. However it remains to be fund.

(c) Leave encashment as per policy followed by the Company during the financial year and the amount charged to Statement of profit & Loss is Rs.1,26,098/- (Rs. 1,13,776/-)

**VI.** The Company shares certain costs/service charges on a mutually agreed basis with the holding company.

**VII.** The company is primarily engaged in lending against equity share and margin funding for shares. As such there are no separate reportable segments as per IND AS 108.

**VIII. Earnings Per Share:**

The Earning per Share [EPS] has been computed in accordance with the IND AS 33.

Particulars	As on 31-03-2019	As on 31-03-2018
Net Profit / (loss)for the year available for the equity share holders (Before & after extra-ordinary Item)	(4,28,01,040)	1,18,71,694
Nominal value per equity share	100	100
Weighted Average No. of outstanding equity shares during the year - Basic & Diluted.	30,01,000	30,01,000
Basic & Diluted Earnings per Share (Before & after extra-ordinary Item)	-14.26	3.96

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**IX. Current and Deferred Taxation**

- (a) The Company has provided for Minimum Alternative Tax (MAT) amounting to Rs.65,00,000/- (Rs.22,50,000) as per provisions of Sec 115JB of the Income Tax Act, 1961.
- (b) The company's carried forward losses results in Deferred Tax Asset which has not been recognized in these accounts as a matter of prudence. MAT credits (Rs.82.65 Lacs for A.Y.17-18 and A.Y.2018-19) will also be accounted in the year the company moves from MAT tax to regular payment of tax.

**X. Related Party Disclosure as per AS 18**

- a) Ultimate Holding Company : IFCI Limited
- b) Holding Company : IFCI Financial Services Limited
- c) Fellow Subsidiaries : a) IFIN Commodities Limited  
b) IFIN Credit Limited  
c) IFCI Factors Limited  
d) IFCI Venture Capital Funds Limited  
e) IFCI Infrastructure Development Limited  
f) MPCON Limited  
g) Stock Holding Corporation of India Limited

**Note:** Fellow Subsidiaries (c) to (g) given above are subsidiaries of ultimate Holding Company, IFCI Limited.

**d) Key Management Personnel and relatives of such personnel**

Mr. Karra Visweswara Rao : Managing Director

Relatives of Key Management Personnel : Nil



e) Transaction with Related Parties

(Amount in Rs.)

Sr. No.	Particulars	Holding/Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2018-19	2017-18	2018-19	2017-18
1	Managerial Remuneration	-	-	-	2,87,509
2	Loan Disbursed to IFCI Financial Services Ltd	-	-	-	-
3	Loan Repaid by IFCI Financial Services Ltd	-	-	-	-
4	Interest receivable from IFCI Financial Services Ltd	-	-	-	-
5	Expense reimbursed to IFCI Financial Services Ltd	1,25,00,000	1,25,00,000	-	-
6	Loan Availed from IFCI Ltd	-	-	-	-
7	Loan Repaid to IFCI Ltd	-	-	-	-
8	Interest paid to IFCI Ltd	-	-	-	-
9	Loan given to IFCI Venture Capital Funds Limited	-	4,50,00,000	-	-
10	Loan repaid by IFCI Venture Capital Funds Limited	-	4,50,00,000	-	-

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11	Interest/ Other Charges received from IFCI Venture Capital Funds Limited	-	7,33,822	-	-
12	Interest payable to IFCI Ltd	-	-	-	-
13	Letter of comfort - Commission Paid to IFCI Ltd	-	-	-	-

**XI. Foreign Exchange Inflow and Outflow**

During the year, the company has spent a sum of Rs.NIL (NIL) in foreign exchange, towards expenses, asset purchases. There is no foreign exchange income during the year.

**XII.** As per information and explanations given to us, the Company does not deal with vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. Hence compliance and reporting in this regard does not arise.

**XIII.** Figures of the previous year have been regrouped / recast wherever necessary to make them comparable with the current year figures.

**XIV.** Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.

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For JAGANNATHAN & SARABESWARAN  
CHARTERED ACCOUNTANTS  
FIRM REGD. No: 0912048

  
G. R. RAVI  
PARTNER-M.No:025669



IFIN SECURITIES FINANCE LIMITED

IND AS RECONCILIATION  
BALANCE SHEET

ASSETS							
Particulars	Note No.	As Per GAAP	Transition Effect	Ind AS	As Per GAAP	Transition Effect	Ind AS
		As at 31.03.2018	As at 31.03.2018	As at 31.03.2018	As at 01.04.2017	As at 01.04.2017	As at 01.04.2017
<b>(1) Financial Assets</b>							
(a) Cash and cash equivalents		20,59,528	-	20,59,528	46,40,012	-	46,40,012
(b) Bank balances other than above		-	-	-	-	-	-
(c) Derivative Financial Instruments		-	-	-	-	-	-
(d) Receivables		-	-	-	-	-	-
(e) Loans	A	30,48,72,397	1,02,53,929	29,46,18,468	41,48,54,704	1,73,13,609	39,75,41,095
(f) Investments	C	4,11,13,749	-6,53,870	4,17,67,619	1,72,699	-	1,72,699
(g) Other Financial Assets (other advances)		36,175	-	36,175	55,261	-	55,261
<b>(2) Non - Financial Assets</b>							
(a) Inventories		-	-	-	-	-	-
(b) Current Tax Assets (Net)		29,03,806	-	29,03,806	-	-	-
(c) Deferred Tax Assets (Net)		-	-	-	-	-	-
(d) Investment Property		-	-	-	-	-	-
(e) Biological assets other than bearer plants		-	-	-	-	-	-
(f) Property, Plant and Equipment		4,662	-	4,662	8,026	-	8,026
(g) Capital work - in - progress		-	-	-	-	-	-
(h) Intangible assets under development		-	-	-	-	-	-
(i) Goodwill		-	-	-	-	-	-
(j) Other intangible assets		1	-	1	-	-	1
(k) Other non - financial assets (to be specified)		-	-	-	-	-	-
<b>Total Assets</b>		<b>35,09,90,318</b>	<b>96,00,059</b>	<b>34,13,90,259</b>	<b>41,97,30,703</b>	<b>1,73,13,609</b>	<b>40,24,17,094</b>

The accompanying notes are an integral part of the financial statements.

(Amount in Rs.)

LIABILITIES AND EQUITY							
Particulars	Note No.	As Per GAAP	Transition Effect	Ind AS	As Per GAAP	Transition Effect	Ind AS
		As at 31.03.2018 (Audited)	As at 31.03.2018 (Audited)	As at 31.03.2018 (Audited)	As at 01.04.2017 (Audited)	As at 01.04.2017 (Audited)	As at 01.04.2017 (Audited)
<b>LIABILITIES</b>							
<b>Financial Liabilities</b>							
(a) Derivative financial instruments		-	-	-	-	-	-
(b) Payables		-	-	-	-	-	-
(c) Debt Securities		-	-	-	-	-	-
(d) Borrowings (Other than Debt Securities)		10,00,000	-	10,00,000	7,15,00,000	-	7,15,00,000
(e) Deposits		-	-	-	-	-	-
(f) Subordinated Liabilities		-	-	-	-	-	-
(g) Other financial liabilities (to be specified)		86,72,109	-	86,72,109	60,45,290	8,81,480	51,63,810
<b>Non-Financial Liabilities</b>							
(a) Current tax liabilities (Net)		-	-	-	59,44,995	-	59,44,995
(b) Provisions	B	13,33,286	12,19,490	1,13,796	15,27,619	14,51,991	75,628
(c) Deferred tax liabilities (Net)		-	-	-	-	-	-
(d) Other non-financial liabilities (to be specified)		-	-	-	-	-	-
<b>Equity</b>							
(a) Equity Share capital		30,01,00,000	-	30,01,00,000	30,01,00,000	-	30,01,00,000
(b) Other Equity	A-C	3,98,84,922	83,80,568	3,15,04,354	3,46,12,799	1,49,80,138	1,96,32,661
<b>Total Liabilities and Equity</b>		<b>35,09,90,317</b>	<b>96,00,058</b>	<b>34,13,90,259</b>	<b>41,97,30,703</b>	<b>1,73,13,609</b>	<b>40,24,17,094</b>

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

For Jagannathan & Sarabeswaran

K V Rao  
Managing Director

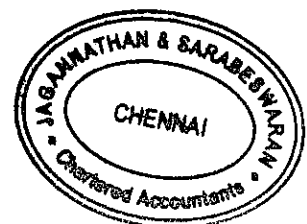
Ramkumar Srinivasan  
Director

G R Ravi  
Partner  
Chartered Accountants  
Firm No: 012045  
Membership No: 25669

Place : Chennai  
Date : 17th April '19

Sabareeswar I  
Company Secretary

A V Pushparaj  
Chief Financial Officer



IND AS RECONCILIATION  
STATEMENT OF PROFIT AND LOSS

(Amount in Rs.)

#	Particulars	Note No.	As Per GAAP	Transition Effect	Ind AS
			Year ended	Year ended	Year ended
			31.03.2018	31.03.2018	31.03.2018
I	<b>Revenue From Operations</b>				
	(i) Interest Income	A	4,80,16,842	-20,50,059	5,00,66,901
	(ii) Dividend Income		8,310	-	8,310
	(iii) Rental Income		-	-	-
	(iv) Processing Fees and Commission Income	D	16,92,500	12,87,500	4,05,000
	(v) Net gain on fair value changes	C	-	-6,53,870	6,53,870
	(ix) ECL provision written back	B	-	-62,06,688	62,06,688
	<b>Total Revenue From Operations</b>		<b>4,97,17,652</b>	<b>-76,23,117</b>	<b>5,73,40,769</b>
II	Other Income		18,80,467	-	18,80,467
III	<b>Total Income (I+II)</b>		<b>5,15,98,119</b>	<b>-76,23,117</b>	<b>5,92,21,236</b>
IV	<b>EXPENSES</b>				
	(i) Finance Costs		18,61,227	-	18,61,227
	(ii) Fees and commission expense		3,54,000	-	3,54,000
	(iii) Net loss on fair Value changes		4,96,200	-	4,96,200
	(v) Provision for Standard Assets	B	-2,32,501	-2,32,501	-
	(vi) Bad debts written off		1,96,34,943	-	1,96,34,943
	(ix) Employee Benefits Expenses		1,20,56,650	-	1,20,56,650
	(x) Depreciation, amortization and impairment		3,364	-	3,364
	(xi) Other expenses		75,52,061	-	75,52,061
	<b>Total expenses (IV)</b>		<b>4,17,25,944</b>	<b>-2,32,501</b>	<b>4,19,58,445</b>
V	Profit / (loss) before exceptional items and tax (III - IV)		98,72,175	-73,90,616	1,72,62,791
VI	Exceptional Items		-	-	-
	Prior Period Income	E	8,81,480	8,81,480	-
	Prior Period Expenses	E	90,435	90,435	-
VII	<b>Profit / (loss) before tax (V - VI)</b>		<b>1,06,63,220</b>	<b>-65,99,571</b>	<b>1,72,62,791</b>
VIII	Tax expense:				
	(1) Current tax		53,91,097	-	53,91,097
	(2) Deferred tax		-	-	-
IX	Profit / (loss) for the period from continuing operations (VII - VIII)		52,72,123	-65,99,571	1,18,71,694
X	Profit / (loss) from discontinuing operations		-	-	-
XI	Tax expense of discontinued operations		-	-	-
XII	Profit / (loss) for the period from discontinuing operations (after tax) (X - XI)		-	-	-
XIII	<b>Profit / (loss) for the period (IX+XII)</b>		<b>52,72,123</b>	<b>-65,99,571</b>	<b>1,18,71,694</b>
XIV	Other Comprehensive Income		-	-	-
XV	<b>Total Comprehensive income for the period (XIII+XIV) (Comprising Profit (loss) and other Comprehensive Income for the period)</b>		<b>52,72,123</b>	<b>-65,99,571</b>	<b>1,18,71,694</b>
XVI	<b>Earnings Per share (for the continuing Operations)</b>				
	Basic (Rs.)		1.76	-2.20	3.96
	Diluted (Rs.)		1.76	-2.20	3.96
XVII	<b>Earnings Per share (for the discontinuing Operations)</b>				
	Basic (Rs.)		-	-	-
	Diluted (Rs.)		-	-	-
XVIII	<b>Earnings Per share (for the continuing and discontinuing Operations)</b>				
	Basic (Rs.)		1.76	-2.20	3.96
	Diluted (Rs.)		1.76	-2.20	3.96

The Notes A - E form an integral part of Statement of Profit and Loss

For and on behalf of the Board of Directors

For Jagannathan & Sarabeswaran

K V Rao  
Managing Director

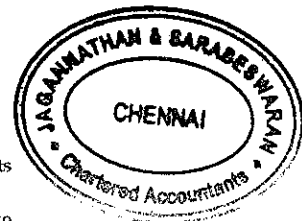
Rasakumar Srinivasan  
Director

Place : Chennai  
Date : 17th April '19

Sabareeswar T  
Company Secretary

A V Pushparaj  
Chief Financial Officer

G.R. Ravi  
Partner  
Chartered Accountants  
Firm No: 01204S  
Membership No: 25669



**IFIN SECURITIES FINANCE LIMITED**

Notes to Reconciliation

#	Particulars	As Per GAAP Year ended 31.03.2018	Transition Effet Year ended 31.03.2018	Ind AS Year ended 31.03.2018
A	Cash Flow From Operating Activites	10,93,56,764	-0	10,93,56,764
B	Cash Flow From Investing Activities	-4,14,37,249	1	-4,14,37,250
C	Cash Flow From Financing Activities	-7,05,00,000	-	-7,05,00,000
	Net Changes in Cash & Cash Equivalent (A+B+C)	-25,80,485	0	-25,80,485
	Opening Cash and Cash Equivalent	46,40,012	-	46,40,012
	Closing Cash and Cash Equivalent	20,59,527	-	20,59,527
	Increase / Decrease in Cash & Cash Equivalent	-25,80,485	-1	-25,80,485

**Notes on Reconciliation**

A) Under previous GAAP, Interest on loans was recorded as per contractual obligation at agreed interest rates. Under Ind AS cash flows are discounted and effective interest rate is worked out as the loans are disclosed at amortised cost.

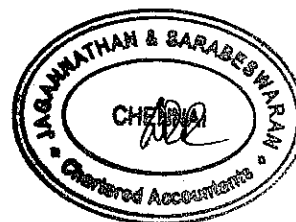
B) Under Ind AS provision for impairment of loans is made as per ECL model. Whereas under previous GAAP it is as per RBI norms. The difference represents loan provision as per ECL made in 2017 is revised for ECL provisions in 2018. The provision for standard assets made as per earlier GAAP is utilised to make good Ind AS ECL provision.

C) Investment in Mutual Fund are disclosed at Fair Value through P&L under Ind AS.

D) Under previous GAAP processing charges are recorded as income. Under Ind AS they are reflected as adjustments in interest from loans.

E) Prior period income is disclosed separately as per earlier GAAP. As per Ind AS they are related to the relevant year or earlier Ind AS presentation.

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IFIN SECURITIES FINANCE LIMITED

Financial Instrument

(ii) Categories of financial instruments

Particulars	As at		
	31.03.2019	31.03.2018	01.04.2017
<b>Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
(a) Mandatorily measured:	-	-	-
(i) Equity investments / Mutual Funds	16,76,74,171	4,17,67,619	1,72,699
(ii) Derivative instruments designated in hedge accounting relationship	-	-	-
<b>Measured at amortised cost</b>			
(a) Cash and bank balances	1,45,03,213	20,59,528	46,40,014
(b) Other financial assets at amortised cost	2,61,305	36,175	55,261
(c) Loans	10,84,10,259	29,46,18,468	39,75,41,095

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
2	<b>Current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Trade payables	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
	Other financial liabilities	35,81,366	35,81,366	-	-	-	35,81,366

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
2	<b>Current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Trade payables	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
	Other financial liabilities	86,72,109	86,72,109	-	-	-	86,72,109

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2017:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
2	<b>Current financial liabilities</b>						
	Borrowings and interest thereon	-	-	-	-	-	-
	Trade payables	-	-	-	-	-	-
	Finance lease liability	-	-	-	-	-	-
	Other financial liabilities	51,63,810	51,63,810	-	-	-	51,63,810

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2019:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial assets</b>						
	Other financial assets	-	-	-	-	-	-
2	<b>Current financial assets</b>						
	(a) Cash and bank balances	1,45,03,213	1,45,03,213	-	-	-	1,45,03,213
	(b) Other financial assets at amortised cost	2,61,305	2,61,305	-	-	-	2,61,305
	(c) Loans at amortised cost	10,84,10,259	10,84,10,259	-	-	-	10,84,10,259

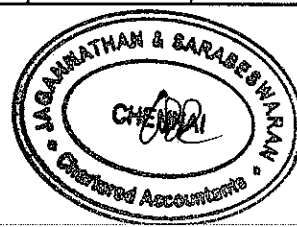
The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2018:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial assets</b>						
	Other financial assets	-	-	-	-	-	-
2	<b>Current financial assets</b>						
	(a) Cash and bank balances	20,59,528	20,59,528	-	-	-	20,59,528
	(b) Other financial assets at amortised cost	36,175	-	-	-	-	36,175
	(c) Loans at amortised cost	29,46,18,468	29,46,18,468	-	-	-	29,46,18,468

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 1 April 2017:

#	Particulars	Carrying amount	upto 1 year	1-3 year	3-5 year	More than 5 year	Total contracted cash flows
1	<b>Non-current financial assets</b>						
	Other financial assets	-	-	-	-	-	-
2	<b>Current financial assets</b>						
	(a) Cash and bank balances	46,40,014	46,40,014	-	-	-	46,40,014
	(b) Other financial assets at amortised cost	55,261	55,261	-	-	-	55,261
	(c) Loans at amortised cost	39,75,41,095	39,75,41,095	-	-	-	39,75,41,095

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Financing facilities	As at		
	31.03.2019	31.03.2018	01.04.2017
Secured cash credit and other borrowings facility:			
Amount used	-	10,00,000	7,15,00,000
amount unused.	-	-	-

#### Credit risk

Credit risk refer to the risk that a borrower will default on contractual obligation resulting in financial loss to the company. The company makes a provision for doubtful debts using expected credit loss model.

#### Movement in provision for Impairment Loss

Particulars	Y.E.31.03.2019	Y.E.31.03.2018
Balance at beginning of the year	1,05,43,075	1,67,49,763
Incremental / ( Reduction) in ECL	7,08,83,326	-62,06,688
Balance at end of the year	8,14,26,401	1,05,43,075

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**IFIN SECURITIES FINANCE LIMITED**

**Income Taxes Relating to Continuing Operations**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Income tax recognised in profit or loss	-	-
Current tax	-	-
In respect of the current year	65,00,000	22,50,000
In respect of the prior year	-10,48,052	31,41,097
<b>Total income tax expense recognised in profit or loss</b>	<b>54,51,948</b>	<b>53,91,097</b>

Tax provision made as per Sec 115JB for the year 31st March 2019. Income tax effect on adoption of IND AS for year ended 31st March 2018 is not material.

*A*



# ROUTE MAP FOR THE VENUE OF 30<sup>TH</sup> AGM OF IFIN SECURITIES FINANCE LIMITED

