



30th Annual Report – 2024-25

IFCI FINANCIAL SERVICES LIMITED

(Subsidiary of IFCI Limited)

CIN: U74899DL1995GOI064034

30TH ANNUAL REPORT

FY 2024-25

30th ANNUAL GENERAL MEETING

Date: September 24, 2025

Day: Wednesday

Time: 03.00 PM

Registered office: IFCI Tower 61 Nehru Place New Delhi DL 110019 IN

*Corporate Office: Kamak Towers, 4th Floor,
Plot No.12A (SP), Thiru-Vi-Ka Industrial Estate,
Ekkatuthangal, Guindy, Chennai- 600032.*

Website- www.ifinltd.in

Ph: 044 6929 8400

Email- cs@ifinltd.in

IFCI FINANCIAL SERVICES LIMITED

Board of Directors (As on the date of this report)

Mr. Atul Saxena	-	Chairman & Nominee Director
Mr. Rajesh Kumar	-	Non- Executive Director
Mr. Ramesh Dharmaji	-	Non- Executive Director
Mr. Alan Savio Pacheco	-	Nominee Director
Mr. Prabhat Dubey	-	Non- Executive Director (Additional Director)
Ms. S Karpagam	-	Managing Director

Chief Financial Officer

Mr. A V Pushparaj

Chief Operating Officer

Mr. Anilkumar BS

Company Secretary

Ms. JM Sathyavathi

Statutory Auditors (2024-25)

M/s. R.G.N Price & Co.,

Chartered accountants

FRN: 002785S

Mr. K Venkatakrishnan

M. No: 208591

Partner

NOTICE
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NOTICE

Notice is hereby given that the 30th Annual General Meeting of the shareholders of M/s. IFCI Financial Services Limited will be held by Video Conferencing (VC)/ Other Audio Video Means (OAVM) on Wednesday, September 24th, 2025 at 3:00 PM at Kamak Towers, 4th Floor, Plot No.12A (SP), Thiru-Vi-Ka Industrial Estate, Ekkatuthangal, Guindy, Chennai- 600032 to transact the following business:

ORDINARY BUSINESS

1. Approval and Adoption of Financial Statements for Financial year 2024-25:

To receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2025, together with the Board of Directors' Report and Auditors' Report thereon and including annexures thereto and thought fit, to pass with or without modification(s), the following resolution, as an Ordinary resolution:

“RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2025, together with Board of Directors' Report and the Auditors Report thereon, including annexures thereto be and are hereby approved and adopted.”

2. To re-appoint Mr. Ramesh Dharmaji (DIN: 01186341) Director, who retires by rotation and being eligible, offers himself for re-appointment and to consider and thought fit, to pass with or without modification, the following resolution, as an Ordinary resolution:

“RESOLVED THAT Mr. Ramesh Dharmaji (DIN: 01186341) Director, who retires by rotation and being eligible, offers himself for reappointment be and is hereby reappointed as a director of the Company whose office shall be liable to retire by rotation.”

3. Appointment and Fixation of Remuneration of Statutory Auditors for Financial year 2025-26:

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 Section 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 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 to be appointed by the Comptroller and Auditor General of India (CAG) for the Financial Year 2025-26, as may be deemed fit.”

SPECIAL BUSINESS

4. To regularize Mr. Prabhat Dubey (DIN: 09327875) as a 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 the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Prabhat Dubey (DIN: 09327875) who was appointed by the Board of Directors as an Additional Director w.e.f. 04.08.2025 be and is hereby appointed as a Director of the Company who is liable to retire by rotation.”

“**RESOLVED FURTHER THAT** any one of the Director or Company Secretary of the Company be and is hereby authorized to digitally sign and file the necessary e-forms with the Registrar of Companies, Chennai and inform other statutory authorities as may be necessary in connection with the above appointment.”

By Order of the Board
For IFCI Financial Services Limited



JM Sathyavathi
Company Secretary

Place: Chennai

Date: 02.09.2025

Important Notes:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5th, 2020, clarification circular No. 02/2021 dated January 13th, 2021 and General Circular 3/2022 dated May 5, 2022 and General Circular 10/2022 dated December 28 2022 issued by the Ministry of Corporate Affairs (collectively referred to as “MCA Circulars”), permitted the holding of Annual General Meeting (AGM) through VC/ OAVM, without physical presence of the member at common Venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The members have the option to participate in the meeting either in person or through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).
3. In compliance with applicable provisions of the Act read with the MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, the proceedings of the AGM shall be deemed to be conducted at the Corporate Office of the Company at Kamak Towers, 4th Floor Plot No.12A (SP), Thiru-Vi-Ka Industrial Estate, Ekkatuthangal, Guindy, Chennai- 600032, Tamil Nadu which shall be the deemed venue of the AGM
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circular, issued by the Ministry of Corporate Affairs, through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM through video conferencing and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. However, the Body Corporates members (i.e. other than individuals) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat. The body corporate are required to forward a scanned copy or hard copy of its board or governing body's resolution/authorization letter etc. authorizing their representatives to attend the AGM. The said resolution/authorization shall be sent to the Company by email through its registered email address to cs@ifinltd.in or sathyavathi@ifinltd.in the hard copy can be sent at Kamak Towers, 4th Floor Plot No.12A (SP), Thiru-Vi-Ka Industrial Estate, Ekkatuthangal, Guindy, Chennai- 600032.
6. Those Shareholders whose email IDs are not registered are requested to register their email ID

with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all shareholders of the company. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Members will be allowed to pose questions during the course of the Meeting. The questions/queries can also be given in advance at cs@ifinltd.in will be suitably replied by the company during the Meeting, if time permits
11. As per the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.ifinltd.in and the notice along with the Annual Report is being sent through electronic mode to the members whose E-mail ID are registered with the company. Members may note that the Notice will also be available on the Company's website at www.ifinltd.in. Further, updation if any, will be provided on the website of the Company at www.ifinltd.in.
12. All documents referred to in the Notice calling the AGM and the Explanatory Statement are open for inspection electronically and/or at the registered office of the company during the office hours between 9.30 AM to 11.30 AM on all working days except Saturday. The same shall be shared with the members on receipt of request. The members desiring to inspect the relevant documents referred are required to send request on the email address- cs@ifinltd.in. An extract of such documents would be sent to the members on their registered email address.
13. The route map for the venue of AGM is not annexed to this notice as the AGM is being conducted through Video conferencing and/or other audio visual means.



14. *Details of Directors seeking appointment or re-appointment at the Annual General Meeting of the company to be held on Wednesday, September 24, 2025 are provided in Annexure - A of this notice.*
15. *For any queries & clarifications, members can contact through e-mail on cs@ifinltd.in or 044- 6929 8400.*
16. *The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto.*



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER:

1. AGM through VC/OAVM: Members will be provided with a facility to attend the AGM through video conferencing platform –Lifesize.
2. Members whose email IDs are not registered with the company, may get their email IDs registered with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting. In case of joint holding, the credentials of the first named holder shall be accepted.
3. The meeting invitation link to join the AGM will be sent to the Members on their registered email IDs latest by September 23rd, 2025. This will be done on first come first served basis.
4. Members will be provided with a facility to attend the AGM through video conferencing platform, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
5. In case of Android/Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
6. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Use of headphones is highly recommended.
8. Members who need assistance before or during the AGM may contact Ms. JM Sathyavathi, Company Secretary by sending an email request at the email id: cs@ifinltd.in or Contact on – 044-69298400.

Annexure – A

Details of the Directors seeking Appointment/Re-Appointment in the ensuing Annual General Meeting:

Name of the Director	Mr. Ramesh Dharmaji	Mr. Prabhat Dubey
Date of Birth	February 7, 1959	December 17, 1969
Date of Appointment	September 29, 2023	July 30, 2025
Expertise in Specific functional area	Promotion, Development and Financing of MSMEs	Capital Market
Qualification	M.Com., Post Graduate Management Diploma, Certified associate of Indian Institute of Bankers	Post Graduate in Physics from IIT Kharagpur
Experience	40 years in Banking Service	31 years of experience in Stockholding group with various roles including custody department, retail division and risk and Audit department
Directorships in other Companies	Nil	1. IFIN Commodities Limited 2. Stockholding Services Limited
Number of Board Meetings attended during the Year (2024-25)	7	-
Chairman/ Membership of the Committee across all Companies	IFCI Financial Services Limited a) Member of Nomination and Remuneration Committee of the Board b) Member of Risk Management Committee of the Board c) Chairman of Audit Committee of the Board	IFCI Financial Services Limited a) Member of Nomination and Remuneration Committee of the Board b) Member of Risk Management Committee of the Board c) Chairman of IT Strategy Committee of the Board
Shareholding in the Company	Nil	Nil
Relationship with other Directors	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4:

In accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Mr. Prabhat Dubey was appointed as an Additional Director of the Company in the Board meeting dated 04.08.2025 and his appointment with immediate effect. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company. Mr. Prabhat Dubey is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

The Board is of the view that the appointment of Mr. Prabhat Dubey as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 4 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Prabhat Dubey himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

**BOARD'S REPORT**

To
The Members of
IFCI Financial Services Limited

The Board of Directors of your Company presents the 30th Annual Report of IFCI Financial Services Limited, together with the Audited Financial Statement, for the year ended March 31, 2025.

1. Financial Results

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Operating Results:				
Income from Operations	1083.26	1301.87	1167.29	1476.33
Other Income	257.57	244.11	373.85	300.15
Gross Income	1340.83	1545.98	1541.14	1776.48
Gross Expenditure	1519.06	1655.20	1604.96	1811.71
Profit/(Loss) before Exceptional Item, Depreciation and Tax	(178.23)	(109.22)	(63.82)	(35.23)
Less: Depreciation	35.31	18.47	37.04	20.51
Profit before Exceptional item and tax	(213.54)	(127.69)	(100.86)	(55.74)
Less:				
Impairment on financial Instrument	0.79	36.78	0.79	8.06
Impairment of Investment in Subsidiary Companies	11.39	26.85	-	-
Profit before Tax	(225.72)	(191.32)	(101.65)	(63.80)
Less: Taxes	-	-	20.73	12.05
Profit after tax	(225.72)	(191.32)	(122.38)	(75.85)
Other Comprehensive Income	11.86	12.77	11.71	12.30
Total Comprehensive Income	(213.86)	(178.55)	(110.67)	(63.55)

2. Financial Performance

Operating Income of IFIN had decreased to Rs.10.83 crore during FY 2024-25 from Rs.13.02 crore during FY 2023-24. Other Income increased to Rs.2.58 crore in FY 2024-25 from Rs.2.44 crore in FY 2023-24. Thus, the total income during FY 2024-25 at Rs.13.41 crore which was

13.26% lesser than the total income of Rs.15.46 crore during the corresponding previous year of FY 2023-24. Out of Total expenses, Employee Cost had increased to Rs. 6.85 crore in FY 2024-25 from Rs.6.82 crore in 2023-24. Depreciation and Amortization Expense increased to Rs.0.35 crore in FY 2024-25 from Rs.0.18 crore in FY 2023-24. However, Finance Cost substantially decreased to Rs.0.12 lakh in FY 2024-25 from Rs.0.26 lakh in FY 2023-24. Other Expenses were marginally increased to Rs.4.49 crore in FY 2024-25 as compared to the previous year at Rs.4.47 crore in FY 2023-24. During the year Impairment of financial Instrument provided for Rs. 0.01 Crore and Impairment of Investment in Subsidiary Companies provided for Rs.0.11 Crore. After taking into account the above, there was a deficit of income over expenditure of Rs.2.26 crore in FY 2024-25 as compared to deficit of income over expenditure of Rs.1.91 crore in FY 2023-24. The company incurred a Loss after tax of Rs.2.26 crore during FY 2024-25 as compared to the loss of Rs. 1.91 crore in the previous year 2023-24. Other Comprehensive income in FY 2024-25 was Rs. 11.86 lakhs as compared to Rs. 12.77 lakhs in the previous year.

3. Operational Performances.

3.1 Stock Broking

The Broking Income of IFIN has decreased to Rs. 857.95 lakhs during the FY 2024-25 as against Rs. 1016.98 lakhs during the corresponding previous FY 2023-24.

3.2 Insurance Commission

Insurance Commission earned during the year is Rs. 1.44 Lakhs for the FY 2024-25 (previous year actuals was at Rs 1.31 lakhs).

3.3 Brokerage from Selling of Mutual Funds/IPO/Bonds

During the year, the company has earned an income of Rs.78.21 lakhs in the FY 2024-25 from Selling of mutual fund units as compared to Rs. 102.40 lakhs in the previous reporting year 2023-24.

3.4 Depository Segment

The Company operated as the Depository Participants of both NSDL and CDSL during the year for the benefit of its retail and institutional client base. Total Income received during the year 2024-25 was Rs. 64.59 lakhs (previous year Rs. 77.42 lakhs)

3.5 Non-Fund Based Activity – Merchant Banking

During the year the Company has earned gross income of Rs. 17.92 lakh (Previous Year- Rs. 26.10 lakh) in this product

4. Global and Indian Business Environment during 2024-25

The global economy in Calendar Year (CY) 2024 displayed resilience despite significant headwinds. Growth was shaped by evolving geopolitical tensions, persistent supply chain disruptions, climate-related shocks, and fluctuating commodity prices. According to OECD projections, global GDP growth stood at 3.2% in CY 2024 and is expected to moderate gradually to 3.1% in CY 2025 and 3.0% in CY 2026. Higher trade barriers in G20 economies, coupled with policy uncertainty, weighed on investment and consumption. Monetary policy across major economies continued to balance between controlling inflation and sustaining growth, resulting in volatility in global capital flows and trade balances.

India, in contrast, sustained its position as one of the fastest-growing major economies in FY 2024-25. Domestic resilience was supported by a strong consumption base, growing retail participation in financial markets, and rising foreign investment inflows. However, challenges emerged in the second half of the year due to slowing global growth, weaker corporate earnings, and accelerated foreign capital outflows. Despite these pressures, India's real GDP is estimated to have grown by 6.5% in FY 2024-25, with Gross Value Added (GVA) at 6.4%. At current prices, GDP and GVA expanded by 9.9% and 9.5% respectively, highlighting the economy's robustness amid turbulent external conditions.

5. Indian Economic Outlook for 2025-26

Looking ahead, India's economy is expected to maintain its status as the fastest-growing major economy in FY 2025-26. The IMF and World Bank project India's GDP growth at 6.5% and 6.7% respectively. Growth momentum will be underpinned by resilient domestic demand, strategic fiscal measures, and a potential revival in private investments. The Union Budget's tax relief measures are set to boost disposable income and stimulate consumption. Additionally, inflation is projected to ease, particularly in food categories, which will enhance real purchasing power and consumer sentiment. Assuming a normal monsoon, inflationary pressures are expected to remain contained, further supporting macroeconomic stability.

Sectorally, government-led capital expenditure in infrastructure and allied sectors will continue to drive growth, while the transition from capex-driven initiatives toward measures boosting consumption is expected to energize private sector demand. Foreign Direct Investment (FDI) inflows increased by 12.4% year-on-year to USD 67.7 billion in FY 2024-25, though net inflows

remained subdued due to higher repatriations. Going forward, policy continuity, easing of interest rates by the central bank, and improvement in corporate earnings are expected to enhance India's investment attractiveness. Overall, the economic outlook for FY 2025-26 remains positive, with India continuing to serve as a key driver of global growth.

Indian Capital Market Performance during 2024-25 and Outlook for 2025-26

The Indian equity markets exhibited a dynamic performance during FY 2024-25. The BSE Sensex gained 4,216.82 points, or 5.76%, despite volatility triggered by global and domestic headwinds. The index reached an all-time high of 85,978 in September 2024, buoyed by strong retail participation and growth momentum in the first half of the year. However, the second half saw corrections due to weak earnings, stretched valuations, slowing growth, and foreign portfolio outflows. The Q3 FY 2024-25 earnings season was the weakest since Q1 FY 2020-21, underscoring challenges faced by India Inc.

Despite near-term corrections, the medium- to long-term outlook for Indian capital markets remains robust. Improved corporate earnings, fiscal consolidation, healthier banking balance sheets, and expectations of monetary easing are likely to support valuations. While foreign portfolio investment flows may remain volatile due to global uncertainties, domestic institutional investors are expected to provide a stabilizing influence. Furthermore, government focus on infrastructure spending and tax reforms is likely to stimulate broader market participation. Overall, FY 2025-26 is expected to witness a recovery in earnings momentum, keeping Indian equities attractive as one of the top global investment destinations.

6. Subsidiaries

6.1 IFIN Securities Finance Limited

IFIN Securities Finance Limited, a NBFC is a wholly owned subsidiary of IFCI Financial Services Limited. It is engaged in the business of providing Loan against Shares, Mutual Funds and Sovereign Gold Bonds etc. The Company has suspended fresh lending since Feb 2024.

6.2 IFIN Commodities Limited

IFIN Commodities Limited (ICOM), a wholly owned subsidiary of IFCI Financial Services Limited, was incorporated to engage in the business of Commodity broking.

The Company is the Registered Member of MCX, NCDEX Exchange and National Spot Exchange.



NCDEX:

The Company had surrendered the NCDEX license with the Exchange during the FY 2023-24 with the approval of the Board of Directors. Based on our surrender application, NCDEX has approved the surrender of license on November 19, 2024 and SEBI has approved the surrender of license on December 30, 2024.

MCX:

The Company had surrendered the MCX license with the Exchange during the FY 2023-24 with the approval of the Board of Directors and Shareholders of the Company. Based on our surrender application, MCX has approved the surrender of license on November 18, 2024 and SEBI has approved the surrender of license on November 19, 2024.

National Spot Exchange:

The Spot Exchange trading activity has stopped in July 2013 as the exchange activities were suspended.

6.3 IFIN Credit Limited

IFIN Credit Limited is a wholly owned subsidiary of IFCI Financial Services Ltd. Currently it is not engaged in any operation.

7. Salient features of the financial statement under Section 129 (3) of the Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Form AOC-1 is given in **Annexure-I**.

8. Dividend

No dividend is being recommended by the Directors for the year ended March 31, 2025.

9. Transfer To Reserves

The Board of Directors have no proposal to carry on any amount to general reserves for the year ended March 31, 2025. However, in the Consolidated Financial statements, the amount is transferred to Statutory Reserve as per Section 45 IC of RBI Act, one subsidiary being a NBFC Company.

10. Directors and Key Managerial personnel

Changes in Directors and KMP

- Smt. S Karpagam, Managing Director (DIN: 9755388), her term of directorship further extended for the period of one year (i.e) till 30.09.2025 on account of extension of nomination of her directorship by IFCI Limited (Parent Company).
- Shri. Prabhat Dubey (DIN: 09327875) was appointed as an Additional Director w.e.f 04.08.2025 on account of nomination of his directorship by IFCI Limited (Parent Company).
- Shri. Ramesh Dharmaji (DIN: 1186341), director will retire by rotation at the conclusion of the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.
- Shri. Sanjay Pote (DIN: 08085505), Director, has resigned from the Board of Director of the Company w.e.f 02.06.2025

The Board wishes to place on record its gratitude and appreciation for the valuable contributions made by all the Directors / KMPs who have resigned/retired from their respective offices during their tenure in the Company.

As at March 31st, 2025, the Board consisted of 6 Directors comprising of 2 Nominee Director, 3 Non-Executive Director and 1 Managing Director.

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 March 31st, 2025 is given below: -

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31 st March, 2025
		No. of Meetings during the tenure of respective directors in FY 2024-25		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Shri Atul Saxena	8	6	5
2.	Shri Rajesh Kumar	8	8	2
3.	Shri Alan Savio Pacheco	8	6	2
4.	Shri S Karpagam	8	8	3



5.	Shri Ramesh Dharmaji	8	7	-
6.	Shri Sanjay Pote	8	8	1

During the Financial Year 2024-25, Eight (8) Board Meetings were held, which are as follows:

26.04.2024	26.07.2024	04.09.2024	12.09.2024
30.09.2024	08.11.2024	15.01.2025	03.02.2025

The Non-Executive Directors except nominees directors of IFCI Ltd and its group are paid sitting fees for every meeting of the Board and its Committees attended by them.

11. Committees of the Board

11.1 Audit Committee

A. Composition

The Audit Committee of the Company presently consists of 2 Non- Executive Directors and Managing Director. The composition of the Audit committee and attendance of directors at the meetings for the FY 2024-25 is shown below:-

S. No.	Name of Director	Designation	No. of Committee Meetings during the tenure of respective directors in FY 2024-25.	
			Held	Attended
1.	Shri Ramesh Dharmaji	Chairman (Non- executive Director)	6	6
2.	Shri Rajesh Kumar	Member (Non-executive Director)	6	6
3.	Smt. S Karpagam	Member (Managing Director)	6	6

The Chief Financial Officer, Chief Operating Officer, Statutory Auditors and Internal Auditors of the Company are invited to participate in the meetings of the Audit Committee wherever necessary, as decided by the committee. The Company Secretary acts as the Secretary of the Audit Committee.

B. The number of Audit Committee Meetings held and dates:

During the financial year 2024-25, the Audit Committee of Directors of the Company had conducted 6 (Six) meetings.

The dates of the meeting of Audit Committee of Board of Directors are as follows:

26.04.2024	26.07.2024	04.09.2024
08.11.2024	03.02.2025	28.03.2025

C. Terms of reference:

The terms of reference of the Audit Committee shall be in accordance with Section 177 of the Companies Act, 2013 and shall include overseeing the vigil mechanism / Whistle Blower policy of the Company.

11.2 Nomination and Remuneration Committee

A. Composition

The Nomination and Remuneration Committee of the Company presently consists of 2 Non-Executive Directors, one Nominee Director and Managing Director. The composition of the Nomination and Remuneration Committee and attendance of directors at the meetings for the FY 2024-25 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2024-25	
			Held	Attended
1.	Shri. Alan Savio Pacheco	Chairman (Nominee Director)	6	6
2	Shri Sanjay Pote	Member (Non- Executive Director)	6	6
3	Shri Ramesh Dharmaji	Member (Non- Executive Director)	6	5
4	Smt. S Karpagam	Member (Managing Director)	6	6

B. The number of meetings held and dates

During the financial year 2024-25, the Nomination & Remuneration Committee of Directors of the Company had conducted 6 (Six) meetings.

The dates of the meeting of Nomination and Remuneration Committee are as follows:

15.04.2024	16.07.2024	12.09.2024
30.09.2024	28.10.2024	28.01.2025

C. Terms of reference:

The terms of reference of the Nomination & Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and includes:

- ❖ To approve the remuneration payable to directors and key managerial personnel (“KMP” as defined by the Act).
- ❖ Recommend to the Board the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”.
- ❖ Recommend to the Board the appointment of directors.
- ❖ Recommend to the Board appointment of KMP and persons one level below KMP of the Company.
- ❖ Carry out evaluation of every director’s performance and support the Board and independent directors in evaluation of the performance of the Board, its committees and individual directors.
- ❖ Recommend to the Board the remuneration policy as required under the Companies Act, 2013.
- ❖ Performing such other duties and responsibilities as required under the Companies Act, 2013 and Board of directors from time to time.

11.3 Risk Management Committee of Board of Directors**A. Composition**

The Risk Management Committee of the Company presently consists of 3 Non- Executive Directors. The composition of the Risk Management Committee and attendance of directors at the meetings as on March 31st, 2025 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2024-25	
			Held	Attended
1.	Shri Rajesh Kumar	Chairman (Non-executive Director)	4	4
2	Shri Sanjay Pote	Member (Non- Executive Director)	4	4
3	Shri Ramesh Dharmaji	Member (Non- Executive Director)	4	4

B. The number of meetings held and dates

During the financial year 2024-25, the Risk Management Committee of Board of Directors of the Company had conducted 4 (Four) meetings.

The date of the meetings of Risk Management Committee are as follows:

15.04.2024	19.07.2024
04.11.2024	24.01.2025

11.4 Information Technology Strategy Committee of Board of Directors

A. Composition

The IT Strategy Committee of the Board of Directors of the Company presently consists of 2 Non-Executive Directors and one Managing Director. The composition of the IT Strategy Committee and attendance of directors at the meetings as on March 31st, 2025 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2024-25	
			Held	Attended
1.	Shri Sanjay Pote	Chairman (Non-executive Director)	5	5
2	Shri Rajesh Kumar	Member (Non- Executive Director)	5	5

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2024-25	
			Held	Attended
3	Smt S Karpagam	Member (Managing Director)	5	5

B. The number of meetings held and dates

During the financial year 2024-25, the IT Strategy Committee of Board of Directors of the Company had conducted 5 (Five) meetings:

The date of the meetings of are as follows:

15.04.2024	19.07.2024	04.09.2024	08.11.2024
03.02.2025			

11.5 Share Transfer Committee

A. Composition

The Share Transfer Committee of the Board of Directors of the Company presently consists of 2 members. The composition of the Share Transfer Committee and attendance of directors at the meetings as on March 31st, 2025 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2024-25	
			Held	Attended
1	Smt S Karpagam	Chairman (Managing Director)	-	-
2	Shri Alan Savio Pacheco	Member (Nominee Director)	-	-

There is no Share Transfer Committee meeting conducted during the financial year 2024-25.

11.6 Other Committees

The Company also has committees such as Internal Compliant Committee, Internal Risk Committee, Internal Technology Committee, Purchase committee, Default review Committee and Share Allotment Committee

11.7 General Meetings held during the Financial Year 2024-25.

The General Meetings of the company are held during the financial year are as under:

General Meeting	29 th Annual General Meeting
Venue	Corporate Office
Mode	Through Video Conferencing
Date and Day of meeting	Wednesday, September 25, 2024.

The above mentioned General Meeting did not pass any special resolutions.

12. Annual Return

Pursuant to the provisions of the Companies Act, 2013, the copy of the annual return in prescribed format is placed on the website of the company and the web-link of such annual return is provided below:

URL:	https://ifinltd.in/Aboutus/Financials
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13. 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 2024-25 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.

14. Statement on declaration given by independent directors under sub-section (6) of Section 149 of the Companies Act, 2013.

As on March 31, 2025, there are no Independent Directors on the Board of your Company.

15. Policy on Directors' Appointment and Remuneration and other details.

The Company's policy on 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 is made available through the following web:

URL: <https://ifinltd.in/Privacy-Policy>

16. Auditors

M/s. R.G.N Price & Co., Chartered Accountants, (Firm Reg. No. 002785S) was appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditor of your Company for FY 2024-25. C&AG shall appoint Statutory Auditors for the Financial Year 2025-26.

17. Explanations/ Comments on the report of Comptroller & Auditor General of India

The Comptroller and Auditor General of India (CAG) report on the accounts for the year ended 31st March, 2025 is attached as **Annexure-II** to this report. The management response towards CAG comments is attached as **Annexure-II(a)**.

18. 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.

19. 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. The transactions entered with the holding, subsidiaries and other group company is as follows:

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ Arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any
1	IFCI Limited-Holding Company	Brokerage received	As per omnibus approval for FY 2024-25	Ordinary course of business
		DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business
		Deputation salary received	As per omnibus approval for FY 2024-25	Ordinary course of business
		Rent Payment	As per omnibus approval for FY 2024-25	Ordinary course of business
		Reimbursement of Telephone and other expenses- Payment	As per omnibus approval for FY 2024-25	Ordinary course of business
2	IFIN Securities Finance Limited – Subsidiary company	Reimbursement of office expenses received (Office Infrastructure and Manpower sharing)	As per omnibus approval for FY 2024-25	Ordinary course of Business
		Brokerage Income received	As per omnibus approval for FY 2024-25	Ordinary course of business
		Deputation of manpower - received	As per omnibus approval for FY 2024-25 as per terms of deputation	Ordinary course of business
3	IFIN Commodities Limited – subsidiary company	Reimbursement of office expenses received (Office Infrastructure and Manpower sharing)	Ongoing basis	Ordinary course of business
		Deputation salary received	Ongoing basis/ as per terms of deputation	Ordinary course of business
		Deputation Salary including other reimbursements - payment	Ongoing basis/ as per terms of deputation	Ordinary course of business
4	IFIN Credit Limited – Subsidiary Company	Reimbursement of office expenses received (Office Infrastructure)	As per omnibus approval for FY 2024-25	Ordinary course of business
5	IFCI Factors Limited-Fellow subsidiary Company	DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business

6	IFCI Venture Capital Fund Limited- Fellow subsidiary Company	Brokerage	As per omnibus approval for FY 2024-25	Ordinary course of business
		DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business
7	Stock Holding Corporation of India Limited	MD Salary	As per terms of deputation	Ordinary course of business

There were no materially significant transactions with Related Parties during the financial year 2024-25 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-III** in Form AOC-2.

The Company has formulated a policy on materiality of related party transactions and on Dealing with related party transactions duly approved by the Board. The policy is available on the website of the company at: <https://www.ifinltd.in/Privacy-Policy>

20. The details relating to deposits, covered under chapter V of the Act

During the Financial Year 2024-25, your 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.

21. Details of Frauds

There is no fraud as reported by Auditors during the year under review.

22. Change in Registered Office:

The Company had changed its corporate office from Continental Chambers”, 3rd floor, No.142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034 to “Kamak Towers” 4th Floor, Plot No. 12-A, South Phase, Thiru-Vi-Ka Industrial Estate Nagar, Guindy – 600 032 with effect from 15.05.2025. The Change of Corporate office was approved in the board meeting dated May 05, 2025.

23. In-principle approval for Consolidation of IFCI Group

IFCI Limited vide its letter no. IFCI/SACD/2024-25-241204006 dated December 04, 2024 has informed that Department of Financial Services, Ministry of Finance, Government of India has accorded the in-principle approval to consider Consolidation of IFCI Group. The same was placed in the Board meeting dated January 15, 2025.

24. Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of the financial year i.e. March 31, 2025 and the date of the report.

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

In view of the nature of activities which are being carried on by the Company, Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, conservation of energy and technology absorption does not apply to the Company.

However, the Company has taken measures to conserve energy by having energy efficient electronic equipment. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipment 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.

26. Risk Management

The Company has formulated and put in place Risk Management and Surveillance Policy in order to mitigate risk related to the business of the Company. Surveillance and risk monitoring of the client trading limit are very crucial part of trading system. Effective surveillance can achieve investor protection, market integrity and safe guard of securities market and trading member. The factors considered for designing exposure policy include Client Margin, Approved Collateral Stocks, Volatility of the market, prevailing market practice, etc. The Risk Management team of the Company takes effective measures in order to protect the interest of the Company and investors as per the policy of the Company.

The Company has also constituted Internal Risk Committee and Risk management committee at

Board Level to monitor and mitigate the risk and safe guard the interest of the company.

27. 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 also appointed M/s. Ashok & Co., Chartered Accountants, as Internal Auditors to conduct internal audit of the functions and the activities of the Company. The findings and recommendations of the Internal Auditors are reviewed by the Audit Committee of the Board on a periodical basis and necessary corrective actions are being undertaken

The Company has installed necessary software(s) for maintaining accuracy and completeness of accounting records and timely preparation of reliable financial information.

28. Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) & Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has voluntarily established a vigil mechanism which is overseen through the Board. Adequate safeguards against victimization of employees and directors who express their concerns, forms part of the mechanism.

The Company has adopted Whistle Blower Policy/ Vigil Mechanism for its director(s) and employee(s) to report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

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

29. 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 of all employees of IFCI Financial Services Limited and its Subsidiaries (IFIN Group) (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the IFIN Group has not received any complaint pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. Compliance with the Maternity Benefit Act, 1961

The Company affirms its compliance with the provisions of the Maternity Benefit Act, 1961.

31. Formal Annual Evaluation of Board, Committees and Directors

The Nomination and Remuneration Committee of Board of Directors has reviewed the performance of Board and its committees taking into consideration the contributions made by the directors/members of the committee.

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.

There is no Independent Director on the Board of the Company during the financial year 2024-25. Hence, no Meeting of the Independent Directors could be held. As per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government, which is administratively in charge of the Company or as the case may be, the State Government, is required. Accordingly, communication regarding appointment of requisite number of Independent Directors have been sent to the concerned authorities and Parent Company.

32. 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.

33. 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 of the Companies Act, 2013 read with 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.

As per Notification dated June 5, 2015, issued by the Ministry of Corporate Affairs, the Government companies are exempted to comply with the provisions of Section 197 of the Companies Act, 2013, read with Rules made thereunder. Your company being a Government Company is exempted to include the requisite information as a part of Director's Report.

34. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

The Company has neither made any application nor are any proceedings pending under The Insolvency and Bankruptcy Code, 2016 during the year under review. Therefore, there are no details required to be disclosed, as the said clause is not applicable as on year ended 31.03.2025.

35. The details of difference between amount of the Valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institution along with the reasons thereof.

The Company has not availed any one time settlement facility, during the year under review, therefore providing of details with respect to difference in the amount of valuation done at the time of one time Settlement and the Valuation done while taking loan from the Banks or Financial Institution does not apply to the company.

36. Acknowledgement

The Board of Directors express their gratitude for the co-operation, guidance and support received from the IFCI Limited, Clients of the Company, Reserve Bank of India, Commercial Banks, Regulators, Statutory Authorities, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange, NSDL, CDSL, LIC of India and Insurance partners and its clients and other stakeholders of the Company.

**By Order of the Board
For IFIN Financial Services Limited**


S Karpagam

Managing Director
(DIN: 09755388)



Prabhat Dubey
Additional Director
(DIN: 09327875)

Place: Chennai
Date: 02.09.2025

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	IFIN Securities Finance Limited	IFIN Commodities Limited	IFIN Credit Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Period same as holding company's	Reporting Period same as holding company's	Reporting Period same as holding company's
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Nil	Nil	Nil
4.	Share capital	30,01,00,000	5,00,00,000	2,50,00,000
5.	Reserves & surplus	1,52,48,995	(2,01,44,104)	(45,49,090)
6.	Total assets	31,85,30,605	3,19,08,312	2,07,97,178
7.	Total Liabilities	31,81,609	20,52,416	3,46,268
8.	Investments	53,53,908	Nil	Nil
9.	Turnover	75,85,664	-	-
10.	Profit before taxation	1,22,41,019	(14,59,798)	4,89,557
11.	Provision for taxation	19,24,249	0	1,48,936
12.	Profit after taxation	1,03,16,770	(14,59,798)	3,40,621
13.	Total Comprehensive Income	1,03,21,977	(14,80,179)	3,40,621
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Nil
Latest audited Balance Sheet Date	Not Applicable
Shares of Associate/Joint Ventures held by the company on the year end	Not Applicable
No.	Not Applicable
Amount of Investment in Associates/Joint Venture	Not Applicable
Extend of Holding%	Not Applicable
Description of how there is significant influence	Not Applicable
Reason why the associate/joint venture is not consolidated	Not Applicable
Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
Profit/Loss for the year	Not Applicable
Considered in Consolidation	Not Applicable
Not Considered in Consolidation	Not Applicable

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

FOR IFCI FINANCIAL SERVICES LIMITED



A V Pushparaj

Chief Financial Officer



S Karpagam

Managing Director

(DIN: 09755388)



Prabhat Dubey

Additional Director

(DIN: 09327875)



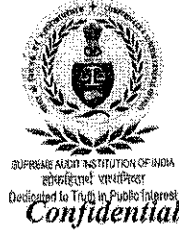
JM Sathyavathi

Company Secretary

Date: 02.09.2025

Place: Chennai

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा का कार्यालय, चेन्नै
भारतीय लेखापरीक्षा एवं लेखा विभाग
इंडियन ऑयल भवन, स्तर 2,
139, महात्मा गाँधी मार्ग,
चेन्नै - 600 034



Office of the Principal Director of
Commercial Audit, Chennai
Indian Audit and Accounts Department
Indian Oil Bhavan, Level - 2,
139, Mahatma Gandhi Road, Chennai-600 034

No: PDCA/CA-II/4-132/2025-26/357

Date: 14.08.2025

To
The Managing Director.
IFCI Financial Services Limited,
Kamak Towers,
4th Floor, Plot No. 12-A, (SP),
Thiru-Vi-Ka Industrial Estate,
Ekkatuthangal, Guindy,
Chennai - 600032.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of **IFCI Financial Services Limited (Standalone & Consolidated)** for the year ended 31 March 2025.

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013, on the Financial Statements of **IFCI Financial Services Limited (Standalone & Consolidated)**, for the year ended 31 March 2025.

Two (2) copies of Annual Report of your company may kindly be arranged to be forwarded to this office. The date of holding of Annual General Meeting may also be intimated please.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

S. Velliangiri
(S. Velliangiri) 14.8.25

Principal Director of Commercial Audit

Encl: Audit Comment

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI
FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED
31 MARCH 2025**

The preparation of consolidated financial statements of IFCI Financial Services Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.05.2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of IFCI Financial Services Limited for the year ended 31 March 2025 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of IFCI Financial Services Limited and IFIN Commodities Limited, but did not conduct supplementary audit of the financial statements of IFIN Securities Finance Limited and IFIN Credit Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

Comments on Financial Position

Comment No. 1

Balance Sheet as at March 31,2025

Assets – Non-Current assets

Other Intangible Assets - (Note-4) ₹ 33.70 lakh

Ind AS 38 Intangible Assets provides that the residual value of an intangible asset with a finite useful life shall be assumed to be zero. Contrary to the above provision, certain intangible assets with finite useful lives were carried at a residual value of ₹11.81 lakh even after expiry of their useful life. Resultantly, Other Intangible Assets is overstated and Retained Earnings (negative) is understated by ₹11.81 lakh.

Comment No. 2

Current Assets –

Other Current Assets - (Note 11) – ₹ 544.41 lakh

Income Taxes (Net) - ₹ 389.66 lakh

The above head includes ₹293 lakh being refund claimed by the company pertaining to 2012-13 to 2023-24 though there is no refund order issued by Income Tax Department. Hence provision needs to be made for the same. Further, the above head includes ₹ 24 lakh being refund for AY 2025-26 for which income-tax return was yet to be filed by the Company. This amount of refund should not have been accounted as receivable from Income Tax department.

Non-creation of provision for the refund amount of ₹293 lakh and wrong accounting of ₹24 lakh as refund receivable resulted in overstatement of Other Current Assets by ₹ 317 lakh. Consequently, loss is understated by ₹ 317 lakh.

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

S. Velliangiri
(S. Velliangiri)

Principal Director of Commercial Audit

Place: Chennai

Date: 14.08.2025

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR
ENDED 31 MARCH 2025**

The preparation of financial statements of IFCI Financial Services Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.05.2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Financial Services Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

Comments on Financial Position:

Comment No. 1

Balance Sheet as at March 31, 2025

Assets – Non-Current assets

Other Intangible Assets - (Note-4) ₹ 25.69 lakh

Ind AS 38 Intangible Assets provides that the residual value of an intangible asset with a finite useful life shall be assumed to be zero. Contrary to the above provision, certain intangible assets with finite useful lives were carried at a residual value of ₹11.81 lakh even after expiry of their useful life. Resultantly, Other Intangible Assets is overstated and Retained Earnings (negative) is understated by ₹11.81 lakh.

Comment No.2

Current Assets –

Other Current Assets - (Note 11) – Rs 465.59 lakh

Income Taxes (Net) - ₹ 338.81 lakh

The above head includes ₹293 lakh being refund claimed by the company pertaining to 2012-13 to 2023-24 though there is no refund order issued by Income Tax Department. Hence provision needs to be made for the same. Further, the above head includes ₹ 24 lakh being

refund for AY 2025-26 for which income-tax return was yet to be filed by the Company. This amount of refund should not have been accounted as receivable from Income Tax department.

Non-creation of provision for the refund amount of ₹293 lakh and wrong accounting of ₹24 lakh as refund receivable resulted in overstatement of Other Current Assets by ₹317 lakh. Consequently, loss is understated by ₹ 317 lakh.

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

S. Velliangiri
(S. Velliangiri)

Principal Director of Commercial Audit

Place: Chennai

Date: 14.08.2025.

Response to C&AG comments of the supplementary audit of standalone financial statements of M/s. IFCI Financial Services Limited for the year 2024-25

Comment No.1	Audit Comment	Reply of Management	Remarks of Statutory Auditors
1	<p>Standalone Balance Sheet as at March 31,2025 Assets - Non-Current assets Other Intangible Assets-(Note-4) ₹ 25.69</p> <p>Ind AS 38 Intangible Assets provide that the residual value of an intangible asset with a finite useful life shall be assumed to be zero. Contrary to the above provision, certain intangible assets with finite useful lives were carried at a residual value of ₹11.81 lakh even after expiry of their useful life. Resultantly, Other Intangible Assets is overstated and Retained Earnings (negative) is understated by ₹11.81 lakh.</p>	<p>The useful life of most of the intangible assets got over prior to 2018 and the Company has been carrying upto 5% of cost of those assets as residual value similar to tangible assets inadvertently.</p> <p>The Company has noted the observation of C&AG and amortised the residual value of INR 11.81 lakhs during Q1FY2025-26.</p>	<p>We agree with the reply given by the Management.</p>
2	<p>Current Assets - Other Current Assets (Note 11) - ₹ 465.59lakh Income Taxes(Net)-₹ 338.81lakh</p> <p>The above head includes ₹293 lakh being refund claimed by the company pertaining to 2012-13 to 2023-2024 though there is no refund order issued by the income tax department. Hence provision need to be made for the same. Further, the above head includes ₹ 24 lakh being refund for AY 2025-26 for which Income-tax return was yet to be filed by the company. This amount of refund should not be accounted as receivable from Income tax department.</p> <p>Non-creation of provision for the refund amount of ₹ 293 lakh and wrong accounting of ₹ 24lakh as refund receivable resulted in overstatement of other current assets by ₹ 317 lakh. Consequently, loss is understated by ₹ 317 lakh.</p>	<p>We have duly filed Income Tax returns for the AY 2019-20 to AY 2023-24 with a valid refund claim of Rs 113 lakhs. This refund has been accepted by the Income tax department after assessing the return for the above years. However, all the assessed refunds were adjusted against tax demand erroneously raised for AY2012-13 in an adhoc manner without any demand. Further we understand that this erroneous demand was on account of Income tax site migration.</p> <p>We have filed the Loss return for the AY 2012-13 and assessment has been completed with Nil tax demand. Therefore refund receivable for AY 2012-13 of Rs.75 lakhs stands good.</p> <p>Similarly loss return have been filed for AY 2013-14, AY 2014-15, AY 2017-18 and AY 2018-19 and the respective assessment has been completed with Nil tax demand and therefore the refund receivable for the above years for Rs.105 lakh stands good.</p> <p>This issue has been regularly taken up with Income Tax authorities and the Management is confident that this erroneous demand will be withdrawn by the Department.</p> <p>Therefore, no provision for the above amount of Rs.293 lakhs is considered necessary by the Management.</p> <p>All the above facts have been disclosed in detail in the financial statements for FY 2024-25 vide note no. 34.</p> <p>Income-tax return will be duly filed by the company with regard to refund of ₹ 24 lakh for AY 2025-26. Further for AY 2025-26, the company will file a loss return. Hence this refund is reflecting as receivables in the books of accounts.</p>	<p>We agree with the reply given by the Management.</p>

Response to C&A.G comments of the supplementary audit of consolidated financial statements of M/s. IFCI Financial Services Limited for the year 2024-25

Comment No.1	Audit Comment	Reply of Management	Remarks of Statutory Auditors
1	<p>Consolidated Balance Sheet as at March 31,2025 Assets - Non-Current assets Other Intangible Assets-(Note-4) ₹ 33.70</p> <p>Ind AS 38 Intangible Assets provide that the residual value of an intangible asset with a finite useful life shall be assumed to be zero. Contrary to the above provision, certain intangible assets with finite useful lives were carried at a residual value of ₹11.81 lakh even after expiry of their useful life. Resultantly, Other Intangible Assets is overstated and Retained Earnings (negative) is understated by ₹11.81 lakh.</p>	<p>The useful life of most of the intangible assets got over prior to 2018 and the Company has been carrying upto 5% of cost of those assets as residual value similar to tangible assets inadvertently.</p> <p>The Company has noted the observation of C&A.G and amortised the residual value of INR 11.81 lakhs during Q1FY2025-26.</p>	<p>We agree with the reply given by the Management.</p>
2	<p>Current Assets - Other Current Assets (Note 11) - ₹ 544.41lakh Income Taxes(Net)- ₹ 389.66lakh</p> <p>The above head includes ₹293 lakh being refund claimed by the company pertaining to 2012-13 to 2023-2024 though there is no refund order issued by the income tax department. Hence provision need to be made for the same. Further, the above head includes ₹ 24 lakh being refund for AY 2025-26 for which Income-tax return was yet to be filed by the company. This amount of refund should not be accounted as receivable from Income tax department.</p> <p>Non-creation of provision for the refund amount of ₹ 293 lakh and wrong accounting of ₹ 24lakh as refund receivable resulted in overstatement of other current assets by ₹ 317 lakh. Consequently, loss is understated by ₹ 317 lakh.</p>	<p>We have duly filed Income Tax returns for the AY 2019-20 to AY 2023-24 with a valid refund claim of Rs 113 lakhs. This refund has been accepted by the Income tax department after assessing the return for the above years. However, all the assessed refunds were adjusted against tax demand erroneously raised for AY2012-13 in an adhoc manner without any demand. Further we understand that this erroneous demand was on account of Income tax site migration.</p> <p>We have filed the Loss return for the AY 2012-13 and assessment has been completed with Nil tax demand. Therefore refund receivable for AY 2012-13 of Rs.75 lakhs stands good.</p> <p>Similarly loss return have been filed for AY 2013-14, AY 2014-15, AY 2017-18 and AY 2018-19 and the respective assessment has been completed with NIL tax demand and therefore the refund receivable for the above years for Rs.105 lakh stands good.</p> <p>This issue has been regularly taken up with Income Tax authorities and the Management is confident that this erroneous demand will be withdrawn by the Department. Therefore, no provision for the above amount of Rs.293 lakhs is considered necessary by the Management.</p> <p>All the above facts have been disclosed in detail in the financial statements for FY 2024-25 vide note no. 34.</p> <p>Income-tax return will be duly filed by the company with regard to refund of ₹ 24 lakh for AY 2025-26. Further for AY 2025-26, the company will file a loss return. Hence this refund is reflecting as receivables in the books of accounts.</p>	<p>We agree with the reply given by the Management.</p>

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 material contracts or arrangements or material 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

1. Details of all the transactions at Arm's length basis are as follows:

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ Arrangements/ transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	IFCI Limited-Holding Company	Brokerage received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 1,97,422/-	26.04.2024 & 28.03.2025	Nil
		DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business. Rs. 34,133/-	26.04.2024 & 28.03.2025	Nil

		Deputation salary received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 9,09,496/-	26.04.2024 & 28.03.2025	Nil
		Rent Payment	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 1,04,73,912/-	26.04.2024 & 28.03.2025	Nil
		Reimbursement of Telephone and other expenses- Payment	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 10,400/-	26.04.2024 & 28.03.2025	Nil
2	IFIN Securities Finance Limited – Subsidiary company	Reimbursement of office expenses received	As per omnibus approval for FY 2024-25	Ordinary course of Business Rs. 57,00,000/-	26.04.2024 & 28.03.2025	Nil
		Brokerage Income received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 40,920/-	26.04.2024 & 28.03.2025	Nil
		Deputation salary received	As per omnibus approval for FY 2024-25/ as per terms of deputation	Ordinary course of business. Rs. 11,74,492/-	26.04.2024 & 28.03.2025	Nil
3	IFIN Commodities Limited – subsidiary company	Rent and Reimbursement of office expenses received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 1,92,000/-	26.04.2024 & 28.03.2025	Nil
		Deputation salary received	As per omnibus approval for FY 2024-25/ as per terms of deputation	Ordinary course of business Rs. 4,96,088/-	26.04.2024 & 28.03.2025	Nil
		Deputation Salary including other reimbursements - payment	As per omnibus approval for FY 2024-25/ as per terms of deputation	Ordinary course of business Rs. 52,03,093/-	26.04.2024 & 28.03.2025	Nil

4	IFIN Credit Limited – Subsidiary Company	Reimbursement of office expenses received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 5,80,000/-	26.04.2024 & 28.03.2025	Nil
5	IFCI Factors Limited- Fellow subsidiary Company	DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 15,822/-	26.04.2024 & 28.03.2025	Nil
6	IFCI Venture Capital Fund Limited- Fellow subsidiary Company	DP Income received	As per omnibus approval for FY 2024-25	Ordinary course of business Rs. 18,000/-	26.04.2024 & 28.03.2025	Nil
7	Stock Holding Corporation of India Limited	MD Salary-payment	As per terms of deputation	Ordinary course of business Rs. 40,58,663/-	26.04.2024 & 28.03.2025	Nil

By Order of the Board
For IFIN Financial Services Limited


S Karpagam T.

Managing Director
(DIN: 09755388)



Prabhat Dubey
Additional Director
(DIN: 09327875)

Place: Chennai
Date: 02.09.2025