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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IFCI FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

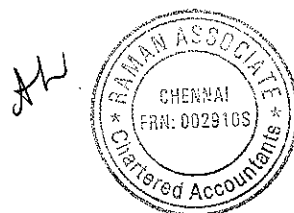
Opinion

We have audited the accompanying consolidated financial statements of IFCI Financial Services Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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



Key Audit Matters

The Primary activity of one of the subsidiary company IFIN Securities Finance Limited (ISFL) is to provide loans against shares and towards Margin Funding. ISFL earns the major component of its income from interest and loans form the largest component of its total assets. ISFL 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.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

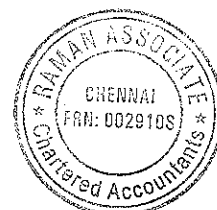
Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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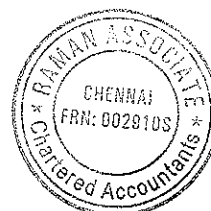


Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

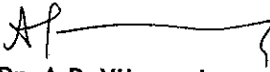
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For Raman Associate
Chartered Accountants
(Firm's Registration No. 0029105)


Dr. A.P. Vijayendran
Partner
M. No. 215166
Chennai,



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IFCI Financial Services Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of IFCI Financial Services Limited (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered

Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

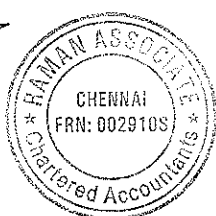
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raman Associate
Chartered Accountants
(Firm's Registration No. 002910S)



Dr. A.P. Vijayendran
Partner
M. No. 215166
Chennai,



IFCI Financial Services Limited
Consolidated Balance Sheet as at 31st March 2019

(Amount in Rs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1	27,18,985	25,71,941	32,57,816
(b) Capital work-in-progress		-	-	-
(c) Investment Property	2	-	-	-
(d) Goodwill		22,53,857	22,53,857	22,53,857
(e) Other Intangible assets	3	16,63,583	18,63,478	21,09,280
(f) Intangible assets under development		-	-	-
(g) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans	4	8,40,05,100	8,93,93,188	15,24,13,436
(iv) Others (to be specified)		-	-	-
(h) Deferred tax assets (net)		-	-	-
(i) Other non-current assets		-	-	-
Current assets				
(a) Inventories		-	-	-
(b) Financial Assets		-	-	-
(i) Investments	5	16,76,74,171	4,38,57,495	1,14,61,957
(ii) Trade receivables	6	13,01,24,343	8,93,08,745	7,50,56,980
(iii) Other Receivables		-	-	-
(iv) Cash and cash equivalents	7	41,70,49,131	47,32,69,384	38,41,08,833
(v) Bank balances other than (iii) above		-	-	-
(vi) Loans	8	15,49,18,624	33,88,45,325	47,29,31,335
(vii) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	9	74,40,197	59,74,758	1,19,63,834
Total Assets		96,78,47,991	1,04,73,38,171	1,11,55,57,328
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	SCE	41,53,37,090	41,53,37,090	41,53,37,090
(b) Other Equity	SCE	27,70,44,713	31,40,09,547	29,34,08,937
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (Net)	10	25,39,398	25,32,993	26,59,146
(d) Other non-current liabilities	11	69,02,487	68,52,327	66,26,724
Current liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings	12	-	10,00,000	7,15,00,000
(ii) Trade payables		23,03,77,522	23,62,99,689	28,22,27,814
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	13	2,55,10,840	6,04,27,047	3,13,85,645
(c) Provisions	14	1,01,35,941	1,08,79,478	1,24,11,972
(d) Current Tax Liabilities (Net)		-	-	-
Total Equity and Liabilities		96,78,47,991	1,04,73,38,171	1,11,55,57,328

See accompanying notes to the financial statements

For Raman Associate
Chartered Accountants
FRN - 002910S

Dr. A.P Vijayendran
Partner, M. No. 215166



FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

Karja Visweswar Rao
Managing Director

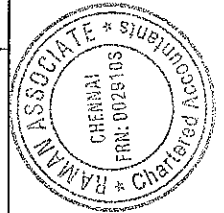
Biswajit Banerjee
Chairman

Aby Eapen
Company Secretary

A V Pushparaj
Chief Financial Officer

Place : Mumbai
Date : 24/04/2019

IFCI Financial Services Limited								
IND AS Reconciliation		(Amount in Rs)						
Balance Sheet			As Per GAAP	Transition Effect	Ind AS	As Per GAAP	Transition Effect	Ind AS
Particulars	Note No.	As at 31.03.2018	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
ASSETS								
Non-current assets								
(a) Property, Plant and Equipment	1	25,71,941	-	-	25,71,941	32,57,816	-	32,57,816
(b) Capital work-in-progress	2	-	-	-	-	-	-	-
(c) Investment Property		-	-	-	-	-	-	-
(d) Goodwill		22,53,857	-	-	22,53,857	22,53,857	-	22,53,857
(e) Other Intangible assets	3	18,63,478	-	-	18,63,478	21,09,280	-	21,09,280
(f) Intangible assets under development		-	-	-	-	-	-	-
(g) Financial Assets								
(i) Investments		-	-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-	-
(iii) Loans	4	29,34,11,758	20,40,18,570	-	8,93,93,188	30,85,25,080	15,61,11,644	15,24,13,436
(iv) Others (to be specified)		-	-	-	-	-	-	-
(h) Deferred tax assets (net)		-	-	-	-	-	-	-
(i) Other non-current assets		-	-	-	-	-	-	-
Current assets								
(a) Inventories		-	-	-	-	-	-	-
(b) Financial Assets		-	-	-	-	-	-	-
(i) Investments	5	4,32,03,625	(6,53,870)	-	4,38,57,495	1,14,61,957	-	1,14,61,957
(ii) Trade receivables	6	8,93,08,745	-	-	8,93,08,745	7,50,56,980	-	7,50,56,980
(iii) Other Receivables		-	-	-	-	-	-	-
(iv) Cash and cash equivalents	7	47,32,69,384	-	-	47,32,69,384	38,41,08,833	-	38,41,08,833
(v) Bank balances other than (iii) above		-	-	-	-	-	-	-
(vi) Loans	8	14,50,80,683	(19,37,64,642)	-	33,88,45,325	33,41,33,299	(13,87,98,036)	47,29,31,335
(vii) Others (to be specified)		-	-	-	-	-	-	-
(c) Current Tax Assets (Net)		-	-	-	-	-	-	-
(d) Other current assets	9	59,74,758	-	-	59,74,758	1,19,63,834	-	1,19,63,834
Total Assets		1,05,69,38,229	96,00,058	1,04,73,38,171	1,13,28,70,936	1,11,55,57,328	1,73,13,608	1,11,55,57,328



Handwritten signatures and initials: 'AR', 'A', and a stylized signature.

Particulars	Note No.	As Per GAAP As at 31.03.2018	Transition Effect As at 31.03.2018	Ind AS As at 31.03.2018	As Per GAAP As at 01.04.2017	Transition Effect As at 01.04.2017	Ind AS As at 01.04.2017
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	SCE	41,53,37,090	-	41,53,37,090	41,53,37,090	-	41,53,37,090
(b) Other Equity	SCE	32,23,90,114	83,80,567	31,40,09,547	30,83,89,075	1,49,80,138	29,34,08,937
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		-	-	-	-	-	-
(iii) Other financial liabilities		-	-	-	-	-	-
(b) Provisions		-	-	-	-	-	-
(c) Deferred tax liabilities (Net)	10	25,32,993	-	25,32,993	26,59,146	-	26,59,146
(d) Other non-current liabilities	11	68,52,327	-	68,52,327	66,26,724	-	66,26,724
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	12	10,00,000	-	10,00,000	7,15,00,000	-	7,15,00,000
(ii) Trade payables		23,62,99,689	-	23,62,99,689	28,22,27,814	-	28,22,27,814
(iii) Other financial liabilities (other than those specified in item (c))		-	-	-	-	-	-
(b) Other current liabilities	13	6,04,27,047	-	6,04,27,047	3,22,67,124	8,81,479	3,13,85,645
(c) Provisions and Current Tax Liabilities	14	1,20,98,969	12,19,491	1,08,79,478	1,38,63,963	14,51,991	1,24,11,972
(d) Current Tax Liabilities (Net)		-	-	-	-	-	-
Total Equity and Liabilities		1,05,69,38,229	96,00,058	1,04,73,38,171	1,13,28,70,936	1,73,13,608	1,11,55,57,328

See accompanying notes to the financial statements

For Raman Associate
Chartered Accountants
FRN - 002910S



Dr. A.P. Vijayendran
Partner, M. No. 215166

Karfa Visweswar Rao
Managing Director

Place : Mumbai
Date : 24/04/2019

FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

Biswajit Banerjee
Chairman

AV Pushparaj
Chief Financial Officer

IFCI Financial Services Limited
Consolidated Statement of Profit and Loss for the period ended 31st March 2019

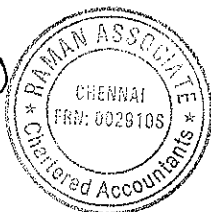
(Amount in Rs)

			Ind AS	Ind AS
	Particulars	Note No.	Y.E 31st March 2019	Y.E 31st March 2018
I	Revenue From Operations	15	18,13,55,028	21,30,83,170
II	Other Operating Income	16	1,16,97,879	1,54,46,072
II	Other Income	17	4,52,43,478	3,35,19,025
III	Total Income (I+II)		23,82,96,385	26,20,48,267
IV	EXPENSES			
	Employee benefits expense	18	9,80,86,977	10,76,24,821
	Finance costs	19	24,13,748	36,61,349
	Depreciation and amortization expense	1	5,96,241	10,70,857
	Bad Debts		14,84,346	1,95,80,237
	Other expenses	20	9,59,18,586	10,49,45,610
	Total expenses (IV)		19,84,99,898	23,68,82,874
V	Profit/(loss) before exceptional items and Tax (I- IV)		3,97,96,487	2,51,65,394
VI	Impairment on financial instrument	21	6,99,93,852	(22,93,675)
	Prior period income		-	-
	Prior period expenses		-	-
VII	Profit/(loss) before tax (V-VI)		(3,01,97,365)	2,74,59,069
	Tax expense:			
VIII	(1) Current tax		67,61,064	47,71,862
	(1A) Income Tax for earlier Years		-	31,41,097
	(2) Deferred tax		6,405	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(3,69,64,834)	1,95,46,110
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		(3,69,64,834)	1,95,46,110
XIV	Other Comprehensive Income			
a. (i)	Items that will not be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
b. (i)	Items that will be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss		-	-
XV	Total Other Comprehensive Income for the period		(3,69,64,834)	1,95,46,110
XVI	Earnings per Share (EPS) - not annualised			
	Basic & Diluted		(0.89)	0.47

See accompanying notes to the financial statements

For Raman Associate
Chartered Accountants
FRN - 002910S

Dr. A.P Vijayendran
Partner, M. No. 215166



FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

Karra Visweswar Rao
Managing Director

Biswajit Banerjee
Chairman

Aby Eapen
Company Secretary

A V Pushparaj
Chief Financial Officer

Place : Mumbai
Date : 24/04/2019

IFCI Financial Services Limited

IND AS reconciliation

Statement of Profit and Loss Statement

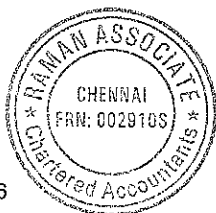
(Amount in Rs)

			As Per GAAP	Transition Effect	Ind AS
	Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2018	Year ended 31st March 2018
I	Revenue From Operations	15	21,23,20,611	(7,62,559)	21,30,83,170
II	Other Operating Income	16	1,54,46,072	-	1,54,46,072
II	Other Income	17	2,66,58,467	(68,60,558)	3,35,19,025
III	Total Income (I+II)		25,44,25,150	(76,23,117)	26,20,48,267
IV	EXPENSES				
	Employee benefits expense	18	10,76,24,821	-	10,76,24,821
	Finance costs	19	36,61,349	-	36,61,349
	Depreciation and amortization expense	1	10,70,857	-	10,70,857
	Bad Debts		1,96,34,943	54,706	1,95,80,237
	Other expenses	20	10,49,45,610	-	10,49,45,610
	Total expenses (IV)		23,69,37,580	54,706	23,68,82,874
V	Profit/(loss) before exceptional items and Tax (I- IV)		1,74,87,571	(76,77,823)	2,51,65,394
VI	Impairment on financial instrument	21	(25,80,882)	(2,32,501)	(22,93,675)
	Prior period income		(8,81,480)	(8,81,480)	-
	Prior period expenses		90,435	90,435	-
VII	Profit / (loss) before tax (V-VI)		2,08,59,498	(66,54,277)	2,74,59,069
	Tax expense :		-	-	-
VIII	(1) Current tax		47,71,862	-	47,71,862
	(1A) Income Tax for earlier Years		31,41,097	-	31,41,097
	(2) Deferred tax		-	-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		1,29,46,539	(66,54,277)	1,95,46,110
X	Profit/(loss) from discontinued operations		-	-	-
XI	Tax expense of discontinued operations		-	-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-	-
XIII	Profit/(loss) for the period (IX+XII)		1,29,46,539	(66,54,277)	1,95,46,110
XIV	Other Comprehensive Income				
a. (i)	Items that will not be reclassified to Profit or Loss		-	-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss		-	-	-
b. (i)	Items that will be reclassified to Profit or Loss		-	-	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss		-	-	-
XV	Total Other Comprehensive Income for the period		1,29,46,539	(66,54,277)	1,95,46,110
XVI	Earnings per Share (EPS) - not annualised Basic & Diluted		0.31	(0.16)	0.47

See accompanying notes to the financial statements

For Raman Associate
Chartered Accountants
FRN - 002910S

Dr. A.P Vijayendran
Partner , M. No. 215166



FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

Kara Visweswar Rao
Managing Director

Biswajit Banerjee
Chairman

Aby Eapen
Company Secretary

A V Pushparaj
Chief Financial Officer

Place : Mumbai

Date : 24/04/2019

IFCI Financial Services Limited
Consolidated Cash Flow Statement As On 31st March 2019

(Amount in Rs)

	Particulars	Year ended		Year ended	
		31.03.2019		31.03.2018	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax		(3,01,97,365)		2,74,59,069
	Adjustments for:				
	Depreciation / Amortisation on Fixed Assets	5,96,241		10,70,857	
	Dividend Received (considered separately under Investment Activities)	95,156		(1,80,767)	
	Finance Cost (considered separately under Finance Activities)	24,13,748		36,61,349	
	Interest income	41,16,114		(2,19,35,189)	
	Interest expenses	-		-	
	Amount transferred to statutory reserves	-		10,54,500	
	Profit/(Loss) on Fixed Asset	-	72,21,259	-	(1,63,29,249)
A	Operation Profit before Working Capital Changes		(2,29,76,106)		1,11,29,820
	Adjustments for:				
	(Increase) / Decrease in Current Investments	(12,38,16,677)		(3,23,95,538)	
	(Increase) / Decrease in Trade Receivables	(4,08,15,598)		(1,42,51,765)	
	(Increase) / Decrease in Short term Loans and Advances	-		-	
	(Increase) / Decrease in Loans & Advances	18,39,26,702		13,40,86,009	
	(Increase) / Decrease in Other current Assets	(14,65,439)		59,89,076	
	Increase / (Decrease) in Trade Payable	(59,22,167)		(4,59,28,125)	
	Increase / (Decrease) in Other Current Liabilities	(3,49,16,207)		2,90,41,402	
	Increase / (Decrease) in Provisions	(7,43,537)		(15,32,494)	
	Increase / (Decrease) in Non - Current Liabilities	50,160	(2,37,02,763)	2,25,603	7,52,34,169
	Cash Generated from Operation before tax		(4,66,78,870)		8,63,63,989
	Direct taxes paid		67,67,469		79,12,959
	Reversal of Tax Provisions		-		-
	Net cash from Operating Activities		(5,34,46,339)		7,84,51,030
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets		(5,43,389)		(1,39,178)
	(Increase) / Decrease in Fixed Deposits		-		-
	(Increase) / Decrease in Long Term Advances		-		-
	Dividend Received		(95,156)		1,80,767
	Interest received		(41,16,114)		2,19,35,189
	Repayment of Long Term Borrowings		-		-
	Repayment of Long Term Liabilities		-		-
	Net Cash used in / raised from Investing Activities		(47,54,659)		2,19,76,778
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Short term Borrowing(net)		-		-
	New Borrowings		-		-
	Deferred tax paid		6,405		(1,26,153)
	Issue of Share Capital		-		-
	Share Application Money Repaid		-		-
	Interest Paid		-		-
	Finance Cost		(10,00,000)		(7,05,00,000)
	Loan Proceeds Received		53,88,088		6,30,20,248
	Repayment of Loans		(24,13,748)		(36,61,350)
			19,80,745		(1,12,67,257)
	Net Changes In Cash & Cash Equivalent (a+b+c)		(5,62,20,253)		8,91,60,551
	Opening Cash and Cash Equivalent		47,32,69,384		38,41,08,833
	Closing Cash and Cash Equivalent		41,70,49,131		47,32,69,384
	Increase / (Decrease) in Cash & Cash Equivalent		(5,62,20,253)		8,91,60,551

Notes

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Effective April 1, 2018, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

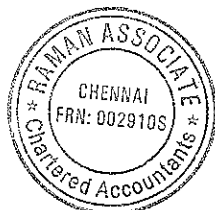
FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

For Raman Associate
Chartered Accountants
FRN - 002910S

Karla Visweswar Rao
Managing Director

Biswajit Banerjee
Chairman

Dr. A.P Vijayendran
Partner , M. No. 215166



Aby Eapen
Company Secretary

A.V Pushparaaj
Chief Financial Officer

Place : Mumbai
Date : 24/04/2019

IFCI Financial Services Limited (Consolidated)
Statement of Changes in Equity for the period ended 31st March 2019

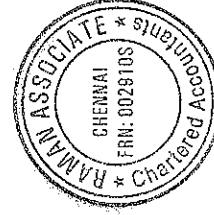
A. Equity Share Capital					Units
Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period (Qty)	Balance at the end of the reporting period (Rs.)	% of Share Holding
IFCI Limited and nominees	3,93,63,809	-	3,93,63,809	39,36,38,090	94.78
Ms. Chandra Ramesh	17,57,619	-	17,57,619	1,75,76,190	4.23
Mr. D V Ramesh	4,12,281	-	4,12,281	41,22,810	0.99
Total	4,15,33,709	-	4,15,33,709	41,53,37,090	100.00



IFCI Financial Services Limited (Consolidated Financial Statement)

Note No. 1,2,3

Amount in Rs.										
	Gross Block						Accumulated Depreciation		Net Block	
	Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation charge for the year	Balance as at 31st March 2019	Balance as at 31st March 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a Tangible Assets										
Furniture and Fixtures	56,77,766	-	-	-	-	56,77,766	52,30,619	1,46,828	53,77,447	4,83,033
Vehicles	22,150	-	-	-	-	22,150	21,259	248	21,507	891
Office equipment	1,20,67,128	3,71,778	-	-	-	1,24,38,905	1,10,03,879	2,33,233	1,12,37,112	10,28,547
computer hardware	3,85,90,012	1,71,611	-	-	-	3,87,61,623	3,75,29,358	16,036	3,75,45,394	10,59,470
Total	5,63,57,056	5,43,389	-	-	-	5,69,00,445	5,37,85,115	3,95,345	5,41,81,460	25,71,941
b Intangible Assets										
Goodwill	22,53,857	-	-	-	-	22,53,857	-	-	-	22,53,857
Computer software	3,55,46,903	-	-	-	-	3,55,46,903	3,36,83,424	1,99,896	3,38,83,320	18,63,478
Intangible Membership Card	32,00,000	-	-	-	-	32,00,000	32,00,000	-	32,00,000	-
Others - Non compete fees	1,00,00,000	-	-	-	-	1,00,00,000	1,00,00,000	-	1,00,00,000	-
Total	4,87,46,903	-	-	-	-	4,87,46,903	4,68,83,424	1,99,896	4,70,83,320	18,53,478
c Capital Work In Progress										
	-	-	-	-	-	-	-	-	-	-
Total	10,51,03,959	5,43,389	-	-	-	10,56,47,348	10,06,68,539	5,95,241	10,12,64,780	44,35,419
d Intangible assets under Development										
	-	-	-	-	-	-	-	-	-	-
Total	10,51,03,959	5,43,389	-	-	-	10,56,47,348	10,06,68,539	5,95,241	10,12,64,780	44,35,419
Previous Year	10,49,64,781	1,39,178	-	-	-	10,51,03,959	9,95,97,685	10,70,856	10,06,68,941	44,35,418
										76,20,953



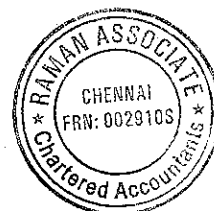
IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

Note 4	Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
A	Security Deposits			
	Fixed Deposits	-	-	-
	Secured, considered good	7,89,60,688	8,43,81,469	14,35,13,930
	Unsecured, considered good *	-	-	-
	Doubtful	-	-	-
	Total	7,89,60,688	8,43,81,469	14,35,13,930
B	Other Loans and advances			
	Secured, considered good	-	-	-
	Unsecured, considered good *	-	-	-
	Doubtful	-	-	-
	Others Loans and advances	50,44,412	50,11,719	88,99,506
	Total	50,44,412	50,11,719	88,99,506
	Less : Loss on Impairment	-	-	-
	Total	8,40,05,100	8,93,93,188	15,24,13,436

A/

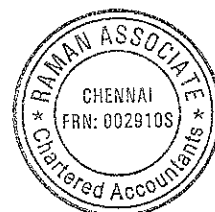
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IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

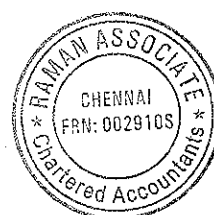
Note No.	Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
5	Current Investments			
	(a) Investment in Equity instruments	27,32,747	2,23,95,590	2,95,83,896
	(b) Investments in mutual funds	16,62,19,577	3,95,95,887	-
	Total	16,89,52,324	6,19,91,477	2,95,83,896
	<u>Less:</u>			
	Provision for Impairment loss	12,78,153	1,81,33,982	1,81,21,939
	Total	16,76,74,171	4,38,57,495	1,14,61,957
6	Trade receivables			
a	Trade receivables outstanding for a period less than six months from the date they are due for payment			
	Secured, considered good	12,92,77,408	5,31,61,696	7,16,89,973
	Unsecured, considered good	364	359	353
	Unsecured, considered doubtful	2,43,602	3,84,570	8,96,432
	Total	12,95,21,374	5,35,46,625	7,25,86,758
	<u>Less:</u>			
	Impairment loss	2,43,602	3,84,570	8,96,432
	Total	12,92,77,772	5,31,62,055	7,16,90,326
b	Trade receivables outstanding for a period greater than six months from the date they are due for payment			
	Secured, considered good	8,46,571	3,61,46,691	33,66,654
	Unsecured, considered good	-	-	-
	Unsecured, considered doubtful	11,45,80,522	11,60,75,424	13,45,14,236
	Total	11,54,27,093	15,22,22,115	13,78,80,890
	<u>Less:</u>			
	Impairment loss	11,45,80,521	11,60,75,424	13,45,14,236
	Total	8,46,571	3,61,46,690	33,66,654
	Grand Total	13,01,24,343	8,93,08,745	7,50,56,980



IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

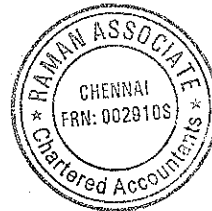
Note No.	Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
7	Cash and cash equivalents			
	Bank Balances			
	a. Current Accounts	12,36,43,047	17,67,47,484	9,69,07,634
	b. Fixed Deposits	29,33,98,025	29,65,07,808	28,71,72,333
	Less than 3 Months	4,63,14,316	4,17,53,121	1,90,00,000
	Greater than 3 Months	24,70,83,709	25,47,54,687	26,81,72,333
	c. Short Term Deposits	-	-	-
	Total	41,70,41,072	47,32,55,292	38,40,79,967
	Cash Balances			
	Cash Balance	8,059	14,093	28,867
	Total	41,70,49,131	47,32,69,384	38,41,08,833
8	Short term loans and advances			
	a. Loans and advances to related parties			
	Secured, considered good	-	-	-
	b. Others			
	Other Loans and Advances	19,82,39,026	30,58,81,605	45,26,20,359
	Advance Tax (net of provisions)	3,21,29,686	3,96,75,136	3,57,74,234
	Prepaid Expenses	59,76,313	47,62,002	33,02,341
	Total	23,63,45,025	35,03,18,743	49,16,96,934
	Less : Loss on Impairment	8,14,26,401	1,14,73,418	1,87,65,599
	Total	15,49,18,624	33,88,45,325	47,29,31,335
		15,49,18,624	33,88,45,325	47,29,31,335
9	Other current assets			
	Interest accrued on Deposits	74,40,197	59,74,758	1,19,63,834
	Other Assets	-	-	-
	Interest Receivable	-	-	-
	Total	74,40,197	59,74,758	1,19,63,834



IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
10	Deferred Tax Liabilities			
	Deferred Tax Liabilities (Net)	25,39,398	25,32,993	26,59,146
	Total	25,39,398	25,32,993	26,59,146
11	Other Non Current Liabilities			
	Security and Sundry Deposits	69,02,487	68,52,327	66,26,724
	Total	69,02,487	68,52,327	66,26,724
12	Trade Payables			
	Dues of creditors other than Micro and Small Enterprises	23,03,77,522	23,62,99,689	28,22,27,814
	Borrowings	-	10,00,000	7,15,00,000
	Total	23,03,77,522	23,62,99,689	28,22,27,814
13	Other current Liabilities			
	Creditors for expenses	71,05,685	90,58,776	42,12,531
	Statutory dues	51,92,425	1,67,79,831	1,50,47,863
	Other liabilities	1,32,12,730	3,45,88,441	1,21,25,251
	Total	2,55,10,840	6,04,27,047	3,13,85,645
14	Short term provisions			
	Gratuity	2,38,060	26,30,739	2,06,949
	Leave Encashment	90,77,023	89,66,832	65,42,320
	Bonus	8,20,858	5,01,398	9,77,523
	Provision for Impairment	-	(12,19,491)	(14,51,991)
	Provision for Income tax	-	-	61,37,171
	Total	1,01,35,941	1,08,79,478	1,24,11,972



IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

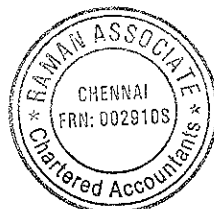
Note No.	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
15	Revenue From Operations		
	Brokerage On Stock Broking	11,78,13,770	14,02,56,459
	Commission On Mutual Fund	1,21,39,789	91,29,693
	Insurance Commission	1,08,048	52,992
	Loan Syndication Fee	1,12,500	14,66,500
	Valuation Fees	-	16,78,478
	Depository Income	40,12,482	47,24,543
	Commision From IPO / Bonds /Others	-	28,97,581
	Interest on loans	3,30,87,796	5,15,38,025
	Gain on Fair value changes	1,37,99,998	-
	Processing Fees	25,000	4,05,000
	Commision On Fixed deposits	-	4,75,482
	Account Opening Charges	1,60,489	2,77,650
	Dividend income	95,156	1,80,767
		18,13,55,028	21,30,83,170
16	Other Operational Income		
	Delayed Payment Interest	1,16,97,879	1,54,46,072
	Total	1,16,97,879	1,54,46,072
17	Other Income		
	Accounts written off Earlier recovered	-	-
	Interest Income	2,15,14,672	2,19,35,189
	Profit on Sale of Investments	41,16,114	39,16,174
	Net gain on fair value changes	30,14,606	6,53,870
	ECL provision written back	-	62,06,688
	Interest Income on IT Refund	4,72,896	3,40,720
	Miscellaneous Income	1,61,25,190	4,66,385
	Total	4,52,43,478	3,35,19,025



IFCI Financial Services Limited (Consolidated Financial Statement)

(Amount in Rs.)

Note No.	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
18	Employee Benefit Expenditure		
	(a) Salaries and incentives	8,71,11,175	9,57,50,314
	(b) Contributions to -		
	Provident fund & Employee State Insurance	59,86,195	62,63,782
	Gratuity fund contributions	12,79,988	31,02,346
	Staff Welfare	37,09,619	25,08,379
	Total	9,80,86,977	10,76,24,821
19	Finance Costs		
	Interest Expenses	55,028	18,61,227
	Bank Financial Costs	23,58,720	18,00,122
	Total	24,13,748	36,61,349



IFCI Financial Services Limited (Consolidated Financial Statement)

		(Amount in Rs.)	
Note No.	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
20	Other Expenses		
	Fees To Clearing Member	33,77,830	45,93,013
	Information Technology Exp	8,53,503	7,98,871
	Data Feed Charges	19,74,114	16,45,291
	DP Expenses	3,07,760	6,44,965
	Professional Charges	2,54,85,442	3,14,63,502
	Advertisement	40,634	-
	Audit Fees	14,92,470	16,20,180
	Electricity Charges	40,59,233	40,15,839
	Insurance Expenses	19,43,379	16,92,910
	Commission Paid	82,00,967	1,02,94,229
	Postage & Telegram	9,20,033	11,55,912
	Printing & Stationery	13,19,157	15,86,068
	Rent	2,15,93,834	2,10,94,972
	Rates & Taxes	1,15,465	1,83,337
	Repairs & Maintenance	6,57,816	14,52,560
	Sitting Fees	3,12,500	7,43,500
	Membership Fee	64,40,278	67,74,683
	Telephone Expenses	57,87,218	62,29,021
	Training Expenses	1,24,118	1,12,917
	Travelling & Conveyance Exp	13,22,922	13,16,301
	Office Maintenance	60,47,463	52,34,817
	Other Administrative Expenses	35,42,451	22,92,722
	Total	9,59,18,586	10,49,45,610
21	Impairment on financial instrument		
	Loss on fair value of shares	(1,68,55,829)	12,043
	Loss on sale of shares	1,76,02,226	-
	Bad debts written off	14,84,346	1,95,80,237
	Loss on Impairment	6,92,47,455	(23,05,718)
	Total	7,14,78,198	1,72,86,562



IFCI Financial Services Limited.

Notes to the Consolidated Financial Statements

(For the year ended 31st March 2019)

Groups Background:

The consolidated Financial Statements comprise financial statements of IFCI Financial Services Limited (the Parent) and its subsidiaries collectively the group for the year ended 31st March, 2019.

IFCI Financial Services Ltd (IFIN) was promoted in 1995, by IFCI Ltd., to provide a wide range of financial products and services to investors, institutional and retail. IFIN is primarily involved in Stock Broking, Investment Banking, Mutual Fund Distribution & Advisory Services, Depository Participant Services, Insurance Products Distribution and the like.

IFIN is a SEBI registered Stock Broker on National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange (BSE) etc.. and is positioned as a global financial supermarket, built on the foundations of incisive research and trust. Intense interaction with investors helps us understand their specific needs and suggest holistic and appropriate financial solutions. Our team of professionals continuously scans the financial arena and stay ever prepared to educate investors and partner them in creating enduring wealth.

Subsidiaries:

The subsidiary company IFIN Commodity Limited is a registered member of Multi Commodity Exchange Limited and its primarily engaged in the business of providing Commodity Market related transaction services.

The subsidiary company IFIN Securities Finance Limited is a Non Banking Finance Company, registered u/s 45-IA of Reserve Bank of India Act, Is primarily engaged in the business of margin funding, providing loan against shares & property, Promoter funding, etc.

The subsidiary company IFIN Credit Limited is not engaged in any business activity.

Decision to continue with the process of merger considered at the meeting of the Board of Directors held on 22.04.2015, with the IFIN Commodities Limited and IFIN Credit Limited,

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(subsidiaries of IFCI Financial Services Limited) was put on hold vide letter dated 13.06.2016 from IFCI limited (ultimate holding company), as they are in the process of obtaining approval in this regards from Government of India. The same had been intimated to the office of the Regional Director, Southern Region , Minister of Corporate affairs vide company's letter dated 24.06.2016. The company is yet to receive any approval in this regard.

IFCI Limited, Our legendary parent Institution

The Government of India established The Industrial Finance Corporation of India (IFCI) on July 1, 1948, as India's first and premier Development Financial Institution, to cater to the long – term financial needs of the industrial sector.

Significant Accounting Policies & Key accounting estimates and judgements :

I. Basis of Preparation of consolidated Financial Statements :

These financial statements are the consolidated financial statements of Group prepared in accordance with Indian Accounting Standards ('IND AS') notified under section 133 of the companies act 2013, read together with the companies (Indian Accounting Standards) Rules,2015 (as amended).

These consolidated financial statements are prepared under the historical cost convention except for certain financial assets and financial liabilities that are measured at each of each reporting period, as stated in the accounting policies stated below. These accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

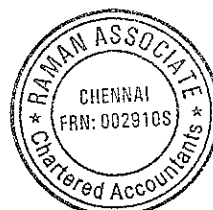
The financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS.

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

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(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 accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were authorised for issue by the Company's Board of Directors on 24th April, 2019.

II. First time adoption of Ind AS

Explanation of transition to Ind AS

These financial statements for the year ended 31 March 2019, are the first financial statements, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ended 31 March 2019, together with comparative data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. All applicable Ind AS have been applied consistently and retrospectively subject to Ind AS 101 exemptions and exceptions availed by the Company. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.

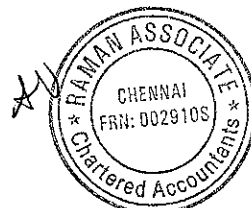
In preparing its Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has availed the optional exemptions for the amounts reported previously in financial statements prepared in accordance with previous GAAP.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the company has option to avail the below mentioned exemptions and mandatory exceptions.

Optional exemptions:

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As per Ind AS 101 an entity may elect to :

a) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

b) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index

The elections under (a) and (b) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(c) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS.

The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all of its property, plant and equipment, intangible assets and investment properties as recognised in the financial statements as at the date of transition to Ind ASs, as deemed cost as at the date of transition (i.e. 1 April 2017).

Investments in group companies

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries and associates at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:

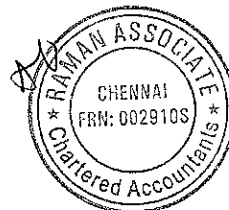
i) fair value at the entity's date of transition to Ind ASs in its separate financial statements;

or

ii) previous GAAP carrying amount at that date.

A first-time adopter may elect the above option for each subsidiary that it elects to measure using a deemed cost.

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The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all its investments in subsidiaries and joint ventures as recognised in the financial statements as at the date of transition to Ind ASs, as deemed cost as at the date of transition (i.e. 1 April 2017).

Mandatory exceptions:

Derecognition of financial assets and liabilities

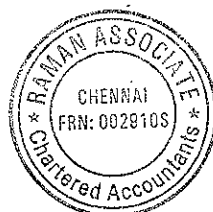
'As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively from 01 April 2017.

Estimates

'As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS and at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).



The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value of financial instruments carried at fair value through profit and loss and/ or fair value through other comprehensive income
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition.

III. Functional and Presentation currency:

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in Indian Rupees and rounded off to the nearest two decimal, except when otherwise indicated.

IV. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following material items:

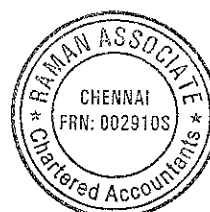
- ❖ Loans and Advances were measured at Amortised cost using Effective rate of interest.
- ❖ Revenue from loans and advances (Interest income) recognized using Effective interest rate.
- ❖ Expected Credit Loss (ECL) method was invoked for computing credit impairment on financial assets (loans & advances).
- ❖ Mutual Fund Investments were measured at fair value.

V. Use of Judgements and Estimates:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as on the date of the financial statements and the reported income and expenses for

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the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included here:

Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of expected credit loss ('ECL') and selection of models used to measure ECL (refer detail note XI)

Equity accounted investees: The Company has significant influence over its subsidiaries (investee) of Ifin Commodities Limited (ICOM), Ifin Securities Finance Limited (ISFL) & Ifin Credit Limited (ICL).

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows. (refer detail note XI)

- ❖ Measurement of defined benefit obligations: key actuarial assumptions (refer point i to the notes forming part of accounts)
- ❖ Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used (refer point d to the notes forming part of accounts)
- ❖ determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- ❖ recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (refer point III to the notes forming part of accounts)

VI. Business Combinations

Business Combinations are accounted for using the acquisitions method. At the Acquisitions date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the

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liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The Consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceed the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisitions excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amount on the date of the acquisition subject to necessary adjustments required to harmonic accounting policies. Any excess or short fall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity.

GOODWILL

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the group's cash generation Units(CGUs) that are expected to

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benefit from the combination. A CGU is the Smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGU to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the group.

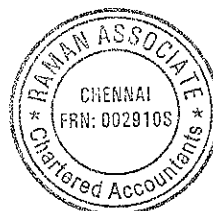
A CGU to which the goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the statement of profit and loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

VII. Principles used in Consolidation Procedure:

- ❖ Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of the subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ❖ Offset (eliminate) the carrying amount of Parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- ❖ In the case of IFIN Commodity Ltd., since the amount paid is equal to the paid up capital of the subsidiary, there is neither goodwill nor a capital reserve.
- ❖ In the case of IFIN Credit Ltd., IFCI Financial Services Ltd. had acquired the 100% of the share capital in two stages i.e. initially 45% in the accounting year 2008-09 and the balance in 2009-10. The total amount paid is Rs.2,79,00,000 for a net asset value of Rs. 1,98,81,335/- as on 01.02.2010 i.e., the date on which the Company became a subsidiary (Wholly owned). The surplus of Rs. 80,18,665/- is adjusted against the Amalgamation Reserve of Rs.97,63,970/- leaving a balance of Rs.17,45,305/-.

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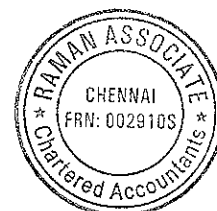
- ❖ In the case of IFIN Securities Finance Ltd (Formerly known as Narayan Sriram Investments Private Ltd.), IFCI Financial Services Ltd. had acquired the 100% of the share capital for a consideration of Rs. 73,23,063 for a total equity of Rs.1,00,000/- as on 02.03.2011 i.e., the date on which the Company became a subsidiary (Wholly owned). The total reserves and surplus as on date of acquisition of Rs.50,69,206/- and the balance amount of Rs. 22,53,857 is shown as goodwill.
- ❖ Eliminate in full intragroup assets and liabilities, equity, income, expenses, and cash flows relating to the transactions between entities of group (profit or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminate in full). Intra group losses may indicate an impairment that requires recognition in the consolidate financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the company and to the non-controlling interests, even if this results in the non-controlling interests having deficit balance. When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies. All intra-groups assets and liabilities, equity, income, expenses and cashflows between members of Group are eliminated in full on consolidation.

IFCI Financial Services Ltd's (the parent company or the holding company) shareholding in the following companies as on 31st March 2019 and 31st March 2018 are as under:

Name of the Subsidiary	Country Date on which became a Subsidiary		As on 31st Mar 2019		As on 31st Mar 2018	
			No of shares held	% of holding	No of shares held	% of holding
IFIN Commodities Ltd.	India	30.01.2009	50,00,000	100	50,00,000	100
IFIN Credit Ltd.	India	01.02.2010	25,00,000	100	25,00,000	100
IFIN Securities Finance Ltd. (Formerly known as Narayan Sriram Investments Private Ltd)	India	02.03.2011	30,01,000	100	30,01,000	100

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VIII. Revenue Recognition:

1) 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.

❖ 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.

❖ On Fixed deposit :

Interest income from financial assets is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- 2) Brokerage Income is recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.
- 3) Loan Syndication Fees are recognised when the right to receive the income is established.
- 4) Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.
- 5) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal.
- 6) Commission from selling of mutual funds is accounted on receipt basis.
- 7) Recovery from bad debts written off is recognised as income on the basis of actual realisation from customers.
- 8) Dividends are recognised in profit or loss only when

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- (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.

IX. Borrowing costs

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

X. Recognition of Financial Instruments

(a) 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:

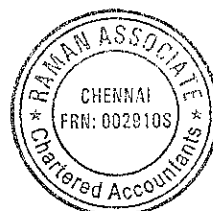
- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the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

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

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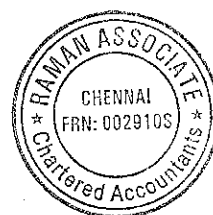
If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared 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 invoked as Stage 1	12 months ECL
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

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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.

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

❖ Trade Receivables & Trade Payables

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature.

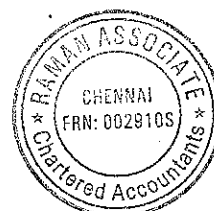
Management reviews the financial instruments on the reporting date and recognizes impairment losses, when the carrying amount is less than the recoverable amount.

❖ Investment in equity instruments in subsidiaries

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries and associates at:

- a) cost determined in accordance with Ind AS 27; or
- b) deemed cost, which shall be its:
 - i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
 - ii) previous GAAP carrying amount at that date.

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A first-time adopter may elect the above option for each subsidiary, that it elects to measure using a deemed cost.

The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all its investments in subsidiaries as recognised in the financial statements as at the date of transition to Ind ASs, as deemed cost as at the date of transition (i.e. 1 April 2017).

❖ **Cash and cash equivalents**

The Company holds cash and cash equivalents of Rs. 4170.29 lacs at 31 March 2019 (31 March 2018 Rs. 4732.69 lacs). The cash and cash equivalents are held with bank as current account balances and Fixed Deposit balances.

The Company considers that its cash and cash equivalents have low credit risk and thus no need for any impairment.

Financial liabilities

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

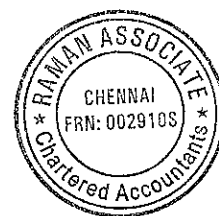
De-recognition of financial liabilities

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.

XI. Investments:

- ❖ The Company acquires holds and deals in shares in its own account also. The investments intended to be held for one year or more were classified as long-term investments and provision for diminution in the value of long term investments being made only if such a decline is other than temporary.

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- ❖ Current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

XII. Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the straight line method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the date of sale/disposal. Residual value in respect of assets is considered as 5% of the cost for computing depreciation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

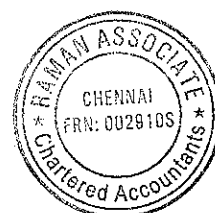
De-recognition

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

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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Intangible assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible asset recognised as of April 1, 2018 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

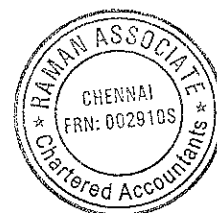
Non Competent Fee:

Intangible assets are 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 profit and loss account.

The computer software is identified as Intangible assets and has been amortized at the rate 40% following WDV method. The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortised as per the terms of the agreement on straight line basis.

Depreciation on the fixed assets is provided on the written down value method in the manner prescribed under Schedule II of the Companies Act, 2013

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XIII. Impairment of Assets:

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss Account in the period/year in which the said asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

XIV. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its non financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The 'recoverable amount' of an asset is the greater of its value in use and its fair value less costs to sell.

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

XV. Employee Benefits:

Employee benefits comprise both Defined contribution plan and Defined benefit plans. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

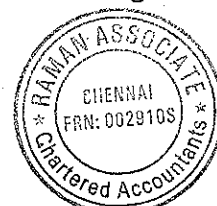
Defined contribution plan

- ❖ The Company's Provident Fund Scheme and Employee State insurance scheme are defined contribution plan and company's contribution paid/payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related service.

Defined Benefit Plan -Gratuity

- ❖ The Company's liability towards Gratuity is a Defined Benefit Plan. The liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is

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operated through Group gratuity Scheme of LIC. The gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Profit and Loss Account.

Compensated Absence-Leave Salary

- ❖ The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the Gross component. The expenses on account thus arising are recognized in the profit and loss account.

XVI. Income Taxes:

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to a business combination

A. Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Minimum alternative tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss.

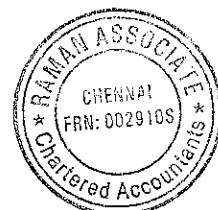
Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

B. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

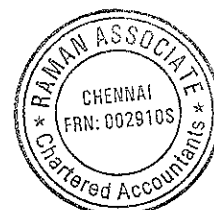
The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XVII. Contingent Liabilities not provided for:

Bank guarantees aggregating to Rs. 25,23,75,000 (Previous Year – Rs. 25,00,00,000/-) to National Stock Exchange of India Limited, Rs.3,00,00,000/- (Previous Year – 3,00,00,000/-) to Bombay Stock Exchange, Rs. Nil (Previous Year – 1,00,00,000)/- to MCX-SX Stock Exchange and Rs. Nil (Previous Year – 4,00,00,000) , Multi Commodity Exchange Limited , Rs, 4,00,00,000 /- (Previous Year Rs. 5,00,00,000 /-) as on 31st March 2018 for meeting margin requirements.

The Company has pledged fixed deposits aggregating to Rs. 16,11,87,500/- (Previous Year – Rs. 14,35,00,000/-) with banks for obtaining the above bank guarantees.

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Counter guarantee given by the Parent Company (IFCI Limited) to a bank for issue of bank guarantee to the subsidiary company IFCI Financial Services Limited – Rs. Nil (previous year – Rs.30,00,00,000/-) and IFIN Commodities Limited – Rs. Nil (previous year – Rs. 4,00,00,000/-)

Other Contingent liabilities in respect of claims against the company:

(Rupees in lakhs)

Forum before which the case is pending	No. of cases	Amount
District Court, Patiala House, New Delhi	1	1.43
Additional City Civil & Sessions Judge, Bangalore	1	127.45
Highcourt of Madras	1	5.00
Principal District Judge, Panaji	8	465.33

XVIII. Estimated amount of contracts remaining to be executed

Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances) is Rs. NIL (Previous Year –Nil)

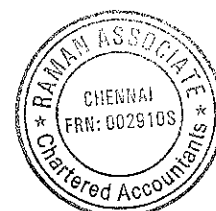
XIX. Loans Borrowed :

Loans borrowed as on 31/03/2019 amounting to Rs. Nil (Previous year Rs. 10,00,000/-) and the details of security offered is Receivables of the company along with a comfort letter from IFCI Limited.

XX. Earnings Per Share:

The Earning per Share [EPS] has been computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The numerators and denominators used to calculate the EPS are:

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(Amounts in Rupees)

Particulars	As on 31-03-2019	As on 31-03-2018
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	(3,69,64,834)	1,95,46,110
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	4,15,33,709	4,15,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	(0.89)	0.47

XXI. Current and Deferred Taxation:

- (a) The Subsidiary Company IFIN Commodities Limited has provided Current Tax Rs. 6,33,570 (Previous Year Rs. 3,817) and Deferred Tax Rs. (2,870) /- (Previous Year Rs. Nil as per provisions of Income Tax Act, 1961
- (b) The Subsidiary Company IFIN Credit Limited has provided Current Tax Rs. NIL (Previous Year – Rs. Nil) as per provisions of Income Tax Act, 1961 and Deferred Tax during the year the tax effect on timing difference has not been recognized
- (c) The Subsidiary Company IFIN Securities Finance Limited has has provided for Minimum Alternative Tax (MAT) amounting to Rs. 54,51,948/- (Previous Year Rs. 53,91,097) as per provisions of Sec 115JB of the Income Tax Act, 1961 and Deferred Tax The company's carried forward losses results in Deferred Tax Asset which has not been recognized in these accounts as a matter of prudence.
- (d) During the year the Parent Company has provided Current Tax Rs. 6,75,546 (Previous Year Rs. 26,48,015) and Deferred Tax Rs. 9,275 /- (Previous Year Rs. (1,29,970) as per provisions of Income Tax Act, 1961

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XXII. **Managerial Remuneration:**

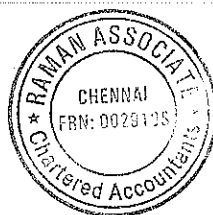
(Amount in Rupees)

Particulars	2018-19	2017-18
To Managing Director (On deputation from IFCI Limited)		
(a) Salary and Allowances	8,66,835	35,04,429
(b) Contribution to PF and other funds	-	-
Total	8,66,835	35,04,429

XXIII. **Related Party Disclosure as per AS 18:**

- a) Holding Company : IFCI Limited
- b) Subsidiary Companies :
- a) IFIN Commodities Limited
 - b) IFIN Credit Limited
 - c) IFIN Securities Finance Limited (Formerly known as Narayan Sriram Investments Private Limited)
- c) Fellow Subsidiaries :
- a) IFCI Venture Capital Funds Limited
 - b) IFCI Factors Limited
 - c) IFCI Infrastructure Development limit
 - d) Stock Holding Corporation of india Limited
 - e) MPCON Limited

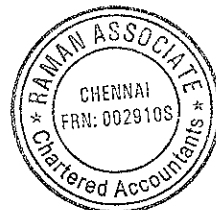
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d) Transaction with Related Parties:

(Amount in Rupees)

Sl. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2018-19	2017-18	2018-19	2017-18
1	Rent Paid to IFCI Ltd.	1,13,21,290	1,14,76,559	-	-
2	Rent received from IFIN Commodities Ltd.	27,11,592	27,11,592	-	-
3	Brokerage Received from IFCI Ltd	32,17,597	39,35,381	-	-
4	Portfolio Management Services fees received	-	-	-	-
5	Depository Services Fees received from IFCI Limited	10,67,833	8,61,310	-	-
6	Reimbursement of Expenses to IFCI Limited.	6,14,543	43,011	-	-
7	Managerial Remuneration	-	-	2,52,292	34,61,418
8	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
9	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	30,01,00,000	-	-
10	Equity contribution made in IFIN Commodity Limited	5,00,00,000	5,00,00,000	-	-
11	Brokerage received from IFCI Factors Ltd	60,382	22,803	-	-
12	Reimbursement of Expenses from IFIN Securities Finance Limited	1,25,00,000	1,25,00,000	-	-
13	Reimbursement of Expenses from IFIN Credit Limited	12,60,000	14,40,000	-	-
14	Amount Due from IFIN Credit Limited	14,68,692	19,71,383	-	-
15	Amount Due from IFIN Commodities Limited	-	4,13,634	-	-



XXIV. Employee Benefits

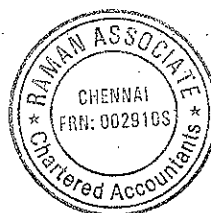
Provisions for employee benefits under revised AS 15:

- (a) Defined Contribution plan: Provident and other statutory funds. The amount recognized as an expense during the year is Rs . 77,66,183/- (Previous Year – Rs. 93,66,128 /-) towards Provident fund.
- (b) Defined Benefit plan-Liability on account of encashment of leave to employees is paid within one year from the end of the financial year.
- (c) The Company has constituted The Employees Group Gratuity Fund under the Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India. The scheme provides for Lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each year of completed service or part thereof in excess of 6 months. Vesting occurs on completion of 5 years of service.

The following table sets out the Gratuity plan as required under AS-15 (revised).

Particulars	IFIN - Year 2018-19	ICOM - Year 2018-19
Policy No	605000538	605000514
Date of Valuation	31/03/2019	31/03/2019
Membership Date		
Number of Members	150	23
Average age	39.73	36.13
Average Monthly Salary	20207.84	13490.91
Average past Service	7.13	5.78
Valuation Method	Projected unit credit method	Projected unit credit method
Results of Valuation		
Present value of Past Service Benefit	1,31,28,064	9,52,168
Service cost	15,94,494	1,59,134
Fund with LIC	1,11,62,337	7,57,188
Accrued Gratuity	1,40,24,947	10,38,746
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Discount rate	7.50 % p.a.	7.50 % p.a.
Salary escalation rate	7%	7%
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
Total Amount Payable	35,60,221	3,54,114

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XXV. **Operating Segments**

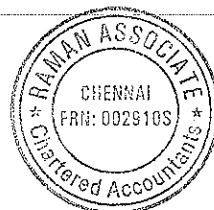
A. Basis of Segmentation:

- Accounting Pronouncements establish standards for the manner in which public companies report information about operating segments in annual and interim financial statements.
- Operating Segments are component of an enterprise that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components, about which separate financial information is available that is evaluated regularly by the management on deciding how to allocate resources and in assessing performance.
- The company operates predominantly relate to financial services and accordingly multiple segments were reported.
- Segment reporting presented in consolidated Financial statements is based on the "Management Approach" as defined IndAS Operating Segments.

B. Segment Report:

Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	Loans (NBFC)	Total
External -Segment Revenue	1458.92 (1,566.27)	1.13 (31.45)	40.12 (47.25)	121.40 (120.27)	1.08 (5.28)	499.27 (588.04)	2121.93 (2,358.56)
Inter Segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Revenue	1458.92 (1,566.27)	1.13 (31.45)	40.12 (47.25)	121.40 (120.27)	1.08 (5.28)	499.27 (588.04)	2121.93 (2,358.56)
Segment Result	1126.96 (1,171.25)	1.13 (31.45)	37.05 (40.80)	39.39 (17.33)	1.08 (5.28)	498.72 (569.42)	1704.33 (1,835.54)
Unallocated Corporate Expenses net of Income	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-2221.45 (-1780.30)
Operating Profit	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-517.12 (55.24)
Interest Income	215.15	-	-	-	-	-	215.15

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	(219.35)	(-)	(-)	(-)	(-)	(-)	(219.35)
Net Profit before Tax	-	-	-	-	-	-	-301.97
	(-)	(-)	(-)	(-)	(-)	(-)	(274.59)
Tax Expenses	-	-	-	-	-	-	67.67
	(-)	(-)	(-)	(-)	(-)	(-)	(79.13)
Net Profit after Tax	-	-	-	-	-	-	-369.65
	(-)	(-)	(-)	(-)	(-)	(-)	(195.46)
Segment Assets	1,301.24	-	-	-	-	840.05	2141.29
	(893.09)	(-)	(-)	(-)	(-)	(2,831.58)	(3,724.67)
Unallocated Assets	-	-	-	-	-	-	7537.19
	(-)	(-)	(-)	(-)	(-)	(-)	(6,748.72)
Total Assets	1,301.24	-	-	-	-	840.05	9678.48
	(893.09)	(-)	(-)	(-)	(-)	(2,831.58)	(10,473.39)

Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income		Total
Segment Liabilities	2,627.91	-	-	-	-	-	2627.91
	(3,035.79)	(-)	(-)	(-)	(-)		(3,035.79)
Unallocated Liabilities	-	-	-	-	-	-	7050.57
	(-)	(-)	(-)	(-)	(-)		7,437.59
Total Liabilities	2,627.91	-	-	-	-	-	9678.48
	(3,035.79)	(-)	(-)	(-)	(-)		(10,473.38)
Capital Expenditure	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)		(-)
Depreciation	-	-	-	-	-	-	5.96
	(-)	(-)	(-)	(-)	(-)		(1.70)

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XXV. Others

- ❖ Balances of Sundry Debtors, Advances recoverable are subject to confirmation from the respective parties. In the opinion of the management the same are good and recoverable, except for an amount of Rs. 11,48,24,123 /- which is provided for.
- ❖ Company had initiated the process of identifying the vendors under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.
- ❖ Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.
- ❖ Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

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