



IFCI FINANCIAL SERVICES LIMITED

Annual Report 2016-17

IFCI FINANCIAL SERVICES LIMITED

Board of Directors*:

Shri Biswajit Banerjee

Shri Sunit Vasant Joshi

Shri Rajib Sekhar Sahoo (Appointed w.e.f 24.07.2017)

Smt Aparna Chaturvedi (Appointed w.e.f 24.07.2017)

Smt. S Usha, Managing Director

Shri Sreekumaran V Nair (Appointed w.e.f 19.06.2017)

*As on date of this report

Company Secretary

Shri Aby Eapen

Chief Financial Officer

Shri A.V. Pushparaj

Statutory Auditors (2016-17)

M/s. Ponraj & Co,

Chartered Accountants,

108, Wallajah Road,

II Floor, Trade Centre,

Chennai - 600 002

Registered Office

IFCI Tower, No. 61

Nehru Place

New Delhi-110 019

Web: www.ifcilttd.in

Corporate Office

Continental Chambers, 3rd Floor

142, Mahatma Gandhi Road

Nungambakkam, Chennai - 600 034

Ph: 044 2830 6600

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the shareholders of the Company will be held at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 on Tuesday, October 24, 2017 at 02.00 P.M to transact the following business:

AS ORDINARY BUSINESS

- 1.** To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2017, together with Board of Directors' Report and the Auditors Report thereon;
- 2.** To appoint a director in place of Smt. S. Usha who retires by rotation and being eligible, offers herself for reappointment.
- 3.** To appoint Auditors of the Company and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Raman Associate, Chartered Accountants, having firm registration number 002910S, appointed by the Comptroller and Auditor General of India (CAG), be and is hereby appointed as the Statutory Auditor(s) of the Company for the financial year 2017-18."

"RESOLVED FURTHER THAT M/s. Raman Associate, Statutory Auditor(s) of the Company, be paid a fee of Rs. 5,00,000/- (Five lakh Rupees only) in respect of the audit of the Accounts of the company for the year 2017-18, Rs. 60,000/- (Sixty thousand only) in respect of the Limited review for every quarter, Rs. 75,000/- (Seventy five thousand only) for consolidation purpose and Rs.25,000/- (Twenty five thousand only) towards tax audit of the company, plus applicable taxes and such other certification fees not exceeding Rs. 5000 (Rs. Five Thousand Only) per certificate as payable from time to time."

AS SPECIAL BUSINESS

4. Re-appointment of Smt S. Usha as Managing Director of the Company

To consider and if thought fit, to pass, with or without modification(s) if any, the following resolution as a **"Special Resolution"**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded for re-appointment of Smt S. Usha (DIN: 03567757, residing at New No.6, Old No.14, Parthasarathy Nagar, 10th Street, Adambakkam, Chennai, 600088), as Managing Director of the Company for a further period of one year with effect from April 21, 2017, on the existing terms & conditions of her deputation with liberty to the Board of Directors (herein after referred to as "the Board" which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Smt Usha, subject to such remuneration not exceeding the limit prescribed under Schedule V to the Act or any statutory modification(s) thereto or re-enactment thereof."

"RESOLVED FURTHER THAT the total amount reimbursable to IFICI on account of the salary/allowance/perquisites may be amended from time to time based on the communication received by IFIN from IFICI, subject to all applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid in accordance with the limit prescribed under Schedule V of the Act subject to approval of the Central Government, if any."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as

in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the Government departments, as may be required in this regard."

5. Appointment of Shri Sunit V. Joshi (DIN No. 02962154) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (THE ACT) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Sunit V. Joshi (DIN NO 02962154) who was appointed as an Additional Director categorized as an Independent Director on 21.09.2016 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the conclusion of the forthcoming Annual General Meeting in the Year 2017, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director be and is hereby appointed as such Independent Director of the Company, to hold office for a term of three consecutive years from date of passing of this resolution, and whose office shall not be liable to determination by retirement of Directors by rotation."

6. Appointment of Shri Rajib Sekhar Sahoo (DIN No. 02708503) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (THE ACT) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Rajib Sekhar Sahoo (DIN NO 02708503) who was appointed as an Additional Director categorized as an Independent Director on 24.07.2017 pursuant to provisions of Section

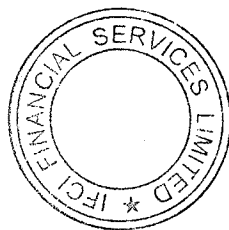
161(1) of the Act and the Articles of Association of the Company and who holds office upto the conclusion of the forthcoming Annual General Meeting in the Year 2017, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director be and is hereby appointed as such Independent Director of the Company, to hold office for a term of three consecutive years from date of passing of this resolution, and whose office shall not be liable to determination by retirement of Directors by rotation."

7. Appointment of Smt. Aparna Chaturvedi (DIN No. 00028647) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (THE ACT) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, Smt. Aparna Chaturvedi (DIN NO 00028647) who was appointed as an Additional Director categorized as an Independent Director on 24.07.2017 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office upto the conclusion of the forthcoming Annual General Meeting in the Year 2017, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Independent Director be and is hereby appointed as such Independent Director of the Company, to hold office for a term of three consecutive years from date of passing of this resolution, and whose office shall not be liable to determination by retirement of Directors by rotation."

Place: Chennai
Date : 26.09.2017



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


Aby Eapen

Company Secretary

ABY EAPEN
COMPANY SECRETARY
MEM.No. A23807
'SREE SAILAM', NEAR N.C.O.FLATS,
MARIKKUNNU P.O, CALICUT
KERALA-673012

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Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special business under Item No. 4, 5, 6 and 7 set out above is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxy forms should be submitted to the Company 48 Hours before the commencement of the Meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members should bring the attendance slip duly filled in for attending the meeting.
5. All documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during Business Hours except on Holidays, up to and including the date of the Annual General Meeting of the Company.
6. Details of Directors seeking appointment or re-appointment at the Annual General Meeting of the Company to be held on Tuesday, October 24, 2017 are provided in Annexure - A of this notice.

Explanatory Statement

Statement pursuant to section 102(1) of the Companies Act, 2013:

Item No.4:

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on April 18, 2016, re-appointed Smt. S. Usha as Managing Director of the Company for a period of one year with effect from April 21, 2016. The same was approved by the members of the Company by way of Special Resolution at the Annual General Meeting of the Company held on 07.09.2016.

Consequently, the tenure of Smt. S. Usha as Managing Director came to an end on April 20, 2017. Therefore, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on April 11, 2017, re-appointed Smt. S. Usha as Managing Director of the Company for a further period of one year effective from April 21, 2016 until April 30, 2018 on the existing terms & conditions of her deputation.

In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to her with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

The terms and conditions of the re-appointment, including remuneration, etc., may be amended from time to time based on the communication received by the Company from IFCI Limited, subject to all applicable provisions of the Companies Act, 2013.

The Board recommends resolution under Item No.4 to be passed as a Special resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company, except Smt. S. Usha.

Item No. 5: To appoint Sri. Sunit V Joshi (DIN No 02962154) as an Independent Director

Pursuant to the provisions of section 149 of the Act, read with Rule 4 of Companies (Appointment of Directors) Rules, 2014 every public company having a paid up share capital of Rs. 10 crore or above is required to have at least two directors as independent directors, who are not liable to retire by rotation.

Shri Sunit V Joshi was appointed as an Additional Director at the circular resolution passed by the Board of Directors on 21.09.2016 categorized as an Independent Director. Shri Sunit Vasant Joshi is a Qualified Chartered Accountant and a Post Graduate in Commerce. He also holds a Diploma in Business Finance from ICAI. He retired as Chief General Manager of State Bank of India on December, 2015 (Superannuation) and is having more than 37 years of experience in Banking service. He was a senior management executive and industry veteran with a wealth of experience across retail, corporate and investment banking. He supervised over 2,000 officers and staff and managed a portfolio of over Rs. 1,00,000 crore. He has got thorough knowledge of the Indian banking industry, including regulatory aspects, as also extensive international exposure, especially to financial markets in the UK and Middle East.

Pursuant to the provisions of Section 150(2) his appointment as Independent Director should be approved by the Company at the General Meeting. In the opinion of the Board of Directors, Sri Sunit V Joshi fulfills the conditions prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. Directors are of the opinion that Mr. Sunit V Joshi is a person of integrity and possesses relevant expertise and experience. The Company has also received a declaration from Shri Sunit V Joshi that he meets with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 besides his consent to act as a Director. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Shri Sunit V Joshi proposing himself for appointment as Independent Director with the requisite deposit of Rs. 1 lac. The Board recommends this resolution for appointment of Sri Sunit V Joshi as an Independent Director of the Company for a term of 3 consecutive years from date of passing of this resolution.

Upon his appointment at this meeting, Sri. Sunit V Joshi shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Sri. Sunit V Joshi as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours or working days upto the date of the Annual General Meeting.

Except Sri. Sunit V Joshi, no Director or Key Managerial Personnel of the Company or their relatives are concerned, or interested, financial or otherwise, in this item of business.

Item No. 6: To appoint Shri Rajib Sekhar Sahoo (DIN No. 02708503) as an Independent Director

Pursuant to the provisions of section 149 of the Act, read with Rule 4 of Companies (Appointment of Directors) Rules, 2014 every public company having a paid up share capital of Rs. 10 crore or above is required to have at least two directors as independent directors, who are not liable to retire by rotation.

Shri M.P.Rege, Shri V.Ramanan and Shri.Lalit Kumar Patangia were appointed as Independent Directors of the company on July 25, 2014. Since the tenure of these Independent Directors came to an end on July 24, 2017, it was proposed to appoint Shri Rajib Sekhar Sahoo as an Independent Director of IFIN in order to comply with provisions of the Companies Act, 2013.

Accordingly, Shri Rajib Sekhar Sahoo was appointed as an Additional Director at the circular resolution passed by the Board of Directors on 24.07.2017 categorized as an Independent Director. Shri Rajib Sekhar Sahoo is a qualified Chartered Accountant and one of the Principal Partner of M/s. SRB & Associates, Chartered Accountants. He has served as a Director on the Board of Andhra Bank from July 2008 to July 2011, Bank of Baroda from December 2011 to December 2014 and NTPC Limited from August 2011 to August 2014. He has been a visiting faculty to reputed institutions like Xavier Institute of Management and various Conferences and Seminars at National Level.

Few of his prestigious Achievers Award is given below:

- Times Group (Times of India) – 2015 & 2016
- Corporate Odisha – 2012
- Sadhab-Saman-2011,
- Kubera Shree – 2011
- Snehi Pratibha Saman - 2011

Pursuant to the provisions of Section 150(2) his appointment as Independent Director should be approved by the Company at the General Meeting. In the opinion of the Board of Directors, Shri Rajib Sekhar Sahoo fulfills the conditions prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and he is independent of the management. Directors are of the opinion that Shri Rajib Sekhar Sahoo is a person of integrity and possesses relevant expertise and experience. The company has also received a declaration from Shri Rajib Sekhar Sahoo that he meets with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 besides his consent to act as a Director. He has also given a statement showing that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Shri Rajib Sekhar Sahoo proposing himself for appointment as Independent Director with the requisite deposit of Rs. 1 lac. The Board recommends this resolution for appointment of Shri Rajib Sekhar Sahoo as an Independent Director of the Company for a term of 3 consecutive years from date of passing of this resolution. Upon his appointment at this meeting, Shri Rajib Sekhar Sahoo shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Shri Rajib Sekhar Sahoo as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours or working days upto the date of the Annual General Meeting.

Except Shri Rajib Sekhar Sahoo, no Director or Key Managerial Personnel of the Company or their relatives are concerned, or interested, financial or otherwise, in this item of business.

Item No. 7: To appoint Smt. Aparna Chaturvedi (DIN NO. 00028647) as an Independent Director

Pursuant to the provisions of section 149 of the Act, read with Rule 4 of Companies (Appointment of Directors) Rules, 2014 every public company having a paid up share capital of Rs. 10 crore or above is required to have at least two directors as independent directors, who are not liable to retire by rotation.

Shri M.P.Rege, Shri V.Ramanan and Shri.Lalit Kumar Patangia were appointed as Independent Directors of the company on July 25, 2014. Since the tenure of these Independent Directors came to an end on July 24, 2017, it was proposed to appoint Smt. Aparna Chaturvedi as an Independent Director of IFIN in order to comply with provisions of the Companies Act, 2013.

Accordingly, Smt. Aparna Chaturvedi was appointed as an Additional Director at the circular resolution passed by the Board of Directors on 24.07.2017 categorized as an Independent Director.

Smt. Aparna Chaturvedi is an MBA in Finance from University of Lucknow and Senior Executive Programme in British Lord Chevening Scholarship. Having an industry experience of around 27 years, before getting superannuated she was working in UTI Asset Management Company. She has also worked in ASREC India Limited as a Whole-time Director and President. She has been holding Directorship in ASREC India Limited, Jain Irrigation Ltd., Nisha Synthetics Ltd., Flexo Film Wraps India Ltd., Synthetics & Chemicals Ltd., Mysore Petro Chemicals Ltd., and Gulshan Sugars and Chemicals Ltd.

Pursuant to the provisions of Section 150(2) her appointment as Independent Director should be approved by the Company at the General Meeting. In the opinion of the Board of Directors, Smt. Aparna Chaturvedi fulfills the conditions prescribed for being appointed as Independent Director pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and she is independent of the management. Directors are of the opinion that Smt. Aparna Chaturvedi is a person of integrity and possesses relevant expertise and experience. The company has also received a declaration from Smt. Aparna Chaturvedi that she meets with the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 besides her consent to act

as a Director. She has also given a statement showing that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

Accordingly the Company has received notice from Smt. Aparna Chaturvedi proposing himself for appointment as Independent Director with the requisite deposit of Rs. 1 lac. The Board recommends this resolution for appointment of Smt. Aparna Chaturvedi as an Independent Director of the Company for a term of 3 consecutive years from date of passing of this resolution. Upon his appointment at this meeting, Smt. Aparna Chaturvedi shall not be liable to retire by rotation.

The copy of the draft letter of appointment of Smt. Aparna Chaturvedi as an Independent Director would be available for inspection at the Registered Office of the Company during normal business hours or working days upto the date of the Annual General Meeting.

Except Smt. Aparna Chaturvedi, no Director or Key Managerial Personnel of the Company or their relatives are concerned, or interested, financial or otherwise, in this item of business.

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


Aby Eapen

Company Secretary

Place: Chennai

Date : 26.09.2017



ABY EAPEN
COMPANY SECRETARY
MEM No. A23807
SREE SAILAM, NEAR H.G.O. PLATS,
MARIKUNNU P.O, CA
KERALA-673012

Annexure – A

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

Name of the Director	Smt. S. Usha	Shri. Sunit V. Joshi	Shri Rajib Sekhar Sahoo	Smt. Aparna Chaturvedi
Date of Birth	April 12, 1958	December 09, 1955	July 01, 1962	August 25, 1958
Date of Appointment	August 30, 2013	September 21, 2016	July 24, 2017	July 24, 2017
Expertise in Specific functional area	Banking and Financial Services	Banking services	Banking services	Financial Services
Qualification	B.Sc., M.B.A., CAIIB	M.Com, C.A	C.A	MBA in Finance
Experience	30 plus years of experience in Financial Services	37 years of experience in Banking service		27 years
Directorships in other Companies	1. IFCI Financial Services Limited 2. IFIN Commodities Limited 3. IFIN Credit Limited	Nil	1. Odisha State Civil Supplies Corporation Limited 2. IFCI Factors Limited 3. Kalinga Hospital Limited	Nil
Number of Board Meetings attended during the Year	5	2	Nil	Nil;
Chairman/ Membership of the Committee	Member of Audit Committee 1. IFIN Securities Finance Limited	Member of Audit Committee 1. IFCI Financial	Nil	Member of Audit Committee 1. IFCI Financial Services Limited

across all Companies	Member of Nomination and Remuneration Committee 1. IFCI Financial Services Limited 2. IFIN Securities Finance Limited Chairman of Share Transfer Committee 1. IFCI Financial Services Limited 2. IFIN Securities Finance Limited 3. IFIN Commodities Limited 4. IFIN Credit Limited	Services Limited Member of Nomination and Remuneration Committee 1. IFCI Financial Services Limited		Member of Nomination and Remuneration Committee 1. IFCI Financial Services Limited
Shareholding in the Company	Nil	Nil	Nil	Nil
Relationship with other Directors	Nil	Nil	Nil	Nil

IFCI FINANCIAL SERVICES LIMITED

CIN: U74899DL1995GOI064034

Registered Office: IFCI Tower, 61, Nehru Place, New Delhi – 110 019

ATTENDANCE SLIP

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

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

I hereby record my presence at the 22nd Annual General Meeting of the Company held on Tuesday, October 24, 2017 at 02.00 p.m at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.

Member's/Proxy's Signature

IFCI FINANCIAL SERVICES LIMITED

CIN: U74899DL1995GOI064034

Registered Office: IFCI Tower, 61, Nehru Place, New Delhi – 110 019

FORM NO MGT-11

PROXY FORM

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

CIN : U74899DL1995GOI064034
Name of the Company : IFCI FINANCIAL SERVICES LIMITED
Registered Office : Registered Office: IFCI Tower, 61, Nehru Place,
New Delhi – 110 019

Email: cs@ifinltd.in

Telephone: 044 2830 6634

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

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

(1) Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him/her

(2) Name: _____

Address: _____

Email ID: _____

Signature: _____, or failing him/her

(3) Name: _____

Address: _____

Email ID: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Tuesday, October 24, 2017 at 02.00 p.m at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

ORDINARY BUSINESS

1. Receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2017, together with Board of Directors' Report and the Auditors Report thereon.
2. Appoint a director in place of Smt S. Usha, who retires by rotation and being eligible, offers herself for re-appointment.
3. Appoint Auditors of the Company and fix their remuneration.

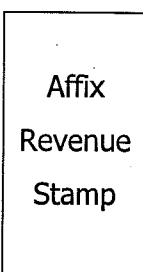
SPECIAL BUSINESS

4. Re-appointment of Smt S. Usha as Managing Director of the Company.
5. Appoint Sri. Sunit V Joshi (DIN No 02962154) as an Independent Director
6. Appoint Shri Rajib Sekhar Sahoo (DIN No. 02708503) as an Independent Director
7. Appoint Smt. Aparna Chaturvedi (DIN No. 00028647) as an Independent Director

Signed this _____ day of _____ 2017

Signature of the Shareholder

Signature of Proxy holder(s)



Notes:

1. The form of Proxy, in order to be effective, should be duly completed and deposited at the Registered office of the company not less than 48 Hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

BOARDS' REPORT

To

The Members of

IFCI Financial Services Limited

The Board of Directors of your Company hereby presents the Twenty Second Annual Report of IFCI Financial Services Limited together with the Audited Financial Statement for the financial year ended on March 31, 2017.

1. FINANCIAL RESULTS

Amount in Rs.lakh

Particulars	Standalone		Consolidated	
	2017	2016	2017	2016
Operating Results:				
Income from Operations	1433.49	1293.48	2272.61	2250.05
Other Income	396.27	527.86	264.87	463.62
Gross Income	1829.76	1821.34	2537.48	2713.67
Gross Expenditure	1905.50	1752.48	2189.71	1988.01
Profit/ (Loss) before Exceptional item, Interest, Depreciation and Tax	(75.74)	68.86	347.77	725.66
Less: Interest	26.81	19.69	160.95	274.64
Profit/(Loss) before Exceptional Item, Depreciation and Tax	(102.55)	49.17	186.82	451.02
Less: Depreciation	14.12	20.42	15.95	22.21
Profit before Exceptional item and tax	(116.67)	28.75	170.87	428.81
Add: Reversal of provisions for Diminution in the value of securities held as stock-in-trade	55.03	(64.76)	54.76	(64.91)
Less: Provision for Doubtful Debts and Advances/bad debts written off	(61.44)	38.33	(59.02)	732.49
Less: Exceptional item		-	(10.50)	12.11
Profit before Tax	(0.2)	(74.34)	295.15	380.70
Less: Current year tax MAT		-	65.25	6.86
Less: MAT Credit entitlement		-	(4.20)	-
Less: Deferred Tax Charges (Net)		(1.23)	(1.65)	(1.00)
Profit after tax	(0.2)	(73.11)	235.75	(386.56)

2. FINANCIAL PERFORMANCE

The Operating Income of IFIN increased from Rs.1293.48 lakh for the year 2015-16 to Rs.1433.49 lakh for the year 2016-17, mainly due to positive sentiments in Capital Markets and higher participation by retail investors.

However, Other Income decreased from Rs.527.86 lakh during 2015-16 to Rs.396.27 lakh in FY 2016-17, since the previous year's figure included profit on sale of windmill asset amounting to Rs.186.82 lakh. Among the other components of Other Income, Miscellaneous Income, which mainly consists of reimbursement of expenses from ISFL, went up due to increased recovery at Rs.31.25 lakh per quarter.

In 2015-16, provision of Rs.103.09 lakh was made in the books, consisting of diminution in the value of shares by Rs.64.76 lakh and provision for bad and doubtful debts of Rs.38.33 lakh. However, during the year 2016-17, due to enhancement in the value of shares by Rs.55.03 lakh and NPA recovery of Rs.61.44 lakh from 2 accounts viz. Prime Research and Advisory Ltd. and Shri Narendra M. Thacker, there has been a reversal of provision aggregating Rs.116.47 lakh, as a result of which net loss for the year 2016-17 was much lower at Rs.0.20 lakh, as against net loss of Rs.73.12 lakh incurred during the last financial year ended 31.03.2016.

There was an overall increase in expenses from Rs.1792.60 lakh for FY 2015-16 to Rs.1946.43 lakh for FY 2016-17. The employee cost increased from Rs.842.30 lakh to Rs.954.96 lakh, mainly on account of change in Leave Encashment Policy and increments given to employees.

Depreciation has come down from Rs.20.42 lakh for FY 2015-16, to Rs.14.12 lakh for FY 2016-17.

Out of 32 branches, 19 branches made a profit of Rs.174.22 lakh and the remaining 13 branches made losses amounting to Rs.42.98 lakh during FY 2016-17, thereby resulting in overall net profit from broking business of branches at Rs.131.24 lakh

during the year. The institutional team of Mumbai and Delhi has earned a net profit of Rs. 54.55 Lakh and Rs. 39.38 each respectively.

3. OPERATIONAL PERFORMANCES

3.1 STOCK BROKING

The Company's stock broking operations have witnessed tremendous growth across geography. With wider reach expected in the Financial Year 2017-18, your Company is on the right path to add to its clientele base significantly. The net brokerage income of the company increased from Rs.1194 lakh in the previous year to Rs.1244 lakh in the current year.

3.2 INSURANCE COMMISSION

Insurance Commission earned during the year is Rs. 0.97 Lakh for the year 2016- 17 (previous year Rs. 0.72 lakh).

3.3 BROKERAGE FROM SELLING OF MUTUAL FUNDS

During the year, your company has earned an income of Rs. 55.50 lakh from selling of mutual fund units as compared to Rs. 21.33 lakh in the previous year.

3.4 DISTRIBUTION OF IPO'S & BONDS

During the year, your company has earned an income of Rs. 49.39 lakh from distribution of IPO's & Bonds as compared to Rs. 30.20 lakh in the previous year.

3.5 DEPOSITORY SEGMENT

The Company operated as the Depository Participants of both NSDL and CDSL during the year for the benefit of its retail and institutional client base. Total Income received during the year 2016-17 was Rs. 57.33 lakh (previous year Rs. 42.59 lakh)

3.6 NON FUND BASED ACTIVITY- MERCHANT BANKING, AND INVESTMENT BANKING

During the year the Company has earned not earned any fees in this category (Previous year Rs. 4.00 lakh).

4. BUSINESS ENVIRONMENT

Presently India is seen as the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

India has also become a hotbed for research and development (R&D) and the country is now a preferred destination for automotive R&D. It has been noted that there was strong potential for growth in areas such as engineering analytics and that significant talent could be found in 'Deccan Triangle' region, which encompasses Pune, Bangalore and Hyderabad.

The US\$ 1.2 trillion investment planned for the infrastructure sector in the 12th Five-Year Plan will go a long way in improving export performance of Indian companies and the Indian growth story, according to Union Minister for Commerce and Industry, Government of India.

Investors in India continue to be optimistic about the country's stock market performance for 2017. Investors believe that the best equity opportunities in 2017 and over the next 10 years will be in India, with rest of Asia in second place.

5. OUTLOOK

IFIN shall adopt the following strategy in order to maintain its growth and profitability for FY 2017-18.

- Revamping of existing branches, closing of non-performing branches
- Using the brand of its parent IFCI Limited, and sales and research team is jointly and aggressively marketing to get more empanelment and market share.
- Motivation of the employees by implementing incentive scheme.
- Lot of emphasis will be given for new client development and cross selling of third party products.
- In Investment banking the plan is to concentrate on syndication of funds required by SME.
- More additions of Sub broker / Authorised Persons

6. SUBSIDIARIES

6.1 IFIN SECURITIES FINANCE LIMITED

IFIN Securities Finance Limited, a NBFC (formerly known as Narayan Sriram Investments Private Limited) is a wholly owned subsidiary of IFCI Financial Services Limited. It is engaged in the business of margin funding, providing loan against shares & property, promoter funding etc.

6.2 IFIN COMMODITIES LIMITED

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

IFIN Commodities Ltd, a registered member of the Multi Commodity Exchange of India Ltd (MCX), National Commodity and Derivatives Exchange Ltd (NCDEX) and National Spot Exchange Limited (NSEL), is primarily engaged in the business of providing Commodity market related transaction services.

6.3 IFIN CREDIT LIMITED

IFIN Credit Limited is a wholly owned subsidiary of IFCI Financial Services Ltd. Currently it is not engaged in any operation. IFIN Credit Limited is in the process of getting merged with IFIN Commodities Limited.

7. SALIENT FEATURES OF THE FINANCIAL STATEMENT UNDER SECTION 129 (3) OF THE COMPANIES ACT, 2013

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

8. DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2017.

9. TRANSFER TO RESERVES

The Board of Directors have no proposal to carry on any amount to any reserves for the year ended March 31, 2017.

10. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

(a) As at March 31, 2017, the Board consisted of 7 (Seven) Directors. The Company has a Non-Executive Chairman and one Managing Director, 4 Independent Directors and 1 IFCI Nominee. The Management of the Company is headed by the Managing Director, who operates under the supervision and control of the Board.

(b) The changes in Directors during the financial year 2016-17 are as follows:

- Shri. M.V. Muthu, Independent Director resigned from the Board on 29.08.2016 consequent upon his tenure as an Independent Director as per the terms of his appointment ended on that date. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. M.V. Muthu, as an Independent Director of the Company.

- The Board of Directors appointed Mr. Sunit V Joshi as an Additional Director of the Company in the category of Independent Director with effect from 21st September, 2016. Mr. Sunit V Joshi has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.
- Shri. Malay Mukherjee, Nominee Director of IFCI designated as Chairman (Non – Executive) of IFIN resigned from the Board on 12th December, 2016 consequent upon completion of his tenure as CEO & MD of IFCI Ltd on 11th December, 2016. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. Malay Mukherjee, as Chairman (Non – Executive) of the Company.
- Shri. Achal Kumar Gupta, Nominee Director of IFCI resigned from the Board on 12th December, 2016 consequent upon completion of his tenure as DMD of IFCI Ltd on 11th December, 2016. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. Achal Kumar Gupta, as Director of the Company.
- The Board had extended the tenure of Smt. S. Usha, Managing Director for a further period of one year, effective from April 21,2017 until April 30,2018, on the existing terms and conditions of her deputation.
- Shri Aby Eapen, appointed in the position of Company Secretary with effect from 06th September, 2016.

(c) Five Board Meetings were held during the year. The dates on which the Board meetings were held are as follows:

111 th Board Meeting	April 18, 2016
112 th Board Meeting	April 27, 2016
113 th Board Meeting	July 29, 2016
114 th Board Meeting	Oct 25, 2016
115 th Board Meeting	Jan 30, 2017

(d) The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director is as given herein below:-

Sl. No.	Name of Director	Attendance Particulars		No. of other Directorships 31 st March, 2017
		No. of Meetings during 2016-17		Other Director-ships (Including Private Limited Companies)
		Held*	Attended	
1.	Shri Biswajit Banerjee @	1	1	
2.	Shri Malay Mukherjee*	4	2	5
3.	Shri Achal Kumar Gupta*	4	4	8
4.	Shri Manoj P Rege	5	5	1
5.	Shri M. V. Muthu*	3	3	2
6.	Shri V. Ramanan	5	5	10
7.	Shri Lalit Kumar Patangia	5	5	-
8.	Shri Sunit Vasant Joshi [@]	2	2	-
9.	Shri Rajesh Kumar Gupta	5	4	-
10.	Smt. S Usha	5	5	3

* No. of Board Meetings held during the tenure of directors in the financial year 2016-2017.

[@]Please refer clause 10(b) of this report regarding changes in Directors during the financial year 2016-17.

11. COMMITTEES OF THE BOARD

11.1 AUDIT COMMITTEE:

(A) COMPOSITION

The Audit Committee of the Company presently consists of two Independent Directors and one Non – Executive Director. The Chairman of the Committee is an independent director. The composition of the Audit committee and attendance of directors at the meetings for the FY 2016-17 is shown below:-

Sl. No.	Name of Director	Designation	No. of Meetings during the tenure of respective directors in FY 2016-2017	
			Held	Attended
1	Shri Lalit Kumar Patangia	Chairman (Independent, Non-executive)	4	4
2	Shri V. Ramanan	Member (Independent, Non-executive)	2	2
3	Shri Sunit V. Joshi	Member (Independent, Non-executive)	1	1
4	Shri M. V. Muthu*	Member (Independent, Non-executive)	2	2
5	Shri Achal Kumar Gupta*	Member (Non-executive)	3	3

* No. of Board Meetings held during the tenure of directors in the financial year 2016-2017.

The Managing Director/Whole-time Director, Statutory Auditors and Internal Auditors are invited to participate in the meetings of the Audit Committee wherever necessary, as decided by the committee. The Company Secretary acts as the Secretary of the Audit Committee.

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

(B) THE NUMBER OF AUDIT COMMITTEE MEETINGS HELD AND DATES:

During the financial year 2016-17, the Audit Committee of Directors of the Company met 4 times. The dates of the meetings were 27.04.2016, 28.07.2016, 25.10.2016 & 30.01.2017.

(C) TERMS OF REFERENCE:

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

11.2 NOMINATION & REMUNERATION COMMITTEE:

(A) COMPOSITION

The Nomination and Remuneration Committee of the Company presently consists of two Independent Directors and the Managing Director. The composition of the Nomination and Remuneration Committee and attendance of directors at the meetings for the FY 2016-17 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2016-2017	
			Held	Attended
1.	Shri M. P. Rege	Chairman (Independent, Non-executive)	2	2
2.	Shri M. V. Muthu	Member (Independent, Non-executive)	2	2
3.	Shri Achal Kumar Gupta	Member (Non-executive)	2	2

(B) THE NUMBER OF MEETINGS HELD AND DATES

During the financial year 2016-17, the Nomination & Remuneration Committee of Directors of the Company met two times. The date of the meeting are 18.04.2016 and 28.07.2016.

(C) TERMS OF REFERENCE:

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

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

11.3 OTHER COMMITTEES:

The Company also has committees such as Management Committee, Share Allotment Committee, Share Transfer Committee, and Investment Committee, etc.,

12. EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92

The Extract of the annual return as provided under sub-section (3) of section 92 in Form MGT-9 is given in **Annexure-II**.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION(6) OF SECTION 149

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

15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is given in **Annexure-III**.

16. AUDITORS

M/s. Ponraj & Co, Chartered Accountants, Chennai are the retiring auditors of the Company and they hold office till the conclusion of this Annual General Meeting.

Comptroller and Auditor General of India (C&AG) vide letter dated 13.07.2017 have appointed M/s. Raman Associate, Chartered Accountants, Chennai as the Statutory Auditors of the Company for the financial year 2017-18. The necessary resolution for fixing the remuneration of auditors will be placed before the shareholders for their approval.

17. REPORTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

The explanations/comments on the report of Comptroller & Auditor General of India on the accounts for the year ended 31st March, 2017 under Companies Act, 2013 are attached as **Annexure-IV** to this report.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Loans, guarantees or investments under section 186 of the Companies Act 2013 form part of the notes to the financial statement.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

There were no materially significant transactions with Related Parties during the FY 2016-17 which were in conflict with the interest of the Company.

The particulars of Contracts or Arrangement with related parties are given in notes to the financial statement. The details as required under Section 134 (3) (h) of the Companies Act, 2013 read with rules thereunder in Form AOC-2 are given in **Annexure V** to this report.

20. DEPOSITS

During the financial year 2016-17, the Company has not accepted any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

21. MATERIAL CHANGES AND COMMITMENTS

There are no significant material changes and commitments for the Financial Year 2016-17.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO & EXPENDITURE ON RESEARCH AND DEVELOPMENT

The Company has taken measures to conserve energy by having energy efficient air conditioners, blade servers, CFL lamps, LCD monitors etc. at its various locations. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipments to increase its organisational efficiency, maximise productivity and to gain competitive advantage.

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

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

23. THE RISK MANAGEMENT POLICY.

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

of the Company takes effective measures in order to protect the interest of the Company and investors as per the policy of the Company.

24. INTERNAL FINANCIAL CONTROL

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business. The Company has appointed M/s. Madhu Balan & Associates as Internal Auditors to conduct the internal audit functions and the activities of the Company for the FY 2017-18.

The findings and recommendations of the Internal Auditors are reviewed by the Audit Committee of the Board on a periodical basis and necessary corrective actions are being undertaken.

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

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

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee.

26. ANTI SEXUAL HARASSMENT POLICY

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

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

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

27. FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, a separate meeting of Independent Directors was held without the attendance of non-independent directors and members of management to review the performance of non-independent directors, the Board as a whole and to review the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

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

Subsequently, the Board has made formal annual evaluation of its own performance, and that of its committees and individual directors taking into consideration the evaluation criteria as set in the Nomination and Remuneration Policy of the Company.

28. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

29. PERSONNEL

The company has no employee in respect of whom the information required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is required to be given.

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

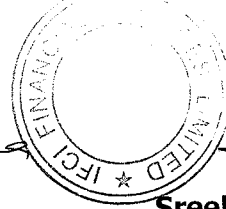
30. ACKNOWLEDGEMENT

The Board of Directors express their gratitude for the co-operation, guidance and support received from the IFCI Limited, Clients of the Company, Reserve Bank of India, Commercial Banks, Regulators, Statutory Authorities, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange, Metropolitan Stock Exchange (formerly MCX-SX), NSDL, CDSL, LIC of India and

Bajaj Allianz General Insurance Co. Ltd. and its clients and other stakeholders of the Company.

By Order of the Board

IFCI Financial Services Limited



S. Usha

S Usha

Managing Director

(DIN 03567757)

Sreekumaran V Nair

Sreekumaran V Nair

Director

(DIN 02207516)

Bajaj Allianz

Place: Chennai

Date: 26.09.2017

(DIN: 03567757)
New No. 6, Old No. 14,
Parthasarathy Road, 10th Street,
Adambakkam, Chennai-600 088

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No	Particulars	Details	Details	Details
1.	Name of the subsidiary	IFIN Securities Finance Limited	IFIN Commodities Limited	IFIN Credit Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Period same as holding company's	Reporting Period same as holding company's	Reporting Period same as holding company's
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Nil	Nil	Nil
4.	Share capital	30,01,00,000	5,00,00,000	2,50,00,000
5.	Reserves & surplus	3,46,12,799	31,49,588	(52,76,562)
6.	Total assets	41,97,30,703	11,25,95,689	2,08,12,688
7.	Total Liabilities	41,97,30,703	11,25,95,689	2,08,12,688
8.	Investments	1,72,699	Nil	Nil
9.	Turnover	7,15,69,297	1,51,20,829	12,56,253
10.	Profit before taxation	3,21,89,811	(14,26,829)	(12,27,395)
11.	Provision for taxation	65,25,000	(5,85,078)	-
12.	Profit after taxation	2,56,64,811	(8,41,751)	(12,27,395)

13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	100%	100%

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

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

Part "B": Associates and Joint Ventures

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

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

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

For IFCI Financial Services Limited



A V Pushparaj
Chief Financial Officer



S Usha
Managing Director
(DIN 03567757)



Sreekumaran V Nair
Director
(DIN 02207516)

(DIN: 03567757)
New No. 6, Old No. 14,
Parthasarathy Nagar 10th Street,
Adambakkam, Chennai-600 088

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

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN*	(OLD - U74899DL1995PLC064034) (New - U74899DL1995GOI064034)
2.	Registration Date	04/01/1995
3.	Name of the Company	IFCI FINANCIAL SERVICES LIMITED
4.	Category/Sub-category of the Company*	Company Limited by shares/ Government Company
5.	Address of the Registered office & contact details	IFCI Towers, 61, Nehru Place, New Delhi – 110019 & Email: cs@ifinltd.in , Telephone: 044 2830 6650
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Security and commodity contracts brokerage	6612	60.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IFCI Ltd IFCI Towers, 61, Nehru Place, New Delhi – 110019	(Old- L74899DL1993PLC053677) (New - L74899DL1993GOI053677)	Holding	94.78	Section 2 (87) & Section 2 (46)

2	IFIN Securities Finance Limited Continental Chambers, 142, 3 rd Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	(Old - U65991TN1989PLC017792) (New - U65991TN1989GOI017792)	Subsidiary	100%	Section 2 (87)
3.	IFIN Commodities Limited Continental Chambers, 142, 3 rd Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	(Old - U93000TN2009PLC070524) (New - U93000TN2009GOI070524)	Subsidiary	100%	Section 2 (87)
4.	IFIN Credit Limited Continental Chambers, 142, 3 rd Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600 034	(Old - U67190TN1995PLC032057) (New - U67190TN1995GOI032057)	Subsidiary	100%	Section 2 (87)

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF*		6	6	0.00		6	6	0.00	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	3,93,63,803	3,93,63,803	94.78	-	3,93,63,803	3,93,63,803	94.78	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	3,93,63,803	3,93,63,803	94.78	-	3,93,63,803	3,93,63,803	94.78	0
B. Public Shareholding**	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Companies									
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	2169900	2169900	5.22	-	2169900	2169900	5.22	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total** (B)(2):-	-	2169900	2169900	5.22	-	2169900	2169900	5.22	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	41533709	41533709	100	-	41533709	41533709	100	0

* beneficial interest are held by IFCI Limited

**Shares held by individuals other than promoter are shown in "B", since they do not fall under the category of "Promoter."

B) Shareholding of Promoter:

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholdin g during the year
		No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumbere d to total shares	No. of Shares	% of total Shares of the compa ny	%of Shares Pledged / encumbere d to total shares	
1	IFCI Limited	3,93,63,803	94.78	-	3,93,63,803	94.78	-	-
2	Shri Satpal Arora (Nominee of IFCI Limited)	1	0.00	-	0	0.00	-	-
3	Shri Biranchi N Nayak (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
4	Shri V. Satyavenkata Rao (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
5	Shri Deepak Mishra (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
6	Shri A K Assija (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
7	Shri Dharam Pal Rauhilla (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
8	Shri Vijay Pal (Nominee of IFCI Limited)	0	0.00	-	1	0.00	-	-
	Total	3,93,63,809	94.78	-	3,93,63,809	94.78	-	-

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	3,93,63,809	94.78	3,93,63,809	94.78
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	3,93,63,809	94.78	3,93,63,809	94.78

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	- Smt. Chandra Ramesh	17,57,619	4.23	17,57,619	4.23
	- Shri D.V. Ramesh	4,12,281	0.99	4,12,281	0.99
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year				
	- Smt. Chandra Ramesh	17,57,619	4.23	17,57,619	4.23
	- Shri D.V. Ramesh	4,12,281	0.99	4,12,281	0.99

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		S. Usha (MD)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,229,582	2,229,582
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	489,369	489,369
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	10,917	10,917
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	2,729,868	2,729,868
	Ceiling as per the Act (as per Schedule V of the Companies Act, 2013)		N.A

B. Remuneration to other directors (Amount in Rs)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri M V Muthu#	Shri M P Rege	Shri V Ramanan	Shri Lalit Patangia	Shri Sunit Vasant Joshi	
1	Independent Directors						
	Fee for attending board and committee meetings	78,000	87,000	87,000	1,02,000	31,500	3,85,500
	Commission	-	-	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri M V Muthu [#]	Shri M P Rege	Shri V Ramanan	Shri Lalit Patangia	Shri Sunit Vasant Joshi	
	Others, please specify	-	-	-	-	-	-
	Total (1)	78,000	87,000	87,000	1,02,000	31,500	3,85,500
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	78,000	87,000	87,000	1,02,000	31,500	3,85,500
	Total Managerial Remuneration*						Nil
	Overall Ceiling as per the Act						(@1% of profits calculated under Section 198 of the Companies Act, 2013)

Shri. M.V. Muthu, Independent Director resigned from the Board on 29.08.2016 consequent upon expiry of his tenure as an Independent Director.

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

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,57,131	9,35,828	13,92,959
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalty / Punishment/ Compounding under Companies Act during the year ended 31.03.2017.

By Order of the Board

IFCI Financial Services Limited

S. Usha
S Usha

Managing Director
(DIN 03567757)



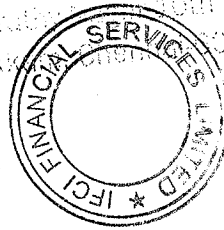
Sreekumar V Nair
Sreekumar V Nair

Director
(DIN 02207516)

Place: Chennai

Date: 26.09.2017

(DIN: 03567757)
New No. 6, Old No. 14,
Parthasarathy Street, 10th Street,
Adambakkam, Chennai - 600 088



Nomination and Remuneration Policy

1. Background:

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

2. Framework

- 2.1.** The requirement of formulating a Nomination and Remuneration Policy stems from the provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- 2.2.** Any other Law, Statute as may be applicable for the time being in Force.

3. Objective

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

3.4. To lay down criteria for the evaluation of the Board

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

3.6. To formulate criteria for evaluation of Directors.

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

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

4.1. Educational qualification:

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

4.2. Experience/Expertise

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

4.3. Disqualifications

- The Candidate should not be of unsound mind.
- The Candidate should not be an undischarged insolvent.
- The Candidate must not have applied to be adjudicated as an insolvent and his application must not be pending.
- The Candidate must not have been convicted by a Court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six (6) months.

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

4.4. Other Eligibility Criteria

- Each director must be an individual of high personal and professional integrity and ethical character.
- The candidate should have exhibited behavior that indicates he or she is committed to the highest ethical standards.
- The candidate should not deprive the Company of any opportunity that belongs to the Company.
- He should not be in a position of diverting the corporate opportunity for own benefits or to others, to the detriment of the Company.
- The candidate must not at any time compete with the company in respect of any business transaction.
- Each director must possess the ability to exercise sound business judgment on a broad range of issues.
- The candidate has preferably had business, governmental, non-profit or professional experience at the Chairman, Chief Executive Officer, Chief Operating Officer or

equivalent policy-making and operational level of a large organization that indicates that the candidate will be able to make a meaningful and immediate contribution to the Board's discussion and decision-making on the array of complex issues facing a large financial services business.

- The candidate has achieved prominence in his or her business, governmental or professional activities, and has built a reputation that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.
- The Nomination and Remuneration Committee must be satisfied that the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of all of the company's stockholders and other stakeholders in reaching decisions, rather than advancing the interests of a particular constituency.
- The Nomination and Remuneration Committee must satisfy itself that the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a Director.

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

- An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, -
 - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh

rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

- Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section

Explanation.—For the purposes of this section, “nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for

the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

5. Remuneration Policy

I. Board Level Remuneration Structure

1. For Executive Directors (Managing Director and Whole-time Directors)

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

2. In case of Non-Executive/Independent Directors

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

(ii) Remuneration other than Sitting Fees - As approved from time to time.

II. In case of Key Managerial Personnel and other Employees —

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

6. Monitoring and Evaluation

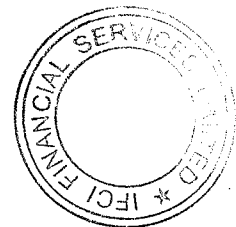
The Nomination and remuneration Committee shall evaluate the performance of the Directors and the overall Board broadly on the basis of below mentioned criteria:

- Whether the Directors/Board have acted in accordance with the provisions of the Articles of Association of the Company.
- The Committee shall assemble all information regarding a candidate's background and qualifications to determine if the candidate possesses or satisfies the minimum skills and qualifications that a director must possess.
- The Committee shall evaluate a candidate's mix of skills and qualifications and determine the contribution the candidate could be expected to make to the overall functioning of the Board.

- The Committee shall give due consideration to the overall Board balance of diversity of perspectives, backgrounds and experiences.
- With respect to current directors, the Committee shall consider past attendance at meetings and assess the participation in and contributions to the activities of the Board.
- Whether the Directors/Board have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the Community and for the protection of environment.
- Whether the Director/Board has exercised their duties with due and reasonable care, skill and diligence and whether the Director/Board have exercised independent judgment.
- Whether the Director/Board have involved in a situation in which he/they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- The Committee shall recommend director to the Board based on its assessment of overall suitability to serve on the Board in accordance with this Policy.

7. Board Diversity

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





भारताय लेखा तथा लेखा परीक्षा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
तथा पदेन सदस्य लेखा परीक्षा बोर्ड, चेन्नै

*Indian Audit and Accounts Department
Office of the Principal Director of Commercial Audit
and ex-officio Member Audit Board, Chennai*

22.09.2017

CONFIDENTIAL

No. PDCA/CHENNAI/CA III/Cord/IFIN/2-111/2017-18/419

To

The Managing Director,
IFCI Financial Services Limited,
142, Continental Chambers, M.G. Road,
Nungambakkam, Chennai-34.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of IFCI Financial Services Limited (Standalone and Consolidated Financial Statement), Chennai for the year ended 31 March 2017.

I forward herewith the comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of IFCI Financial Services Limited (Standalone and Consolidated Financial Statement), Chennai, for the year ended 31 March 2017.

Five copies of Printed Annual Report of your Company may be arranged to be forwarded to this office.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(E. SRINIVASAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI

Encl: Audit Certificate

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED, CHENNAI, FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Company's Act, 2013, (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.05.2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of IFCI Financial Services Limited and IFIN Credit Limited but did not conduct supplementary audit of financial statements of IFIN Securities Finance Limited & IFIN Commodities Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

Notes to the Financial Statements and Independent Auditor's Report

As per Ministry of Corporate Affairs' notifications dated 30th March 2017, every Company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016 in its Financial Statements and that the Independent Auditors' Report should contain a comment as to whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in SBN during the above period and if so, whether these are in accordance with the books of accounts maintained by the company.

However, the Company as well as the Statutory Auditors did not comply with the above notifications as neither the Company made the above disclosure in the Financial Statements nor the Statutory Auditors commented upon the same in their Report.

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


(E. SRINIVASAN)

**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI**

Place: Chennai
Date: 22.09.2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

Independent Auditor's Report

- (a) As per Ministry of Corporate Affairs notification dated 30th March 2017, the Independent Auditors' Report should contain a comment as to whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November 2016 to 30th December 2016 and if so, whether these are in accordance with the books of accounts maintained by the company.

However, the Statutory Auditors did not comply with the notification as the above comment was not included in the Independent Auditor's Report.

- (b) In item No. XVI of the Annexure B of the Independent Auditor's Report, the reference to Section 45-A of RBI Act, 1934 is incorrect and the same should have been Section 45-IA. Despite being a repeated mistake, Statutory Auditors failed to rectify the same.

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


(E. SRINIVASAN)

**PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI**

Place: Chennai
Date: 22.09.2017

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FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

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


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

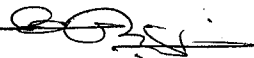
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil


e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

By Order of the Board

IFCI Financial Services Limited


S Usha
Managing Director
(DIN 03567757)


Sreekumaran V Nair
Director
(DIN 02207516)



Place: Chennai
Date: 26.09.2017

(DIN: 03567757)
New No. 6, Old No. 14,
Parthesarathy Nagar 10th Street,
Adambakkam, Chennai-600 088

INDEPENDENT AUDITORS 'REPORT

TO

The Members of IFCI Financial Services Limited

REPORT ON STAND ALONE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **IFCI Financial Services Limited** ("the Company"), which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the Financial Statements:

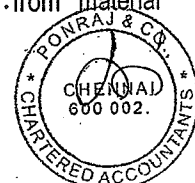
The Company's Board of Directors is responsible for the matters specified in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of financial position, financial performance and cash flow of Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 Control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of Financial Statements, whether due to fraud or error.

In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, read with Note's to Accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet of the state of affairs of the Company as at March 31,2017;
- b. In the case of the statement of Profit and Loss, of the LOSS for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. As per the information and explanations given to us, the Company has branch office(s) only for marketing purposes. Hence, no requirement to consider report of Branch Auditor and dealt with it in preparing our report.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

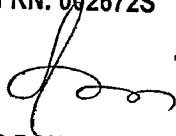


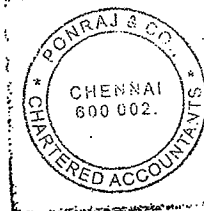
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- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequate Internal Financial Control over financial reporting of the Company and in place and the operating effectiveness of such controls refer to our Report in Annexure A. This is also reviewed by KPMG in their Report "Evaluation of Internal Financial Control"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has pending litigations against it to the tune of Rs. 128.88 lakhs and its impact cannot be ascertained.
- ii) The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
- iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
3. As per Directions issued by the C & AG of India under section 143(5) of the Companies Act 2013, we report that:
1. As per the information and explanations given to us, the Company do not hold any freehold or lease hold land as on the Balance Sheet date.
2. According to the information and explanation given to us and on the basis of audit carried out by us, we note that there are no cases of waiver / write off of debts during the year.
3. The Company does not hold inventory and have not received any assets as gifts / grants from the Government or other authorities. Hence, reporting under this sub-direction does not arise.

Place: Chennai
Dated: 05.05.2017

For PONRAJ & CO
Chartered Accountants
FRN: 002672S


S.PONRAJ
M.NO: 15274



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Annexure "A" to the Independent Auditors' Report of M/s. IFCI FINANCIAL SERVICES LIMITED as of and for the year ended March 31, 2017:

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

We have audited the internal financial controls over financial reporting of **M/s. IFCI Financial Services Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

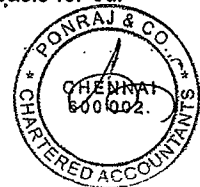
The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial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

Auditors' Responsibility

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

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

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



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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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

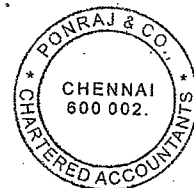
Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note issued by the ICAI.

Place: Chennai
Dated: 05.05.17

For PONRAJ & CO
Chartered Accountants
FRN: 002672S


S. PONRAJ
M.NO: 15274



PONRAJ & Co.

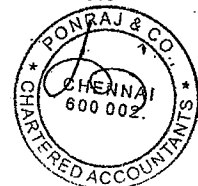
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ANNEXURE "B" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2017:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The physical verification of fixed assets is being done by the Company once in a year which in our opinion is reasonable having regard to the size of the Company and nature of business. During the year the assets have been physically verified by the Management and no major variations noticed.

(c) As per our verification and explanations given to us, the Company is not having any immovable property in its name.
- ii) The Company does not have any inventory; therefore, clause 3(ii) of the order is not applicable.
- iii) The Company has granted secured loan to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and the terms and conditions, repayments and interest payments have been complied with.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied in the provisions of sections 185 and 186 of the Companies Act, 2013 in the respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, wherever applicable. Therefore the provisions of clause 3(v) of the Order are not applicable.
- vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
- vii) a) According to the information and explanations given to us and the records produced before us for verification, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and any other statutory dues with the appropriate authorities.



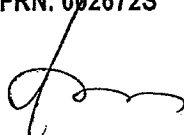
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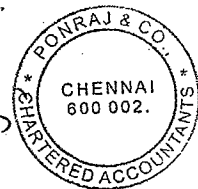
CHARTERED ACCOUNTANTS

- b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax or Duty of customs or Duty of excise or Value added tax or Cess which have not been deposited on account of any dispute. The disputed tax on the addition of Rs. 9,12,999 for the A.Y 2011-12 and an appeal has been filed.
- viii) The Company has not defaulted any repayment to financial institutions. The Company has not taken any loan from banks or government. The Company has no debenture holders.
- ix) The Company has not raised any fund through IPO/term loan.
- x) To the best of our knowledge and belief and according to information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.
- xi) The Company made has paid managerial remuneration as per provisions of Section 197 read with Schedule (v) of the Companies Act 2013.
- xii) The Company is not a Nidhi Company; clause (xii) is not applicable.
- xiii) As per information given to us, all the transactions to which section 177 and 188 of the Companies Act 203 applies, have been disclosed by the Company as required by applicable Accounting Standards.
- xiv) As per information given to us, the Company has not made any preferential issue/ private placement of shares/debentures during the year. Hence this clause is not applicable.
- xv) The Company has not entered into any non-cash transactions with Directors or other persons to whom the provisions of section 192 of the Act applies.
- xvi) The Company is not required to be registered under section 45A of RBI Act 1934.

Place: Chennai
Dated: 05.05.17

For PONRAJ & CO
Chartered Accountants
FRN: 002672S


S.PONRAJ
M.NO: 15274



IFCI Financial Services Limited
Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars		Note No.	As at 31st March 2017	As at 31st March 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	415,337,090	415,337,090
	(b) Reserves and surplus	3	288,397,884	288,417,926
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(a) Deferred tax liabilities (Net)		2,766,999	2,766,999
	(b) Other Long term liabilities	4	6,626,724	6,689,988
	(c) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		231,726,357	141,412,793
	(c) Other current liabilities	5	17,985,165	23,541,507
	(d) Short-term provisions	6	6,677,614	3,780,009
	TOTAL		969,517,834	881,946,312
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible assets		3,145,204	4,212,684
	(ii) Intangible assets		1,975,375	2,210,258
	(b) Non-current investments	8	385,223,063	385,223,063
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	9	140,263,436	35,580,716
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	10	15,914,685	11,212,693
	(b) Trade receivables	11	75,056,628	103,687,265
	(c) Cash and cash equivalents	12	264,852,554	239,337,128
	(d) Short-term loans and advances	13	73,427,071	75,675,573
	(e) Other current assets	14	9,659,818	24,806,932
	TOTAL		969,517,834	881,946,312

The Notes 1 to 14 form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date

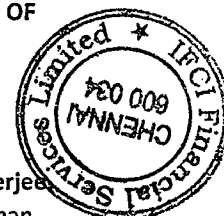
For **PONRAJ & Co.**,
Chartered Accountants
FRN 002672S

S. PONRAJ
Partner, M.No 15274

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

S. Usha
Partner
Managing Director

Biswajit Banerjee
Chairman



Place : Chennai
Date: 05/05/2017

Aby Eapen
Company Secretary

A V Pushparaj
Chief Financial Officer

IFCI Financial Services Limited
Profit and loss statement for the period ended 31st March 2017.

(Amount in Rs)

Particulars		Note No.	For the Period ended 31.03.2017	For the Period ended 31.03.2016
I.	Revenue from operations	15	130,435,064	116,083,680
II.	Other Operating Income	16	12,913,861	13,264,119
III.	Other Income	17	39,627,092	52,786,522
IV.	Total Revenue (I + II + III)		182,976,018	182,134,321
V.	Expenses:			
	Employee benefits expense	18	95,495,763	84,230,133
	Finance costs	19	2,680,972	1,969,504
	Depreciation and amortization expense		1,411,819	2,042,094
	Other expenses	20	95,054,061	91,017,784
	Total expenses (V)		194,642,614	179,259,515
VI.	Profit before bad & doubtful debts and tax (IV - V)		(11,666,596)	2,874,806
VII.	Provision for bad & Doubtful debts	21	(11,646,555)	10,309,405
	Exceptional Items -Interest received			
VIII.	Profit before extraordinary items and tax (VI - VII)		(20,041)	(7,434,599)
IX.	Extraordinary Items			
X.	Profit before tax (VI -VII)		(20,041)	(7,434,599)
XI.	Tax expense:			
	- Current Tax / Deferred Tax		-	-
	- Deferred Tax Reversal (Net)		-	(122,992)
XII.	Profit (Loss) after tax (VIII -IX)		(20,041)	(7,311,607)
XIII.	Profit/(loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		-	-
XVI.	Profit (Loss) for the period (XII + XV)		(20,041)	(7,311,607)
XVII.	Earnings per equity share:			
	(1) Basic		(0.00)	(0.18)
	(2) Diluted		(0.00)	(0.18)

The Notes 1 & 15 to 21 form an integral part of Statement of Profit and Loss
This is the Statement of Profit and Loss referred to in our Report of even date

For **PONRAJ & CO.,**
Chartered Accountants
FRN 00262 For **PONRAJ & Co.,**
Chartered Accountants

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

S. PONRAJ
Partner, M.No 15274

Partner

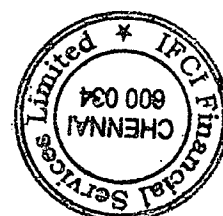
S. Usha
S. Usha
Managing Director

Biswajit Banerjee
Chairman

Place : Chennai
Date: 05/05/2017

Aby Eapen
Aby Eapen
Company Secretary

A V Pushparaj
A V Pushparaj
Chief Financial Officer



IFCI FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2017

(Amount in Rs)

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(20,041)	(7,434,599)
	Adjustments for:		
	Depreciation / Amortisation on Fixed Assets	1,411,819	2,042,094
	Dividend Received (considered separately under Investment Activities)	(174,279)	(169,634)
	Finance Cost (considered separately under Finance Activities)	2,680,972	1,969,504
	Interest income	(21,943,080)	(20,804,746)
	Profit/(Loss) on Fixed Asset	-	(18,682,315)
		(18,024,568)	(35,645,096)
A	Operation Profit before Working Capital Changes	(18,044,610)	(43,079,695)
	Adjustments for:		
	(Increase) / Decrease in Current Investments	(4,701,992)	6,476,369
	(Increase) / Decrease in Trade Receivables	28,630,637	4,057,390
	(Increase) / Decrease in Loans & Advances	(102,434,218)	(6,892,663)
	(Increase) / Decrease in Other current Assets	15,147,114	(11,485,836)
	Increase / (Decrease) in Trade Payable	90,313,564	15,711,835
	Increase / (Decrease) in Provisions	2,897,605	801,058
	Increase / (Decrease) in Non - Current Liabilities	(5,619,606)	(4,518,382)
		24,233,105	4,149,771
	Cash Generated from Operation before tax	6,188,495	(38,929,924)
	Direct taxes paid	-	-
	Net cash from Operating Activities	6,188,495	(38,929,924)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(109,456)	(370,262)
	Decrease in Capital advance	-	-
	(Increase) / Decrease in Fixed Deposits	(21,620,023)	(20,084,314)
	Dividend Received	174,279	169,634
	Interest received	21,943,080	20,804,746
	investment in subsidiaries	-	-
	Sale of Fixed Assets	-	31,394,458
	Net Cash used in / raised from Investing Activities	387,880	31,914,262
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Short term Borrowing(net)	-	-
	Finance Cost	(2,680,972)	(1,969,504)
	Repayment of Loans	-	-
		(2,680,972)	(1,969,504)
	Net Changes in Cash & Cash Equivalent (a+b+c)	3,895,403	(8,985,166)
	Opening Cash and Cash Equivalent	41,884,312	50,869,478
	Closing Cash and Cash Equivalent	45,779,715	41,884,312
	Increase / (Decrease) in Cash & Cash Equivalent	3,895,403	(8,985,166)

The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules, 2006.

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

For PONRAJ & Co.,
Chartered Accountants
FRN 002672S

For PONRAJ & Co.,
Chartered Accountants

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

S. PONRAJ
Partner, M.No 15274

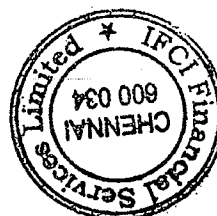
S. Usha
Partner Managing Director

Biswajit Banerjee
Chairman

Place : Chennai
Date : 05/05/2017

Aby Eapen
Company Secretary

A V Pushparaj
Chief Financial Officer



IFCI FINANCIAL SERVICES LIMITED
Note no. 2 Share Capital

(Amount in Rs.)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	41,53,37,090
Subscribed & Paid up				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Subscribed but not fully Paid up				
Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	41,533,709	415,337,090	41,533,709	415,337,090

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956
(Following disclosure should be made for each class of Shares)

Particulars	As at 31st March 2017		Equity Shares March 2016	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	41,533,709	415,337,090	41,533,709	415,337,090
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,533,709	415,337,090	41,533,709	415,337,090

3,93,63,809 Equity Shares (Previous year 3,93,63,809 equity shares) are held by IFCI Limited, the holding company and its nominees.

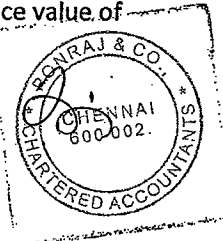
Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Limited and nominees	39,363,809	94.78	39,363,809	94.78
Ms. Chandra Ramesh	1,757,619	4.23	1,757,619	4.23
Mr. D V Ramesh	412,281	0.99	412,281	0.99

On 01st November 2011, 3,24,60,622 equity shares of Rs.10/- each were allotted to IFCI Ltd for consideration other than cash on preferential basis by conversion of debt of Rs.76.25 Crore into equity

Terms/Rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of Rs.10/- per share entitled to one vote per share.

Abhishek A Singh



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IFCI FINANCIAL SERVICES LIMITED

Note No. 3 Reserves and Surplus

(Amount in Rs.)

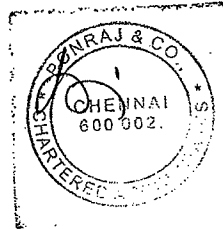
Particulars	As at 31st March 2017	As at 31st March 2016
A. Securities Premium Account		
Opening Balance	451,643,790	451,643,790
Add : Securities premium credited on Share issue For Issuing Bonus Shares	-	-
Closing Balance	451,643,790	451,643,790
B. Other Reserves (Specify the nature and purpose of each reserve)		
i) Amalgamation Reserve:		
Opening Balance	9,763,970	9,763,970
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,763,970	9,763,970
ii) General Reserve:		
Opening Balance	9,179,620	9,179,620
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,179,620	9,179,620
C. Surplus:		
Opening balance	(182,169,454)	(174,096,973)
(+) Net Profit/(Net Loss) For the current year	(20,041)	(7,311,607)
(-) Adjustment for Fixed Asset	-	760,874
(+) Transfer from Reserves	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(182,189,496)	(182,169,454)
Total	288,397,884	288,417,926

Note No. 4 Other Long Term Liabilities

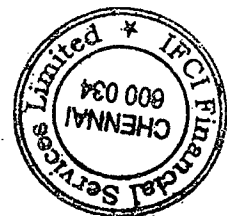
(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Security Deposit and Sundry deposits	6,626,724	6,689,988
Total	6,626,724	6,689,988

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IFCI FINANCIAL SERVICES LIMITED
Note No. 5 Other Current Liabilities

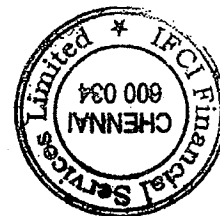
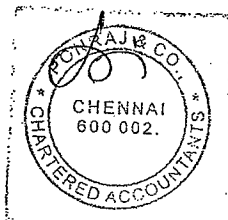
(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
Other payables		
Creditors for expenses	2,569,605	2,029,353
Statutory dues	13,595,553	20,414,666
Other liabilities	1,820,008	1,097,488
Total	17,985,165	23,541,507

Note No. 6 Short Term Provisions

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Provision for employee benefits		
Gratuity	-	187,996
Leave Encashment	5,881,595	1,766,366
Bonus	796,019	1,825,647
Total	6,677,614	3,780,009

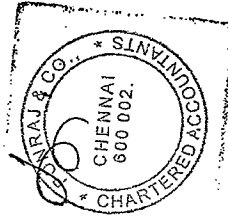
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ICI FINANCIAL SERVICES LIMITED

Note: 7 Fixed Assets

Fixed Assets	Gross Block						Accumulated Depreciation				Net Block	
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st Mar 17	Balance as at 1st April 2016	Depreciation charge for the year	On disposals	Balance as at 31st Mar 17	Balance as at 31st Mar 17	Balance as at 31 March 2016	Rs.	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a												
Tangible Assets												
Furniture and Fixtures	5,597,156	54,260	-	5,651,416	4,517,646	447,100	-	4,964,746	686,670	1,079,510		
Vehicles	22,150	-	-	22,150	20,406	501	-	20,907	1,243	1,744		
Office equipment	11,031,009	15,600	-	11,046,609	8,935,638	648,575	-	9,584,213	1,462,396	2,095,371		
computer hardware	37,343,791	3,700	-	37,347,491	36,307,732	44,864	-	36,352,596	994,895	1,036,059		
Total	53,994,106	73,560	-	54,067,666	49,781,423	1,141,040	-	50,922,462	3,145,204	4,212,684		
b												
Intangible Assets												
Computer software	32,697,279	35,896	-	32,733,175	30,487,021	270,779	-	30,757,800	1,975,375	2,210,258		
Licenses and franchise	-	-	-	-	-	-	-	-	-	-		
Others - Non compete fees	10,000,000	-	-	10,000,000	10,000,000	-	-	10,000,000	-	-		
Total	42,697,279	35,896	-	42,733,175	40,487,021	270,779	-	40,757,800	1,975,375	2,210,258		
Total	96,691,385	109,456	-	96,800,841	90,268,444	1,411,819	-	91,680,262	5,120,579	6,422,942		
Previous Year	142,941,893	370,262	46,620,770	96,691,385	121,374,030	2,042,094	33,908,554	89,507,570	6,422,942	21,567,863		



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IFCI FINANCIAL SERVICES LIMITED

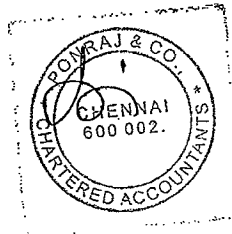
Note 8 Non Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
Other Investments (Refer B below)		
(a) Investment Properties		
(b) Investment in Equity instruments	385,223,063	385,223,063
Total	385,223,063	385,223,063
Less : Provision for dimunition in the value of Investments	-	-
Total	385,223,063	385,223,063

Particulars	As at 31st March 2017	As at 31st March 2016
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	385,223,063	385,223,063

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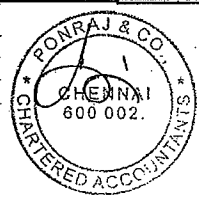
IFCI FINANCIAL SERVICES LIMITED

Note 9 Long Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	-
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good *	131,363,930	30,963,430
Doubtful	-	-
	-	-
	-	-
	131,363,930	30,963,430
c. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
	-	-
d. Other loans and advances (specify nature)		
Other Loans & Advances	8,899,506	4,617,286
Advance Tax (net of provisions)	-	-
Doubtful	-	-
	8,899,506	4,617,286
	-	-
	-	-
Total	140,263,436	35,580,716

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IFCI FINANCIAL SERVICES LIMITED

Note 10 Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Investment in Equity instruments	33,971,809	34,772,801
(b) Investments in preference shares	-	-
Total (A)	33,971,809	34,772,801
Less : Provision for diminution in the value of Investments	18,057,124	23,560,108
Total	15,914,685	11,212,693

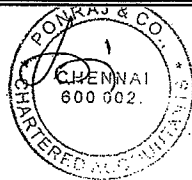
Particulars	As at 31st March 2017	As at 31st March 2016
Aggregate amount of quoted investments	15,914,685	11,212,693
Aggregate amount of unquoted investments	-	-

Note 11 Trade receivable

(Amount in Rs.)

Particulars	As at 31st March 2017	As at 31st March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Secured, considered good	71,689,973	57,518,238
Unsecured, considered good	896,432	43,758,222
Unsecured, considered doubtful	896,432	108,294
	72,586,405	101,384,754
Less: Provision for doubtful debts	896,432	108,294
	71,689,973	101,276,460
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	3,366,654	1,912,259
Unsecured, considered good	-	498,546
Unsecured, considered doubtful	131,719,017	138,650,726
	135,085,671	141,061,531
Less: Provision for doubtful debts*	131,719,017	138,650,726
* Includes Rs. 1,25,66,906 receivables from IFCI Limited	3,366,655	2,410,805
Total	75,056,628	103,687,265

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IFCI FINANCIAL SERVICES LIMITED
Note 12 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2017		As at 31st March 2016	
a. Balances with banks				
In Current Accounts with Banks	-	45,779,096	-	41,873,677
Fixed Deposit	-	219,072,839	-	197,452,816
Other Commitments	-	-	-	-
Cash equivalents and Bank Deposits				
(Bank deposits with more than 12 months maturity)	82,194,759	-	70,823,583	-
b. Cheques, drafts on hand	-	-	-	-
c. Cash on hand	-	619	-	10,635
Total	-	264,852,554	-	239,337,128

The details of Specified Bank Notes (SBN) held and transacted during the period 8-11-2016 to 30-12-2016 as provided in the Table below:—

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	-	100*60 No's, 50*1 No & 1*3 No's	6053.93 Dr
(+) Permitted receipts	-	100*1250 No's	125000 Dr
(-) Permitted payments	-	100*1231 No's & 1*10 No.	1,23,110 Cr
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30-12-2016	-	-	7943.93 Dr

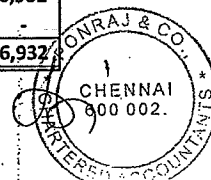
Note 13 Short term loans and advances

(Amount in Rs.)

Particulars	As at 31st March 2017		As at 31st March 2016	
a. Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	665,431	-	1,516,722	-
Doubtful	-	-	-	-
	-	665,431	-	1,516,722
b. Others				
Other Loans and Advances	36,169,797	-	28,641,023	-
Advance Tax (net of provisions)	33,461,617	-	33,479,111	-
Sundry Deposits	-	-	3,628,068	-
Prepaid Expenses	3,130,226	-	8,410,649	-
Secured, considered good	-	72,761,640	-	74,158,851
	-	72,761,640	-	74,158,851
Total	-	73,427,071	-	75,675,573

Note 14 Other current assets

Particulars	As at 31st March 2017	As at 31st March 2016
	Interest accrued on Deposits	9,659,818
Interest Receivable	-	-
Total	9,659,818	24,806,932



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IFCI FINANCIAL SERVICES LIMITED
Note 15 Revenue from Operations

(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Brokerage On Stock Broking	111,012,803	103,635,385
Commission On Mutual Fund	5,550,528	2,132,670
Insurance Commission	97,622	72,289
Loan Syndication Fee	1,405,435	179,277
Fees for Merchant Banking	-	400,000
Depository Income	5,732,829	4,258,613
Commision From IPO / Bonds	4,938,841	3,020,279
Commision On Fixed deposits	1,317,378	2,163,483
Account Opening Charges	205,350	52,050
Dividend income	174,279	169,634
Total	130,435,064	116,083,680

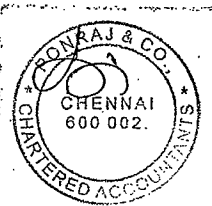
Note 16 Other Operating Income

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Sale of Power / Electricity	-	356,990
Delayed Payment Interest	12,913,861	12,907,129
Total	12,913,861	13,264,119

Note 17 Other Income

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Rental Income	2,627,949	2,782,956
Miscellaneous Income	14,881,477	10,516,505
Profit on sale of Asset	-	18,682,315
Interest Income	21,943,080	20,804,746
Profit on Sale of Investments	174,586	-
Total	39,627,092	52,786,522

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IFCI FINANCIAL SERVICES LIMITED

Note 18 Employee Benefits expense

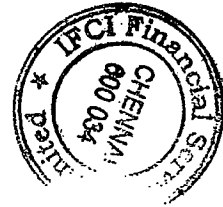
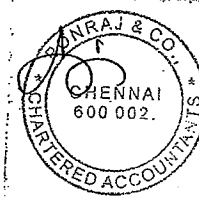
(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(a) Salaries and incentives	86,387,789	76,145,218
(b) Contributions to - Provident fund & Employee State Insurance	5,331,007	5,407,020
Gratuity fund contributions	1,407,265	203,724
(c) Staff welfare expenses	2,369,702	2,474,171
Total	95,495,763	84,230,133

Note 19 Finance Costs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Interest expenses	-	-
Bank Financial Charges	2,680,972	1,969,504
Total	2,680,972	1,969,504

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IFCI FINANCIAL SERVICES LIMITED

Note: 20 Other Expenses

(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Fees To Clearing Member	1,565,918	1,444,489
Information Technology Exp	1,127,252	696,876
Data Feed Charges	2,078,323	1,282,617
Depository Participant Expenses	1,288,376	300,813
Broking Stamp Expenses	26,400	18,560
Professional & Consultancy Charges	25,166,006	23,647,460
Transaction Charges	1,836,464	1,672,129
Advertisement	141,386	374,134
Audit Fees	755,000	755,000
Electricity Charges	4,309,357	4,058,594
Insurance Expenses	1,446,577	986,670
Commission Paid	9,977,883	3,985,232
Postage & Telegram	930,877	1,015,174
Printing & Stationery	1,207,767	1,357,554
Rent	23,385,477	27,018,888
Rates & Taxes	168,641	1,421,810
Repairs & Maintenance	1,114,977	1,644,844
Sitting Fees	385,500	315,000
Membership Fee And Subscription	7,059,310	5,653,247
Telephone Expenses	4,440,820	6,195,606
Training Expenses	107,433	163,499
Travelling & Conveyance Expenses	1,195,371	1,877,168
Office Maintenance	3,038,966	2,634,648
Business Development Expenses	38,951	211,680
Other Administrative Expenses	2,261,030	2,286,092
TOTAL	95,054,061	91,017,784

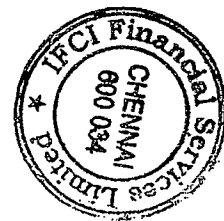
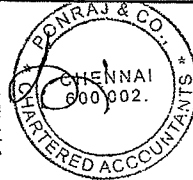
IFCI FINANCIAL SERVICES LIMITED

Note: 21 Provision for Bad & Doubtful debts

(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Diminution in the value of shares (Net)	(5,502,984)	6,476,370
Bad Debts Written off	-	-
Provision for Doubtful Debts and Adv	(6,143,571)	3,833,035
TOTAL	(11,646,555)	10,309,405

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IFCI FINANCIAL SERVICES LIMITED

Note No. 1

A. Significant Accounting Policies:

- I. The financial accounts have been prepared on accrual basis in accordance with Generally Accepted Accounting Principles in compliance with all material aspects, in accordance with applicable Accounting Standards notified under section 133 of the Companies Act, 2013.

II. Use of Estimates:

The preparation of the financial statements is in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

III. Revenue Recognition:

Broking Income

Brokerage Income is recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Interest Income

Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

Loan Syndication Fees

- Loan Syndication Fees are recognized when the right to receive the income is established.

Income from Depository Segment

- Depository Services incomes are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.

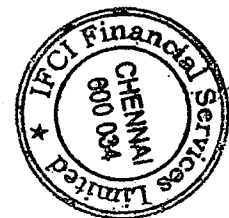
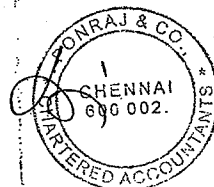
Insurance Income

- Insurance Commission from Agency business is booked upon actual receipt of commission from the principal.

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Commission from marketing of Mutual Fund units and Bonds

- The Company is accounting for commission from marketing of mutual fund units and Bonds on accrual basis.

Equity Index/Stock – derivatives

- Equity Index/Stock Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance sheet date.
- As at the Balance sheet date, the profit or loss on open positions are accounted for as follows:

The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account. The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.

- On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.
- Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets.

Dividend Income

- Dividend income is recognized when the shareholders' right to receive payment is established.

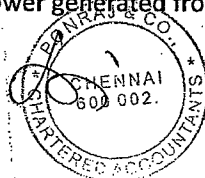
Income from sale of electricity

- Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

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

V. Fixed Assets and Depreciation:

- Fixed assets are stated at historical cost less accumulated depreciation.

- Intangible Assets:

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 useful life for these asset is 10 years as per schedule II of the Companies Act, 2013.

- 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.

VI. 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.

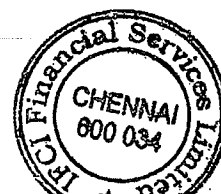
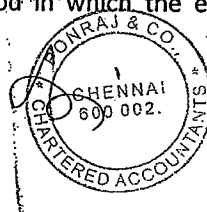
VII. Employee Benefits:

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 -

(a) 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.

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(b) 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 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 pay along with December/January month salary of the immediate next calendar year. The expenses on account thus arising are recognized in the profit and loss account.

VIII. Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other Interest and borrowing costs are charged to revenue.

IX. Taxation:

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax charge or credit reflecting the tax effect of the timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liability / assets are recognized applying the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that such assets can be realized in future.

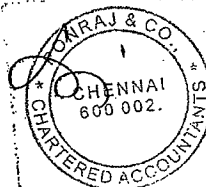
X. Provision , Contingent Liabilities and Contingent Assets:

Provisions are recognized when there is a present obligation as a result of past event and it is probable that there will be outflow of resources.

Contingent liabilities are disclosed without making a provision in books when there is an obligation that may, but probably will not require outflow of resources.

Contingent assets are not recognized/ disclosed in the financial statements.

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B. Notes forming part of the Accounts

I. Nature of Business:

The Company is a SEBI registered Stock Broker on National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Stock Exchange (MCX-SX) and primarily engaged in the business of providing securities market related transaction services.

II. Contingent Liabilities not provided for:

- (a) Bank guarantees aggregating to Rs. 20,70,00,000 (Previous Year – Rs. 21,70,00,000 /-) to National Stock Exchange of India Limited, Rs. 3,00,00,000/- (Previous Year – 3,00,00,000/-) to Bombay Stock Exchange and Rs. 1,00,00,000/- (Previous Year – 1,00,00,000) to MCX-SX Stock Exchange as on 31st March 2017 for meeting margin requirements.
- (b) The Company has pledged fixed deposits aggregating to Rs.12,35,00,000 /- (Previous Year – Rs. 12,75,00,000 /-) with banks for obtaining the above bank guarantees.
- (c) Counter guarantee given by the Parent Company (IFCI Limited) to banks for issue of bank guarantee to the subsidiary company IFCI Financial Services Limited – Rs.30,00,00,000/- (previous year – Rs.30,00,00,000/-).
- (d) Other Contingent liabilities – The Clients has lodged two cases against the company which is pending as follows.

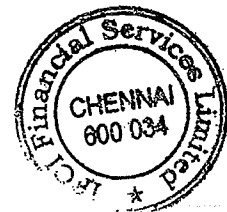
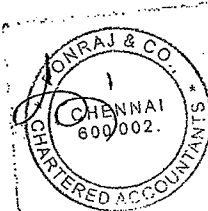
Forum before which the cases are pending	No. of cases	Amount (Rs. In Lakhs)
14th Additional City Civil Court, Bangalore	1	127.45
District Court, Patiala House, New Delhi	1	1.43

III. 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)

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IV. Managerial Remuneration:

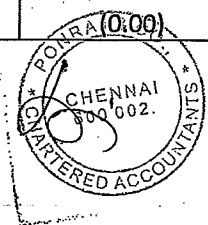
Particulars	2016-17	2015-16
To Whole Time Director		
(a) Salary and Allowances	-	-
(b) Contribution to PF and other funds	-	-
To Managing Director (On deputation from IFCI Limited)		
(a) Salary and Allowances	30,09,440	24,44,008
(b) Contribution to PF and other funds	1,75,806	4,35,960
Total	31,85,246	28,79,968

V. 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:

Particulars	As on 31-03-2017	As on 31-03-2016
Net Loss for the year available for the equity share holders (Before extra-ordinary Item)	(20,041)	(73,11,606)
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)	(0.00)	(0.18)
Net Loss for the year available for the equity share holders (After extra-ordinary Item)	(20,041)	(73,11,606)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	(0.00)	(0.18)

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VI. Current and Deferred Taxation:

(a) No provision for current tax has been made due to losses.

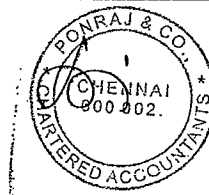
(b) During the year the tax effect on timing difference has resulted in Deferred Tax Liability and the same has been duly accounted as under:

Deferred Tax Asset / Liability	As on 31-03-2017 (Rs.)	As on 31-03-2016 (Rs.)
Deferred Tax Liability – Fixed Assets (accumulated depreciation)	27,66,999	27,66,999

VII. Details of Auditors Remuneration (Excluding Service Tax):

Nature of Service	2016-17	2015-16
Statutory Audit Fee	5,00,000	5,00,000
Consolidation Fee	75,000	75,000
For quarterly reporting and Consolidating financial statements	1,80,000	1,80,000
Tax Audit	25,000	40,000
Other services	-	100,000
Total	7,80,000	8,95,000

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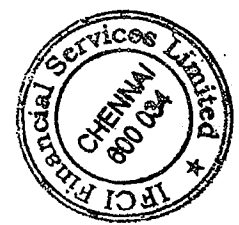
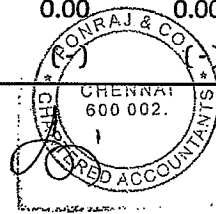
VIII. Disclosure as per AS-17 'Segmental Reporting'

(In Lakhs)

Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
External -Segment Revenue	1393.62	0.00	57.33	118.95	14.15	0.00	0.00	1584.05
	(1,274.13)	(1.79)	(42.59)	(55.53)	(22.36)	(-)	(189.07)	(1,585.46)
Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Revenue	1393.62	0.00	57.33	118.95	14.15	0.00	0.00	1584.05
	(1,274.13)	(1.79)	(42.59)	(55.53)	(22.36)	(-)	(189.07)	(1,585.46)
Segment Result	1060.08	0.00	44.44	19.17	14.15	0.00	0.00	1137.85
	(973.78)	(1.79)	(39.58)	(15.68)	(22.36)	(-)	(189.07)	(1,242.26)
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	-1357.48
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-1524.64
Operating Profit								-219.63
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-282.39
Interest Income	219.43	0.00	0.00	0.00	0.00	0.00	0.00	219.43
	(208.05)	(-)	(-)	(-)	(-)	(-)	(-)	(208.05)
Net Profit before Tax								-0.20
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(74.34)
Tax Expenses								0.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.23)
Net Profit after Tax								-0.20
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-73.11
Segment Assets	5595.32	0.00	19.72	0.00	0.00	0.00	0.00	5615.04
	(3,461.25)	(-)	(21.55)	(-)	(-)	(-)	(-)	(3,482.80)
Unallocated Assets	4080.14							4080.14
	(5,336.66)	(-)	(-)	(-)	(-)	(-)	(-)	(5,336.66)
Total Assets	9675.46	0.00	19.72	0.00	0.00	0.00	0.00	9695.18
	(8,797.91)	(-)	(21.55)			(-)	(-)	(8,819.46)

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Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
Segment Liabilities	2562.70	0.00	0.68	0.00	0.00	0.00	0.00	2563.38
	(1,715.81)	(-)	(0.64)	(-)	(-)	(-)	(-)	(1,716.44)
Unallocated Liabilities	7131.80	0.00	0.00	0.00	0.00	0.00	0.00	7131.80
	(7,103.02)	(-)	(-)	(-)	(-)	(-)	(-)	(7,103.02)
Total Liabilities	9694.50	0.00	0.68	0.00	0.00	0.00	0.00	9695.18
	(8,818.83)	(-)	(0.64)	(-)	(-)	(-)	(-)	(8,819.46)
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.12
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(20.42)
Non-cash expenses other than Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

IX. Employee Benefits :

(a) Provisions for employee benefits under revised AS 15:

Defined Contribution plan: Provident and other statutory funds. The amount recognized as an expense during the year is Rs. 67,38,272/- (Previous Year – Rs. 56,10,744).

(b) Defined Benefit plan: 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 pay along with December / January month salary.

(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 subject to maximum of Rs 10,00,000. Vesting occurs on completion of 5 years of service.

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The following table sets out the Gratuity plan as provided by LIC.

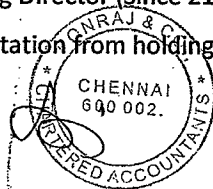
Particulars	(Amount in Rs.)	
	Year 2016-17	
Policy No	605000538	
Date of Valuation	31/03/2017	
Membership Date		
Number of Members	159	
Average age	38.05	
Average Monthly Salary	18366.83	
Average past Service	5.48	
Valuation Method	Projected unit credit method	
Results of Valuation		
Present value of Past Service Benefit	69,15,862	
Service cost	10,58,410	
Fund with lic	80,35,572	
Accrued Gratuity	1,03,91,696	
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	
Discount rate	8% p.a.	
Salary escalation rate	5%	
Withdrawal rate	1% to 3% depending on age	
Total Amount Payable	Nil	

X. 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 Limited
d) Stock Holding Corporation of India Ltd
e) MPCON
- (d) Key Management Personnel and relatives of such personnel:

Mrs. S. Usha : Managing Director (Since 21.04.2014)
(On deputation from holding company IFCI Limited)

S. Usha

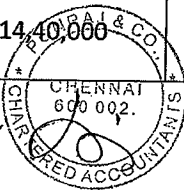


(e) Transaction with Related Parties:

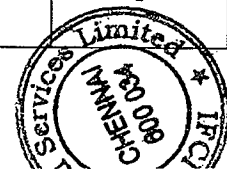
Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2016-17	2015-16	2016-17	2015-16
1	Rent Paid to IFCI Ltd.	1,33,73,222	1,39,05,703	-	-
2	Rent received from IFIN Commodities Ltd.	26,27,949	27,82,956	-	-
3	Brokerage Received from IFCI Ltd	44,58,980	23,45,056	-	-
4	Brokerage Received from IFCI Employee Stock Option Trust	18,029	-	-	-
5	Brokerage Received from IFCI Venture Capital Fund Ltd.	4,99,670	3,03,288	-	-
6	Brokerage received from IFCI Factors Ltd	7,170	1,06,509	-	-
7	Portfolio Management Services fees received	-	-	-	-
8	Depository Services	9,70,984	9,48,817	-	-
9	Reimbursement of Expenses to IFCI Limited.	1,31,975	1,55,584	-	-
10	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
11	Managerial Remuneration	-	-	32,98,104	43,40,692
12	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
13	Loan Availed from IFIN Securities Finance Limited	-	-	-	-
14	Loan Repaid	-	-	-	-
15	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
16	Interest Paid	-	-	-	-
17	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	30,01,00,000	-	-
18	Equity contribution made in IFIN Commodity Limited	5,00,00,000	5,00,00,000	-	-
19	Reimbursement of Expenses from IFIN Securities Finance Limited	1,25,00,000	1,00,00,000	-	-
20	Amount Due to IFIN Securities Finance Limited	-	-	-	-
21	Reimbursement of Expenses from IFIN Credit Limited	14,40,000	14,40,000	-	-

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22	Amount Due from IFIN Credit Limited	9,95,950	11,63,600	-	-
23	Insurance of IFIN Commodities Limited paid by IFCI Financial Services Limited	-	-	-	-
24	Payable by IFIN Commodities Limited	(66,546)	5,31,502	-	-

XI. Foreign Exchange Inflow and Outflow

During the year, the company has spent a sum of Rs.NIL. (Previous year-NIL) in foreign exchange, towards travelling and conveyance.

XII. Balances of Sundry Debtors confirmed on a regular basis from the respective parties. In the opinion of the management, the balances are considered as good and recoverable except debtors for an amount of Rs. 13,26,15,449/-.(previous year Rs. 13,87,59,020) which includes provision of Rs.1,19,83,430/- towards Depository Services provided to M/s IFCI Limited.

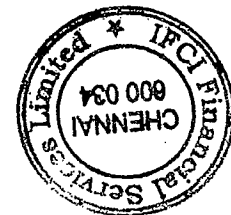
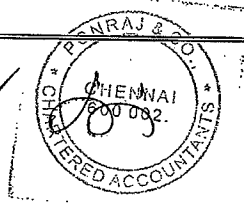
XIII. The Company had initiated the process of identifying the vendors under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.

XIV. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

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

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Independent Auditor's Report
To the members of IFCI Financial Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. IFCI Financial Services Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

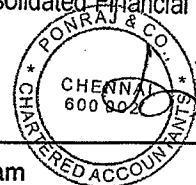
Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement whether due to fraud or error.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (i) in the case of Consolidated Balance Sheet, of the Consolidated state of affairs of the Group, as at March 31, 2017;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the Consolidated PROFIT for the year then ended on that date;
- (iii) in the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows for the year ended on that date.

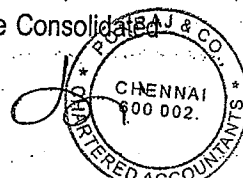
Other matters

(a) The Consolidated Financial Statements include the Financial Statements of 3 subsidiaries whose Financial Statements reflect the total assets of Rs. 55.31 crore as at 31st March, 2017, total revenue of Rs. 8.79 crore, net cash flows amounting to Rs. 4.89 crore and net profit before tax amounting to Rs.2.95 crore for the year ended on that date which has not been audited by us. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and in our opinion the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on the reports of the other auditors.

Report on other legal and regulatory requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law relating to preparation of aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement 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.



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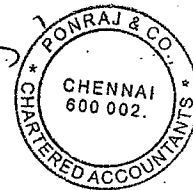
CHARTERED ACCOUNTANTS

- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representation received from the Directors of the Holding Company as on 31 March 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group companies, is disqualified as on 31 March, 2017, 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 Report in "Annexure A", which is based on the auditors' reports of the Holding Company, Subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's, subsidiaries' Internal Financial Controls over Financial Reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group. – Refer Notes to Account B (II)
 - ii) The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
 - iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.
2. As per directions issued by the C & AG of India under section 143(5) of the Companies Act 2013, we report that:
- i. As per the information and explanations given to us, the Company do not hold any freehold or lease hold land as on the Balance Sheet date.
 - ii. According to the information and explanation given to us and on the basis of audit carried out by us, we note that there are no cases of waiver / write off of debts during the year.
 - iii. The Group does not hold inventory and have not received any assets as gifts / grants from the Government or other authorities. Hence, reporting under this sub-direction does not arise.

Place: Chennai
Dated: 05.05.17

For PONRAJ & CO
Chartered Accountants
FRN: 002672S

S. PONRAJ
M.NO: 15274



PONRAJ & Co.

CHARTERED ACCOUNTANTS

Annexure "A" to the Independent Auditors' Report (Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of **M/s. IFCI Financial Services Limited** ("the Company") and its subsidiaries together referred as the group as of March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

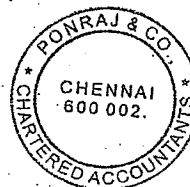
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.



PONRAJ & Co.

CHARTERED ACCOUNTANTS

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

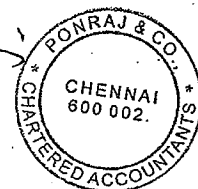
Opinion

In our opinion, the Group has, in all material respects, an adequate Internal Financial Controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Chennai
Dated: 05.05.17

For PONRAJ & CO
Chartered Accountants
FRN: 002672S

S.PONRAJ
M.NO: 15274



IFCI Financial Services Limited
Consolidated Balance Sheet as at 31st March 2017

(Amount in Rs)

Particulars		Note No.	As at 31st March 2017	As at 31st March 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	415,337,090	415,337,090
	(b) Reserves and surplus	3	308,389,075	284,813,452
2	Non-current liabilities			
	(a) Long-term borrowings		-	10,000,000
	(a) Deferred tax liabilities (Net)		2,659,146	2,823,688
	(b) Other Long term liabilities	4	6,626,724	6,689,988
	(c) Long-term provisions		-	-
3	Current liabilities			
	(a) Short-term borrowings		71,500,000	93,500,000
	(b) Trade payables		282,227,814	172,407,806
	(c) Other current liabilities	5	32,267,124	40,962,620
	(d) Short-term provisions	6	15,315,953	5,762,236
	TOTAL		1,134,322,925	1,032,296,880
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible assets		3,257,816	4,475,589
	(ii) Intangible assets		2,109,280	2,377,279
	(iii) Goodwill		2,253,857	2,253,857
	(b) Non-current investments	8	-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	9	309,977,070	215,882,582
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	10	11,461,957	6,786,647
	(b) Trade receivables	11	75,056,981	105,041,168
	(c) Cash and cash equivalents	12	384,108,833	337,053,696
	(d) Short-term loans and advances	13	334,133,296	328,408,061
	(e) Other current assets	14	11,963,834	30,018,001
	TOTAL		1,134,322,925	1,032,296,880

For PONRAJ & CO.,
Chartered Accountants
FRN - 0026725 For **PONRAJ & Co.,**
Chartered Accountants

S. PONRAJ
Partner, M.No 15274

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

S. Usha
S. Usha
Partner Managing Director

Biswajit Banerjee
Chairman

Place : Chennai
Date: 05/05/2017

Abey Eapen
Abey Eapen
Company Secretary

A V Pushparaj
A V Pushparaj
Chief Financial Officer



IFCI Financial Services Limited
Consolidated Profit and loss statement for the period ended 31st March 2017

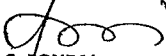
(Amount in Rs)

Particulars		Note No.	For the Year ended 31.03.2017	For the Year ended 31.03.2016
I	Revenue from operations	15	214,347,623	211,695,937
II	Other Operating Income	16	12,913,861	13,309,293
III	Other Income	17	26,487,385	46,362,242
IV	Total Revenue (I + II + III)		253,748,869	271,367,471
V	Expenses:			
	Employee benefits expense	18	110,226,868	98,077,827
	Finance costs	19	16,095,046	27,464,428
	Depreciation and amortization expense		1,595,227	2,220,722
	Reimbursement of expenses		-	-
	Other expenses	20	108,744,466	100,723,160
	Bad Debts Written off		-	116,058,850
	Total expenses (V)		236,661,607	344,544,987
VI	Profit before bad & doubtful debts and tax (IV - V)		17,087,262	(73,177,515)
VII	Provision for bad & Doubtful debts	21	-	-
	Prior period Income		(11,378,455)	(36,318,516)
	Prior period expenses		(1,190,278)	1,211,332
			140,450	
VIII	Profit before extraordinary items and tax (VI - VII)		29,515,545	(38,070,331)
IX	Extraordinary Items		-	-
X	Profit before tax (VIII-IX)		29,515,545	(38,070,331)
XI	Tax expense:			
	- Current Tax / Deferred Tax		-	-
	- Reversal of IT provision for Earlier Year		6,525,000	685,728
	- Deferred Tax Reversal (Net)		(420,536)	
			(164,542)	(99,365)
XII	Profit (Loss) after tax (X-XI)		23,575,623	(38,656,694)
XIII	Profit/(loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		-	-
XVI	Profit (Loss) for the period (XII + XV)		23,575,623	(38,656,694)
XVII	Earnings per equity share:			
	(1) Basic		0.57	(0.93)
	(2) Diluted		0.57	(0.93)


For PONRAJ & CO.,
Chartered Accountants
FRN - 002672S

For PONRAJ & Co.,
Chartered Accountants

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


S. PONRAJ
Partner, M.No 15274

Partner

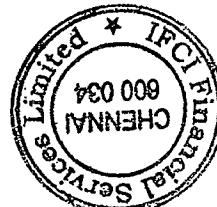

S. Usha
Managing Director

Biswajit Banerjee
Director

Place : Chennai
Date: 05/05/2017


Aby Eapen
Company Secretary


AV Pushparaj
Chief Financial Officer



CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2017

(Amount in Rs)

Particulars	Year ended	
	31.03.2017	31.03.2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	29,515,545	(38,070,331)
Adjustments for:		
Depreciation / Amortisation on Fixed Assets	1,595,227	2,220,722
Prior period expenses	-	1,211,332
Provision for doubtful debts	-	(42,568,988)
Diminution in Value of Stock	-	6,491,280
Dividend Received (considered separately under Investment Activities)	-	(169,634)
Finance Cost (considered separately under Finance Activities)	-	2,314,779
Interest income	(26,487,385)	(26,925,079)
Interest expenses	16,095,046	-
Profit/ (Loss) on Fixed Asset	(8,797,112)	(18,682,315)
		(76,107,903)
Operation Profit before Working Capital Changes	20,718,433	(114,178,234)
Adjustments for:		
(Increase) / Decrease in Current Investments	(4,675,309)	6,578,927
(Increase) / Decrease in Trade Receivables	29,984,187	3,063,824
(Increase) / Decrease in Short term Loans & Advances	(5,725,236)	135,905,198
(Increase) / Decrease in Long term Loans & Advances	-	25,500,000
(Increase) / Decrease in Loans & Advances	(94,094,489)	-
(Increase) / Decrease in Other current Assets	18,054,167	(10,224,854)
Increase / (Decrease) in Trade Payable	109,820,008	1,244,853
Increase / (Decrease) in Provisions	9,553,717	(10,087,928)
Increase / (Decrease) in Non - Current Liabilities	(8,695,496)	138,762,647
Increase / (Decrease) in Other liabilities	(22,000,000)	2,040,543
Increase / (Decrease) in Short term Borrowings	-	(209,500,000)
	32,221,550	83,283,210
Cash Generated from Operation before tax	52,939,983	(30,895,024)
Direct taxes paid	(6,525,000)	685,728
Reversal of Tax Provisions	420,536	-
Net cash from Operating Activities	46,835,519	(31,580,752)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(5,965,863)
(Increase) / Decrease in Fixed Assets	(109,456)	-
(Increase) / Decrease in Fixed Deposits	(91,749,888)	(20,084,314)
Dividend Received	-	4,677,344
Interest received	26,487,385	22,417,370
Repayment of Long Term Borrowings	(10,000,000)	-
Repayment of Long Term Liabilities	(63,264)	-
Sale of Fixed Assets	-	31,394,458
Net Cash used in / raised from Investing Activities	(75,435,223)	32,438,995
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(16,095,046)	-
Finance Cost	-	(2,314,779)
Repayment of Loans	-	-
	(16,095,046)	(2,314,779)
Net Changes in Cash & Cash Equivalent (a+b+c)	(44,694,751)	(1,456,536)
Opening Cash and Cash Equivalent	160,631,251	91,264,204
Closing Cash and Cash Equivalent	115,936,501	89,807,668
Increase / (Decrease) in Cash & Cash Equivalent	(44,694,751)	(1,456,536)

The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules, 2006.

This is the Cash Flow referred to our report of even date.
For **PONRAJ & Co.**
Chartered Accountants

For **PONRAJ & CO.**,
Chartered Accountants
FRN / 0026725

S. PONRAJ
Partner, No. 15274

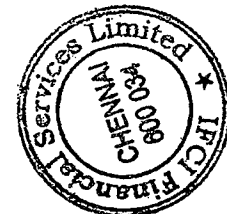
FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

S. Usha
Managing Director

Biswajit Banerjee
Chairman

Aby Eapen

A V Pushparaj



Place : Chennai
Date : 05/05/2017

IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note no. 2 Share Capital

(Amount In Rs.)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	50,000,000	500,000,000	5,00,00,000	50,00,00,000
Issued				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Subscribed & Paid up				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Subscribed but not fully Paid up				
Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	41,533,709	415,337,090	41,533,709	415,337,090

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956
(Following disclosure should be made for each class of Shares)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	41,533,709	415,337,090	41,533,709	415,337,090
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,533,709	415,337,090	41,533,709	415,337,090

3,93,63,809 Equity Shares (Previous year 3,93,63,809 equity shares) are held by IFCI Limited, the holding company and its nominees.

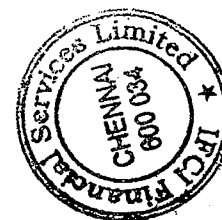
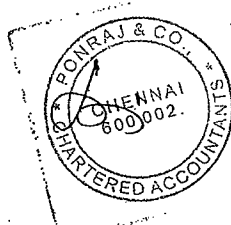
Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Limited and nominees	39,363,809	94.78	39,363,809	94.78
Ms. Chandra Ramesh	1,757,619	4.23	1,757,619	4.23
Mr. D V Ramesh	412,281	0.99	412,281	0.99

On 01st November 2011, 3,24,60,622 equity shares of Rs.10/- each were allotted to IFCI Ltd for consideration other than cash on preferential basis by conversion of debt of Rs.76.25 Crore into equity

Terms/Rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of Rs.10/- per share entitled to one vote per share.

Signature



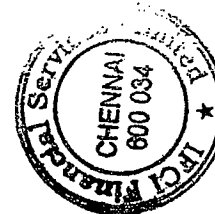
IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)
 Note No. 3 Reserves and Surplus

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
a. Capital Reserves		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
c. Statutory Reserve		
Opening Balance	451,643,790	451,643,790
Add: Amount transferred from surplus in the Statement of Profit and Loss	5,135,000	-
	456,778,790	451,643,790
A. Securities Premium Account		
Opening Balance	-	-
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	-	-
B. Other Reserves (Specify the nature and purpose of each reserve)		
i) Amalgamation Reserve:		
Opening Balance	1,745,305	1,745,305
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	1,745,305	1,745,305
ii) General Reserve:		
Opening Balance	9,501,851	9,501,851
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,501,851	9,501,851
C. Surplus:		
Opening balance	(178,077,494)	(138,560,826)
(+) Net Profit/(Net Loss) For the current year	23,575,623	(38,656,694)
(-) Adjustment for Fixed Asset	-	859,974
(+) Transfer from Reserves	5,135,000	-
(-) Transfer to Reserves	-	-
Closing Balance	(159,636,871)	(178,077,494)
Total	308,389,075	284,813,452

Note No. 4 Other Long Term Liabilities

Particulars	As at 31st March 2017	As at 31st March 2016
(a) Security Deposit and Sundry deposits	6,626,724	6,689,988
Total	6,626,724	6,689,988



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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 5 Other Current Liabilities

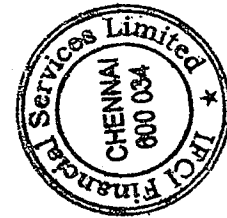
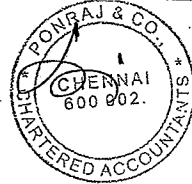
(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
Other payables		
Creditors for expenses	4,212,531	3,473,254
Statutory dues	15,047,863	21,644,704
Other liabilities	7,703,241	7,928,477
Interest accrued & but not due	-	309,863
Income received in advance	-	1,471,439
Sundry Deposits	229,086	389,999
Payable to Exchanges	5,074,404	5,744,884
Total	32,267,124	40,962,620

Note No. 6 Short Term Provisions

Particulars	As at 31st March	As at 31st March
	Rs.	Rs.
(a) Provision for employee benefits		
Gratuity	206,949	217,684
Leave Encashment	6,542,320	1,960,120
Bonus	977,523	2,342,517
Provision for Income tax	6,137,171	-
Provision for Standard Assets	1,451,990	1,241,915
Total	15,315,953	5,762,236

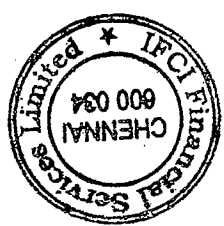
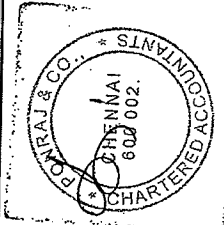
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2) FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note: 7 Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block			
	Balance as at 1st April 2016	Additions	Disposals	Balance as at 31st Mar 17	Balance as at 1st April 2016	Depreciation charge for the year	On disposals	Balance as at 31st Mar 17	Prior Period Depreciation	Adjustment against retained earning	Balance as at 31st Mar 17	Balance as at 31 March 2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets												
Furniture and Fixtures	6,314,870	54,260	-	6,369,130	5,185,973	460,601	-	5,646,574	-	-	722,556	1,128,897
Vehicles	22,150	-	-	22,150	20,406	501	-	20,907	-	-	1,243	1,744
Office equipment	11,249,234	15,600	-	11,264,834	9,128,486	657,939	-	9,786,425	-	-	1,478,409	2,120,748
computer hardware	38,558,064	3,700	-	38,561,764	37,461,292	44,864	-	37,506,156	-	-	1,055,608	1,224,200
Total	56,144,318	73,560	-	56,217,878	51,796,157	1,163,905	-	52,960,062	-	-	3,257,816	4,475,589
Intangible Assets												
Computer software	35,511,007	35,896	-	35,546,903	33,006,301	431,322	-	33,437,623	-	-	2,109,280	2,377,279
Intangible Membership Card	3,200,000	-	-	3,200,000	3,200,000	-	-	3,200,000	-	-	-	-
Goodwill	2,253,857	-	-	2,253,857	-	-	-	-	-	-	2,253,857	2,253,857
Licenses and franchise	-	-	-	-	-	-	-	-	-	-	-	-
Others - Non compete fees	10,000,000	-	-	10,000,000	10,000,000	-	-	10,000,000	-	-	-	-
Total	50,964,864	35,896	-	51,000,760	46,206,301	431,322	-	46,637,623	-	-	4,363,137	4,631,136
Grand Total	107,109,182	109,456	-	107,218,638	98,002,458	1,595,227	-	99,597,685	-	-	7,620,953	9,106,725
Previous Year	152,090,240	1,639,712	46,620,770	107,109,182	127,618,983	2,220,722	33,908,554	95,931,151	1,211,333	859,974	9,106,725	24,471,257



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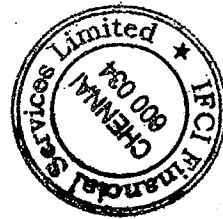
IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 9 Long Term Loans and Advances

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
a. Capital Advances		
Secured, considered good	-	168,101,865
Unsecured, considered good	-	11,850,000
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	179,951,865
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good *	143,513,930	350,000
Doubtful	-	30,963,430
	143,513,930	31,313,430
c. Other Loans and advances		
Secured, considered good	157,563,634	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
	157,563,634	-
d. Other loans and advances (specify nature)		
Other Loans & Advances	8,899,506	4,617,286
Advance Tax (net of provisions)	-	-
	8,899,506	4,617,286
Total	309,977,070	215,882,581

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 10 Current Investments

(Amount in Rs)

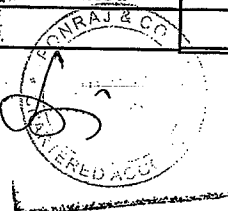
Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Investment in Equity instruments	29,583,896	30,425,152
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments (specify nature)	-	-
Total (A)	29,583,896	30,425,152
Less : Provision for dimunition in the value of Investments	18,121,939	23,638,503
Total	11,461,957	6,786,648

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Aggregate amount of quoted investments	15,914,685	11,412,073
Aggregate amount of unquoted investments	-	-

Note 11 Trade receivable

Particulars	As at 31st March 2017	As at 31st March 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Secured, considered good	71,689,973	57,518,238
Unsecured, considered good	353	45,112,124
Unsecured, considered doubtful	896,432	108,294
	72,586,758	102,738,656
Less: Provision for doubtful debts	896,432	108,294
	71,690,326	102,630,362
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	3,366,654	1,912,259
Unsecured, considered good	-	498,546
Unsecured, considered doubtful	134,514,236	141,414,602
	137,880,890	143,825,407
Less: Provision for doubtful debts*	134,514,236	141,414,602
* Includes Rs. 1,25,66,906 receivables from IFCI Limited	3,366,655	2,410,805
Total	75,056,981	105,041,168

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 12 Cash and cash equivalents

(Amount in Rs)

Particulars	As at 31st March 2017		As at 31st March 2016	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks				
In Current Accounts with Banks	-	96,907,634	-	70,792,512
Fixed Deposit	-	268,172,333	-	176,422,445
	-	19,000,000	-	89,823,583
(Bank deposits with less than 12 months maturity)				
b. Cheques, drafts on hand	-	-	-	-
c. Cash on hand	-	28,867	-	15,156
d. Others (specify nature)	-	-	-	-
Total		384,108,833		337,053,696

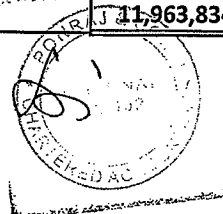
Note 13 Short term loans and advances

Particulars	As at 31st March 2017		As at 31st March 2016	
	Rs.	Rs.	Rs.	Rs.
a. Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
		-		-
b. Others				
Other Loans and Advances	-	36,778,342	29,954,195	-
Advance Tax (net of provisions)	-	35,747,116	35,436,195	-
Sundry Deposits	-	-	3,628,068	-
Prepaid Expenses	-	3,302,338	8,489,829	-
Secured, considered good	-	258,278,383	247,207,907	-
Taxes deducted at source	-	-	-	-
Unsecured, considered good	-	-	-	-
Balance with govt authorities	-	27,118	3,691,867	-
		334,133,296		328,408,061
Total		334,133,296		328,408,061

Note 14 Other current assets

Particulars	As at 31st March 2017		As at 31st March 2016	
	Rs.	Rs.	Rs.	Rs.
Interest accrued on Deposits	11,963,834	-	27,935,886	-
Total	11,963,834	-	27,935,886	-

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 15 Revenue from Operations

(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Brokerage On Stock Broking	122,401,496	119,426,938
Commission On Mutual Fund	5,550,528	2,132,670
Insurance Commission	97,622	72,289
Loan Syndication Fee	1,405,435	179,277
Fees for Merchant Banking	-	400,000
Depository Income	5,732,829	4,258,613
Commision From IPO / Bonds	4,938,841	3,020,279
Commision On Fixed deposits	1,317,378	3,766,857
Account Opening Charges	233,700	63,000
Processing fees	2,517,500	2,466,600
Dividend income	184,289	214,893
Interest Receipt from Loans	69,968,006	75,685,272
Total	214,347,623	211,686,688

Note 16 Other Operating Income

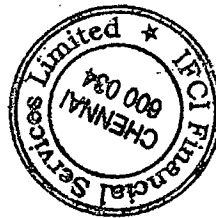
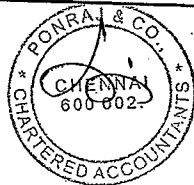
Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Sale of Power / Electricity	-	356,990
Delayed Payment Interest	12,913,861	12,952,303
Total	12,913,861	13,309,293

Note 17 Other Income

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Rental Income	-	-
Miscellaneous Income	402,828	529,505
Profit on sale of Asset	-	18,682,315
Interest Income	25,579,937	25,263,531
Pre Closure Income	-	739,063
Penalty interest	-	892,011
Profit on Sale of Investments	504,620	265,066
Total	26,487,385	46,371,491

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 18 Employee Benefits expense

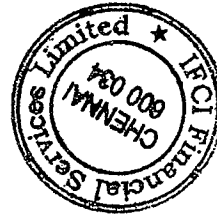
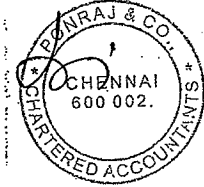
(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
(a) Salaries and incentives	99,894,429	89,039,534
(b) Contributions to - Provident fund & Employee State Insurance Gratuity fund contributions	6,056,052 1,407,265	6,213,810 203,724
(c) Staff welfare expenses	2,869,122	2,620,759
Total	110,226,868	98,077,827

Note 19 Finance Costs

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Interest expenses	13,083,912	25,220,217
Bank Financial Charges	3,011,135	2,244,211
Total	16,095,046	27,464,428

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note: 20 Other Expenses

(Amount in Rs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Fees To Clearing Member	1,565,918	1,444,489
Information Technology Exp	1,430,248	721,858
Data Feed Charges	2,078,323	1,282,617
Depository Participant Expenses	1,288,376	306,293
Broking Stamp Expenses	26,400	18,560
Professional & Consultancy Charges	26,037,599	24,778,640
Transaction Charges	1,836,464	1,151,094
Advertisement	141,386	410,134
Audit Fees	1,063,500	1,362,500
Electricity Charges	4,309,357	4,058,594
Insurance Expenses	1,500,070	1,071,443
Commission Paid	12,644,302	7,351,978
Postage & Telegram	1,104,964	1,297,524
Printing & Stationery	1,361,721	1,604,390
Rent	23,385,477	27,378,888
Rates & Taxes	212,515	1,675,938
Repairs & Maintenance	1,114,977	1,648,044
Sitting Fees	621,525	485,000
Membership Fee And Subscription	7,059,310	5,769,354
Telephone Expenses	4,440,820	6,236,175
Training Expenses	107,433	170,524
Travelling & Conveyance Expenses	2,136,848	2,103,713
Office Maintenance	5,584,575	4,055,373
Business Development Expenses	138,344	211,680
Court fee - Suit filing	2,082,115	-
Service tax Expenses	2,519,550	-
Other Administrative Expenses	2,952,350	4,128,356
TOTAL	108,744,466	100,723,157

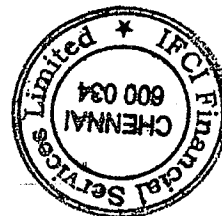
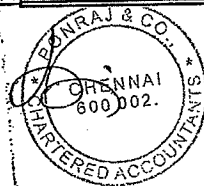
IFCI FINANCIAL SERVICES LIMITED

Note: 21 Provision for Bad & Doubtful debts

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Diminution in the value of shares (Net)	(5,476,303)	6,491,280
Provision for Standard Assets	210,076	-
Provision for Doubtful Debts and Advances	(6,112,228)	(42,568,988)
TOTAL	(11,378,455)	(36,077,708)

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IFCI Financial Services Limited (Consolidated)

Note No.1

A. Significant Accounting Policies & Notes to Accounts for the year ended March, 31 2017

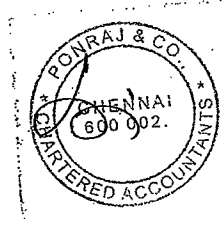
I. Basis of Preparation of Financial Statements:

The accompanying consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India / accounting standards notified under section 133 of the Companies Act, 2013 (to the extent applicable) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013.

II. Use of Estimates:

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

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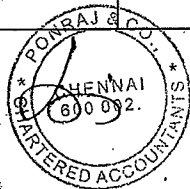
III. Principles and assumptions used for consolidated financial statements and pro-forma adjustments

The consolidated financial statements have been prepared applying the principles laid in the Accounting Standard (AS) 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India as considered appropriate for the purposes of these Consolidated Balance Sheet, and Profit and Loss Account, together referred to in as 'Consolidated Financial Statements'. Following are the companies whose accounts have been considered for the consolidated financial statements.

IFCI Financial Services Ltd's (the parent company or the holding company) shareholding in the following companies as on 31st March 2017 and 31st March 2016 are as under:

Name of the Subsidiary	Country Date on which became a Subsidiary		As on 31st March 2017		As on 31st March 2016	
			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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IV. Principles used in preparing Consolidated Financial statements:

a) In preparing consolidated financial statements, the financial statements of the parent and its subsidiaries is combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.

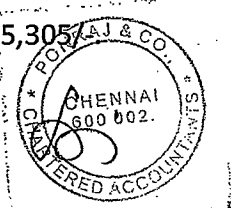
b) Intra-group transactions are eliminated in preparation of consolidated financial statements

c) The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated.

(i) 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.

(ii) 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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(iii) 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.

V. Revenue Recognition:

Broking Income

Brokerage Income is recognized on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Interest Income from Fixed Deposits

Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

Loan Syndication Fees

Loan Syndication Fees are recognised when the right to receive the income is established.

Income from Depository Segment

Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.

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Insurance Income

Insurance Commission from Agency business is booked upon actual receipt of commission from the principal.

Commission from selling of Mutual Fund

Commission from selling of mutual funds is accounted on accrual basis.

Interest Income from Loans disbursed

Interest earned on Loan is accounted on accrual basis. In terms of the RBI Directions, interest income on Non-performing assets ("NPAs") is recognised only when it is actually realized.

Processing Fee:

Processing Fee received in respect of loans is accounted for in the year in which the loan is disbursed

Dividend Income

Dividend income is recognized when the shareholders' right to receive payment is established.

Equity Index/Stock – derivatives

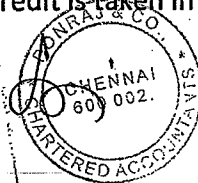
Equity Index/Stock/Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance sheet date.

(a) As at the Balance sheet date, the profit or loss on open positions are accounted for as follows:

The unrealized profit determined scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.

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The unrealized loss determined scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.

(b) On final settlement or squaring-up of contracts, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock / Commodity Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.

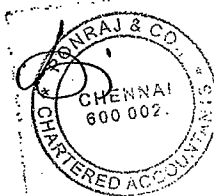
(c) Initial and additional margin paid over and above initial margin, for entering into contracts which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets.

Income from sale of electricity

Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.

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VI. Stock-in-trade:

Stock-in-trade is valued at lower of cost and quoted value, computed category wise. Cost is ascertained on FIFO basis. Provision is made for diminution arising there from.

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

VIII. Fixed Assets and Depreciation:

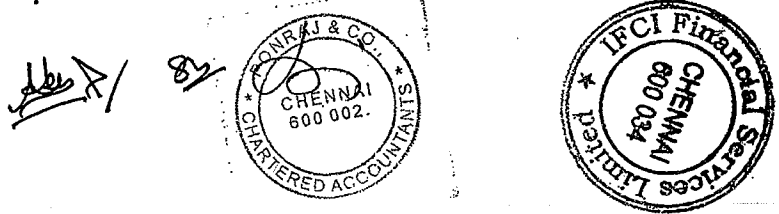
Fixed assets are stated at historical cost less accumulated depreciation.

Intangible Assets:

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



IX. 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.

X. 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 -

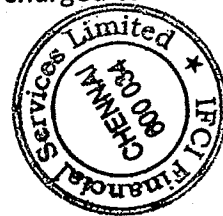
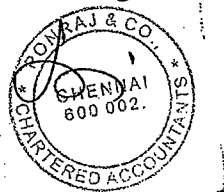
- The Company's Provident Fund Scheme and Employee State insurance scheme are defined contribution plan and company's contribution paid/payable is recognized as expense in Profit & Loss account during the period in which the employee renders the related service.

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 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.

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▪ **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 pay along with January month salary of the immediate next calendar year. The expenses on account thus arising are recognized in the profit and loss account.

XI. Borrowing Cost:

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other Interest and borrowing costs are charged to revenue.

XII. Taxation:

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax charge or credit reflecting the tax effect of the timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liability / assets are recognized applying the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that such assets can be realized in future.

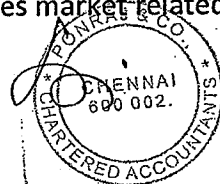
B. Notes forming part of the Accounts

I. Nature of Business:

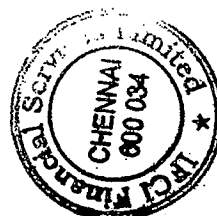
The Parent Company is a SEBI registered Stock Broker on National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange (BSE) is primarily engaged in the business of providing securities market related transaction services.

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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.

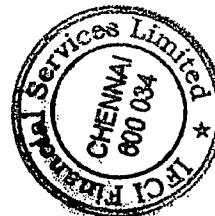
The subsidiary company IFIN Securities Finance Limited is a Non Banking Finance Company, registered u/s 45-IA of Reserve Bank of India Act, Is primarily engaged in the business of margin funding, providing loan against shares & property, Promoter funding, etc.

The subsidiary company IFIN Credit Limited is engaged primarily in the business of extending credit facilities to customers and in investing activities.

- II. The Board of Directors of IFIN, ICOM and IFIN Credit at their meeting held on July 24, 2015 had approved merger of IFIN Commodities (ICOM) and IFIN Credit Limited. M/s. Bail Associates, Chartered Accountants and M/s. S Ramasubramaniam & Associates, Advocates were engaged as consultants for completion of process of merger and for appearing at Hon'ble Madras High Court. As regards the status of merger of IFIN Credit Ltd and IFIN Commodities Ltd., on March 7, 2016, the Ld. Official Liquidator appeared and submitted that Report was under preparation and requested that further time of 3 weeks be granted to finalize and file the same. The Hon'ble Court had adjourned the matter by 3 weeks and the next date of hearing was fixed on 28.3.2016. On March 28, 2016 the Official Liquidator had requested for further time and the Hon'ble Court had adjourned the matter .



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II. Contingent Liabilities not provided for:

Bank guarantees aggregating to Rs.20,70,00,000 (Previous Year – Rs. 21,70,00,000/-) to National Stock Exchange of India Limited, Rs.3,00,00,000/- (Previous Year – 3,00,00,000/-) to Bombay Stock Exchange, Rs. 1,00,00,000/- to MCX-SX Stock Exchange and Rs.4,00,00,000/- (Previous Year – 4,00,00,000) to MCX Stock Exchange Limited as on 31st March 2017 for meeting margin requirements. The Company has pledged fixed deposits aggregating to Rs. 14,35,00,000/- (Previous Year – Rs. 14,75,00,000/-) with banks for obtaining the above bank guarantees.

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.30,00,00,000/- (previous year – Rs.30,00,00,000/-) and IFIN Commodities Limited – Rs.5,00,00,000/- (previous year – Rs.5,00,00,000/-)

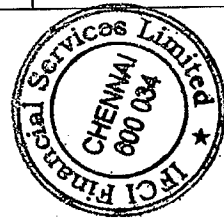
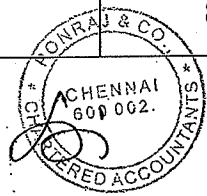
Other Contingent liabilities in respect of claims against the company:

(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
Principal District Judge, Panaji	8	465.33

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III. 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)

IV. 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:

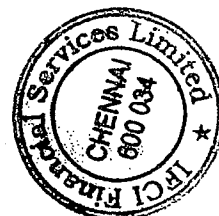
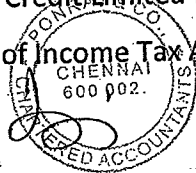
(Amounts in Rupees)

Particulars	As on 31-03-2017	As on 31-03-2016
Net Loss for the year available for the equity share holders (Before extra-ordinary Item)	235,35,343	(386,56,691)
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	415,33,709	415,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	0.57	(0.93)
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	235,35,343	(386,56,691)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	0.57	(0.93)

V. Current and Deferred Taxation:

- (a) The Subsidiary Company IFIN Commodities Limited has provided Rs. NIL (Previous Year – Rs. 6,76,179) as per provisions of Income Tax Act, 1961
- (b) The Subsidiary Company IFIN Credit Limited has provided Rs. NIL (Previous Year – Rs. 9,549) as per provisions of Income Tax Act, 1961.

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- (c) The Subsidiary Company IFIN Securities Finance Limited has provided Rs.65,25,000 (Previous Year – Rs.NIL) as per provisions of Income Tax Act, 1961.
- (d) During the year the tax effect on timing difference has resulted in Deferred Tax Liability and as a matter of prudence the company has recognized the same in the books. The Parent Company IFCI Financial Services Limited has recognized Rs. 27,66,999 and the Subsidiary Company IFIN Commodities Limited has recognized Rs. Rs.1,82,730 towards the same.

VI. Managerial Remuneration:

(Amount in Rupees)

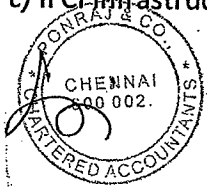
Particulars	2016-17	2015-16
To Whole Time Director		
(a) Salary and Allowances	28,50,367	24,80,956
To Managing Director T(On deputation from IFCI Limited)		
(a) Salary and Allowances	30,09,440	24,44,008
(b) Contribution to PF and other funds	1,75,806	4,35,960
(c) Gratuity	-	-
(d) Others	1,12,858	-
Total	61,48,471	53,60,924

VII. 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

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d) Stock Holding Corporation of India Limited

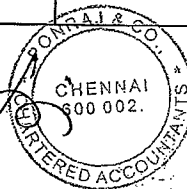
e) MPCON Limited

d) Transaction with Related Parties:

(Amount in Rupees)

Sl. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2016-17	2015-16	2016-17	2015-16
1	Rent Paid to IFCI Ltd.	1,33,73,222	1,39,05,703	-	-
2	Rent received from IFIN Commodities Ltd.	26,27,949	27,82,956	-	-
3	Brokerage Received from IFCI Ltd	44,58,980	23,45,055	-	-
4	Portfolio Management Services fees received	-	-	-	-
5	Depository Services Fees received from IFCI Limited	9,70,984	9,48,817	-	-
6	Reimbursement of Expenses to IFCI Limited.	1,31,975	1,55,584	-	-
7	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
8	Managerial Remuneration	61,48,471	68,34,148	-	-
9	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
10	Loan Availed from IFIN Securities Finance Limited	-	-	-	-
11	Loan Repaid to IFIN Securities Finance Limited	-	-	-	-

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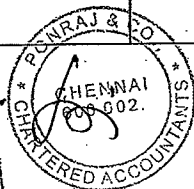


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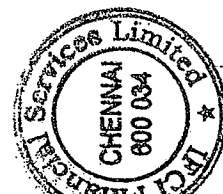


12	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
13	Interest Paid to IFIN Securities Finance Ltd	-	-	-	-
14	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	30,01,00,000	-	-
15	Equity contribution made in IFIN Commodity Limited	5,00,00,000	5,00,00,000	-	-
16	Brokerage received from IFCI Factors Ltd	7,170	1,06,509	-	-
17	Reimbursement of Expenses from IFIN Securities Finance Limited	1,25,00,000	1,00,00,000	-	-
18	Amount Due to IFIN Securities Finance Limited	-	-	-	-
19	Reimbursement of Expenses from IFIN Credit Limited	14,40,000	14,40,000	-	-
20	Amount Due from IFIN Credit Limited	9,95,950	11,63,600	-	-
21	Insurance of IFIN Commodities Ltd Paid by IFCI Financial Services Ltd.	-	-	-	-
22	Amount Payable by IFIN Commodities to IFCI Financial Services Ltd	-	-	-	-
23	Loan availed from IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-
24	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-

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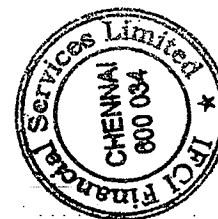
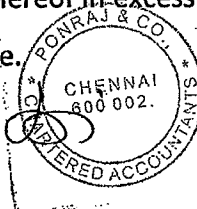
25	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-
26	Loan availed from IFCI Factors Ltd by IFIN Securities Finance Ltd	-	-	-	-
27	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Ltd	-	-	-	-
28	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-

VIII. 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.74,63,317- (Previous Year – Rs. 61,57,203/-) 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.

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IX. Employee Benefits

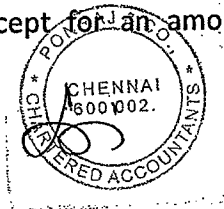
The following table sets out the Gratuity plan as required under AS-15 (revised).

Particulars	IFIN - Year 2016-17	ICOM - Year 2016-17
Policy No	605000538	605000514
Date of Valuation	31/03/2017	31/03/2017
Membership Date		
Number of Members	159	27
Average age	38.05	34.11
Average Monthly Salary	18366.83	11366.03
Average past Service	5.48	5.11
Valuation Method	Projected unit credit method	Projected unit credit method
Results of Valuation		
Present value of Past Service Benefit	69,15,862	5,28,442
Service cost	10,58,410	99,273
Fund with LIC	80,35,572	6,94,081
Accrued Gratuity	1,03,91,696	9,01,030
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Discount rate	8% p.a.	8% p.a.
Salary escalation rate	5%	5%
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
Total Amount Payable	NIL	NIL

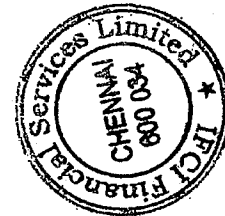
- X. Balances of Sundry Debtors, Advances recoverable are subject to confirmation from the respective parties. In the opinion of the management the same are good and recoverable, except for an amount of Rs.13,54,10,668 which is provided for.

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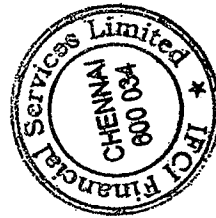
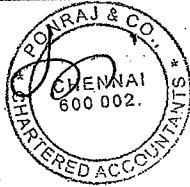


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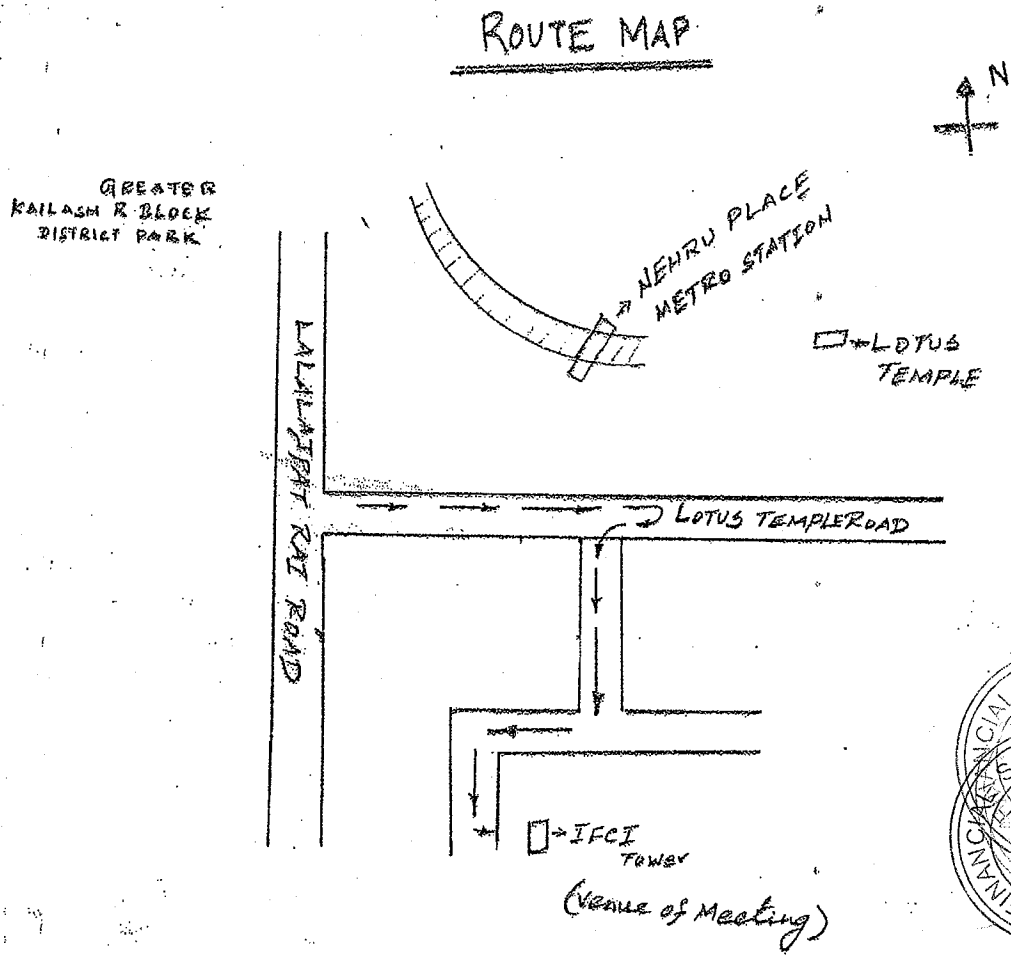


- XI. Company had initiated the process of identifying the vendors under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.
- XII. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.

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ROUTE MAP FOR THE VENUE OF 22nd ANNUAL GENERAL MEETING OF
IFCI FINANCIAL SERVICES LIMITED



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