IFCI FINANCIAL SERVICES LIMITED

(Subsidiary of IFCI Limited)

CIN: U74899DL1995GOI064034

27TH ANNUAL REPORT-

2021-22

27th ANNUAL GENERAL MEETING

DATE: September 29, 2022

DAY: Thursday

TIME: 03.00 PM

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

Corporate Office: 3rd Floor, Continental Chamber 142, M.G. Road, Nungambakkam, Chennai 600034 TN

Website- www.ifinltd.in

Ph: 044 2830 6600
Email- cs@ifinltd.in

IFCI FINANCIAL SERVICES LIMITED

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

Mr. Ramesh N G S	-	Non- Executive Director
Mr. Atul Saxena	-	Nominee Director
Mr. Rajesh Kumar	-	Non- Executive Director
Mr. Jayesh A Shah	-	Non- Executive Director
Mr. Alan Savio Pacheco	-	Nominee Director
Mr. Karra Visweswar Rao	-	Managing Director

Chief Financial Officer

Mr. A V Pushparaj

Chief Operating Officer

Mr. Ramkumar Srinivasan

Company Secretary

Ms. Pragyan Shree

Statutory Auditors (2021-22)

M/s. S Venkatram & Co, LLP

Chartered accountants

FRN 004656S/ S200095

Shri R Vaidyanathan

M. No: 018953

Partner

CONTENTS

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the shareholders of M/s. IFCI Financial Services Limited will be held by Video Conferencing (VC)/ Other Audio Video Means (OAVM) on Thursday, September 29th, 2022 at 3:00 PM to transact the following business:

ORDINARY BUSINESS

1. Approval and Adoption of Financial Statements for Financial year 2021-22

   To receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2022, together with the Board of Directors' Report and Auditors' Report thereon and including annexures thereto and thought fit, to pass with or without modification(s), the following resolution, as an Ordinary resolution:

   "RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2022, together with Board of Directors' Report and the Auditors Report thereon, including annexures thereto be and are hereby approved and adopted."

2. Re- Appointment of Shri Rajesh Kumar (DIN: 08732528) as Non- Executive Director of the Company

   To appoint a Director in place of Shri Rajesh Kumar (DIN: 08732528), who retires by rotation and being eligible, offers himself for re-appointment. and to consider and thought fit, to pass with or without modification, the following resolution, as an Ordinary resolution:

   "RESOLVED THAT Shri Rajesh Kumar (DIN: 08732528), who retires by rotation and being eligible, offers himself for reappointment be and is hereby reappointed as a Non- Executive Director of the Company whose office shall be liable to retire by rotation."

3. Appointment and Fixation of Remuneration of Statutory Auditors for Financial year 2022-23.

   To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary resolution:.

   "**RESOLVED THAT** pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors)

Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2022-23, as may be deemed fit."

By Order of the Board
For IFCI Financial Services Limited

Sd/-
Pragyan Shree
Company Secretary

Place: Chennai
Date: 30.08.2022

Notes:

1. *In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 ,clarification circular No. 02/2021 dated January 13, 2021and General Circular No. 3/2022 dated May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.*
2. *Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circular, issued by the Ministry of Corporate Affairs, through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM through video conferencing and hence the Proxy Form and Attendance Slip are not annexed to this Notice.*
3. *However, the Body Corporates members (i.e. other than individuals) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat. The body corporate are required to forward a scanned copy or hard copy of its board or governing body's resolution/authorization letter etc. authorizing their representatives to attend the AGM. The said resolution/authorization shall be sent to the Company by email through its registered email address to* cs@ifinltd.in *or pragyanshree@ifinltd.in or the hard copy can be send at Continental Chambers, 3rd Floor, 142 MG Road, Nungambakkam, Chennai- 600034.*
4. *Those Shareholders whose email IDs are not registered are requested to register their email ID with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting.*
5. *In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.*
6. *The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled*

time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all shareholders of the company. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.

7. *The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.*
8. *The Members will be allowed to pose questions during the course of the Meeting. The questions/queries can also be given in advance at cs@ifinltd.in will be suitably replied by the company during the Meeting, if time permits*
9. *As per the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.ifinltd.in and the notice along with the Annual Report is being sent through electronic mode to the members whose E-mail ID are registered with the company. Members may note that the Notice will also be available on the Company's website at www.ifinltd.in. Further, updation if any, will be provided on the website of the Company at www.ifinltd.in .*
10. *All documents referred to in the Notice calling the AGM are available for inspection by members through electronic mode on all working days upto the date of this AGM. The same will be shared with the members on receipt of request. The members desiring to inspect the relevant documents referred are required to send request on the company secretary email address-cs@ifinltd.in. An extract of such documents would be send to the members on their registered email address.*
11. *The route map for the venue of AGM is not annexed to this notice as the AGM is being conducted through Video conferencing and/or other audio visual means.*
12. *Details of Directors seeking appointment or re-appointment at the Annual General Meeting of the company to be held on Thursday, September 29th, 2022 are provided in Annexure - A of this notice.*

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

1. AGM through VC/OAVM: Members will be provided with a facility to attend the AGM through video conferencing platform – CISCO Webex or Lifesize.

2. Members whose email IDs are not registered with the company, may get their email IDs registered with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting. In case of joint holding, the credentials of the first named holder shall be accepted.

4. The invitation to join the AGM will be sent to the Members on their registered email IDs latest by September 28th, 2022. This will be done on first come first served basis.

5. Members will be provided with a facility to attend the AGM through video conferencing platform, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.

6. In case of Android/Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.

7. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.

8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Use of headphones is highly recommended.

9. Members who need assistance before or during the AGM may contact Ms. Pragyan Shree, Company Secretary by sending an email request at the email id: cs@ifinltd.in or Contact on – 044- 28306613.

Annexure – A

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

Name of the Director	**Shri Rajesh Kumar**
Date of Birth	15.06.1960
Date of Appointment	07.11.2020
Expertise in Specific functional area	Banking and IT Sector
Qualification	1.PG Diploma in Management 2. PG Diploma in Human Resource Management 3. PG Diploma in Office Management and Procedures 4. Certified Associate from IIBF 5. Leadership program at Wharton Business School
Experience	Over 35 years of experience in Banking and IT Sector
Directorships in other Companies	1. Jio Payments Bank Limited 2. KCT Financial & Management Services Private Limited
Number of Board Meetings attended during the Year (2021-22)	5
Chairman/ Membership of the Committee across all Companies	**1. IFCI Financial Services Limited** a) Chairman of Audit Committee b) Chairman of IT Strategy Committee c) Member of Nomination and Remuneration Committee d) Member of Risk Management Committee **2. KCT Financial & Management Services Private Limited** a) Member of IT Strategy Committee b) Member of Nomination and Remuneration Committee

	c) Member of Audit Committee **3. Jio Payments Bank Limited** a) Member of Audit & Compliance Committee b) Member of Risk Management Committee c) Member of Nomination & Remuneration Committee d) Member of Financial Inclusion Committee e) Chairman of Customer Service & Grievances Committee
Shareholding in the Company	Nil
Relationship with other Directors	Nil

BOARD'S REPORT

To

The Members of

IFCI Financial Services Limited

The Board of Directors of your Company presents the 27th Annual Report of IFCI Financial Services Limited, together with the Audited Financial Statement, for the year ended March 31, 2022.

1. Financial Results

(Rs. in lakh)

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Operating Results:				
Income from Operations	1685.40	1396.66	1832.08	1513.11
Other Income	401.35	197.26	450.81	307.39
Gross Income	2086.75	1593.92	2282.89	1820.50
Gross Expenditure	1809.43	1720.79	2022.18	1954.18
Profit/ (Loss) before Exceptional item, Interest, Depreciation and Tax	277.32	(126.87)	260.71	(133.68)
Less: Interest & BG Charges	9.67	13.01	10.35	14.03
Profit/(Loss) before Exceptional Item, Depreciation and Tax	267.65	(139.88)	250.36	(147.71)
Less: Depreciation	9.67	5.81	12.88	7.77
Profit before Exceptional item and tax	257.98	(145.69)	237.48	(155.48)
Less: Impairment on financial Instrument	150.98	12.85	152.81	18.83
Profit before Tax	107.00	(158.54)	84.67	(174.31)
Less: Current year tax	-	26.52	24.34	3.50
Less: Deferred Tax Charges (Net)	-	-	(11.72)	(10.25)
Profit after tax	107.00	(132.02)	72.05	(167.56)
Other Comprehensive Income	**28.14**	**13.18**	**32.65**	**13.92**
Total Comprehensive Income	**135.14**	**(118.84)**	**104.70**	**(153.64)**

2. **Financial Performance**

The Operating Income of IFIN marginally increased from Rs.1396.66 lakh during FY 2020-21 to Rs.1685.40 lakh during FY 2021-22, mainly due to increase in Brokerage Income from Rs.1094.33 lakh during FY 2020-21 to Rs.1299.40 lakh during FY 2021-22. Within the Operating income, Other Operating Income, comprising delayed payment charges, however increased from Rs.61.74 lakh to Rs.67.26 lakh. However, Other Income increased from Rs. 197.26 lakh in 2020-21 to Rs.401.35 lakh in 2021-22, mainly due to Reversal of impairment provision on receivable and deputation of income increased from 8.43 lakh during FY 2020-21 to Rs. 27.73 lakh during FY 2021-22. The Board was further informed that there has been increase in the overall expenses, from Rs.1720.79 lakh in 2020-21 to Rs.1809.43 lakh in 2021-22. Employee Cost decreased from Rs.799.90 lakh in 2020-21 to Rs.753.54 lakh in 2021-22, Depreciation and Amortization Expense increased from Rs.5.81 lakh in 2020-21 to Rs.9.97 lakh in 2021-22. Finance Cost decreased from Rs.13.01 lakh during 2020-21 to Rs.9.67 lakh during 2021-22, on account of lower commission paid on Bank Guarantees for reduced amounts provided to Stock Exchanges. Other Expenses also decreased from Rs.439.97 lakh during 2020-21 to Rs.436.66 lakh during 2021-22. Net addition of Impairment on Financial Instruments at Rs.150.98 lakh as compared to Rs.12.85 lakh in the previous year. After considering the above, the Surplus of Expenditure over Income at Rs.107 lakh in 2021-22 as compared to Surplus of Expenditure over Income of Rs.(158.54) lakh in 2020-21. Further, PBT and PAT of IFIN on Stand-alone basis was Rs. 107 lakh and Rs. 107 lakh, respectively, for the year 2021-22, as against the PBT and PAT of Rs.(158.54) lakh and Rs.(132.02) lakh, respectively, achieved in the previous year 2020-21. The total comprehensive income on standalone basis was Rs. 135.14 lakh in FY 2021-22 as against Rs. (118.84) lakh in the previous FY 2020-21.

3. **Operational Performances**

3.1 Stock Broking

The Broking Income of IFIN has increased from Rs. 1094.32 lakh during the FY 2020-21to Rs. 1299.40 lakh during the FY 2021-22, mainly due to positive market sentiments in Capital Markets. The Company’s stock broking operations have slowed down in line with the Industry geographically during Q1 - Financial Year 2022-23. With wider reach expected in the Financial Year 2022-23, our Company is on the right path to add to its clientele base significantly.

3.2 Insurance Commission

Insurance Commission earned during the year is Rs. 1.91 Lakh for the FY 2021-22 (previous year actuals was at Rs 2.85 lakh).

3.3 Brokerage from Selling of Mutual Funds/IPO/Bonds

During the year, the company has earned an income of Rs.195.38 lakh in the FY 2021-22 from Selling of mutual fund units as compared to Rs. 100.49 lakh in the previous reporting year there by almost doubling compared to the Last Financial Year 2020-21.

3.4 Depository Segment

The Company operated as the Depository Participants of both NSDL and CDSL during the year for the benefit of its retail and institutional client base. Total Income received during the year 2021-22 was Rs.107.49 lakh (previous year Rs. 107.65 lakh)

3.5 Non Fund Based Activity – Syndication, Merchant Banking and Investment Banking

During the year the Company has earned gross income of Rs. 11.75 lakh (Previous Year- Rs. 26.68 lakh) in this product.

4. **Business Environment**

India emerging as a leader among EMs in both cash and derivatives markets. India has become one of the largest stock markets globally with two major stock exchanges— NSE and BSE—having a market cap of more than US$3.3trillion as of March 2022. Among them, NSE—with 2005 listed firms—performed quite well across all major segments. In the cash market, NSE maintained its position as the fourth largest exchange globally with 5.4bn trades in 2021, while it was ranked first in the derivatives segment with 17.26 billion number of traded contracts over the year. This was largely led by a continuous growth in trading activities of existing firms and listing of new firms through the primary market.The Sensex is down 10.7% in 2022 whereas the Nifty is down 10%. Expectations of an interest rate hike by the US Fed was plaguing the markets. Then the war between Russia and Ukraine accelerated the sell off. Foreign institutional investors (FIIs) have been selling the most. But this is not a sudden change of heart. FIIs have been net sellers in India since October 2021 in response to the changing monetary policy stance of most global central banks, specifically the US Federal Reserve

5. Outlook:

Due to tectonic changes in the broking industry, it's essential for traditional brokers to find a new business strategy to stay competitive in the industry. IFIN shall adopt the following strategy in order to maintain its growth and profitability for FY 2022-23.

- Automate the various processes to reduce the cost, the process was started during the FY 22.
- Invest in technology to get the best front-end software and user-friendly backend software at appropriate cost.
- Though flat brokerage concept may not work for traditional full service providing broking houses like us, we are marketing the Prepaid Brokerage concept instead of Flat brokerages.
- Due to technological change, it is necessary to implement a business model similar to discount brokers.
- Like our competitors in the industry, IFIN will be starting to offer MTF product to enable clients to leverage their capital of investments with us.

6. Subsidiaries

6.1 IFIN Securities Finance Limited

IFIN Securities Finance Limited, a NBFC is a wholly owned subsidiary of IFCI Financial Services Limited. It is engaged in the business of providing Loan against Shares, Mutual Funds and Sovereign Gold Bonds etc.

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.

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, 2022.

9. Transfer To Reserves

The Board of Directors have no proposal to carry on any amount to general reserves for the year ended March 31, 2022. However, in the Consolidated Financial statements, the amount is transferred to Statutory Reserve as per Section 45 IC of RBI Act being one subsidiary a NBFC Company.

10. Directors and Key Managerial personnel

Changes in Directors and KMP in FY 2021-22:

- Mr. Aby Eapen, Company Secretary resigned and relieved from his services with effect from 16.06.2021.

- Ms. Meera Ranganathan, Chief Operating Officer ceased to be associated with the company on account of withdrawal of nomination by IFCI Limited with effect from July 1, 2021.
- Ms. Pragyan Shree was appointed as Company Secretary with effect from November 2, 2021.
- Mr. Ramesh NGS who retires by rotation at the 26th Annual General Meeting held on October 22, 2021 was re-appointed as the director of the company.
- Mr. Jayesh A Shah and Mr. Rajesh Kumar regularized as Director (Non- Executive) at the 26th Annual General Meeting held on October 22, 2021
- Mr. Ramkumar Srinivasan was appointed as Chief Operating Officer of the company with effect from December 2, 2021.
- The Board wishes to place on record its gratitude and appreciation for the valuable contributions made by all the Directors / KMPs who have resigned from their respective offices during their tenure in the Company.
- During the year, no other changes took place in the composition of the Board of Directors of the Company. As on March 31, 2022 there are no independent directors on the Board of your company. As per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government, which is administratively in charge of the Company or as the case may be, the State Government, is required that the person intending to act as Independent Director shall be a person of integrity and possess relevant expertise and experience. Accordingly, in view of the above communication regarding appointment of requisite number of Independent Directors have been sent to the concerned authorities and the reply is still awaited.

As at March 31st, 2022, the Board consisted of 5 Directors comprising of 1 Nominee Director, 3 Non-Executive Director and 1 Managing Director.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director who was on Board as on March 31st, 2022 is given below:-

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31st March, 2022
		No. of Meetings during the tenure of respective directors in FY 2021-22		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Shri Ramesh NGS	5	5	8
2.	Shri Jayesh Amichand Shah	5	5	1
3.	Shri Rajesh Kumar	5	5	2
4.	Shri Alan Savio Pacheco	5	5	2
5.	Shri Karra Visweswar Rao	5	5	3

During the Financial Year 2021-22, Five (5) Board Meetings were held, which are as follows:

15.06.2021	06.08.2021	15.09.2021
02.11.2021	04.02.2022	

Shri Rajesh Kumar will retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

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.

11. Committees of the Board

11.1 Audit Committee

A. Composition

The Audit Committee of the Company presently consists of 2 Non- Executive Directors and one Managing Director. The composition of the Audit committee and attendance of directors at the meetings for the FY 2021-22 is shown below:-

S. No.	Name of Director	Designation	No. of Committee Meetings during the tenure of respective directors in FY 2021-22.	
			Held	**Attended**
1.	Shri Rajesh Kumar	Chairman (Non- executive Director)	5	5
2.	Shri Jayesh Shah	Member (Non-executive Director)	5	5
3.	Shri Karra Visweswar Rao	Member (Managing Director)	5	5

The Managing Director / Whole-time Director, Chief Operating Officer, 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.

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

During the financial year 2021-22, the Audit Committee of Directors of the Company met 5 (Five) times.

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

15.06.2021	06.08.2021	15.09.2021
02.11.2021	04.02.2022	

C. Terms of reference:

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

11.2 Nomination and Remuneration Committee

A. Composition

The Nomination and Remuneration Committee of the Company presently consists of 2 Non-Executive Directors and Managing Director. The composition of the Nomination and Remuneration Committee and attendance of directors at the meetings for the FY 2021-22 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Shri Jayesh Amichand Shah	Chairman (Non-executive Director)	4	4
2	Shri Rajesh Kumar	Member (Non- Executive Director)	4	4
3	Shri Karra Visweswar Rao	Member (Managing Director)	4	4

B. The number of meetings held and dates

During the financial year 2021-22, the Nomination & Remuneration Committee of Directors of the Company met 4 (Four) times on 06.08.2021, 15.09.2021, 02.11.2021 and 04.02.2022.

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

06.08.2021	15.09.2021
02.11.2021	04.02.2022

C. Terms of reference:

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

❖ To approve the remuneration payable to directors and key managerial personnel ("KMP" as defined by the Act).

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

11.3 Risk Management Committee of Board of Directors

A Composition

The Risk Management Committee of the Company presently consists of 2 Non- Executive Directors and one Managing Director. The composition of the Risk Management Committee and attendance of directors at the meetings as on March 31st, 2022 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Shri Jayesh Amichand Shah	Chairman (Non-executive Director)	4	4
2	Shri Rajesh Kumar	Member (Non- Executive Director)	4	4
3	Shri Karra Visweswar Rao	Member (Managing Director)	4	4

B. The number of meetings held and dates

During the financial year 2021-22, the Risk Management Committee of Board of Directors of the Company met 4 (Four) times on 06.08.2022, 02.11.2021, 24.12.2021 and 04.02.2022.

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

06.08.2021	02.11.2021
24.12.2021	04.02.2022

11.4 Information Technology Strategy Committee of Board of Directors

A Composition

The IT Strategy Committee of the Board of Directors of the Company presently consists of 2 Non-Executive Directors and one Managing Director. The composition of the IT Strategy Committee and attendance of directors at the meetings as on March 31st, 2022 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Shri Rajesh Kumar	Chairman (Non-executive Director)	3	3
2	Shri Jayesh Amichand Shah	Member (Non- Executive Director)	3	3
3	Shri Karra Visweswar Rao	Member (Managing Director)	3	3

C. The number of meetings held and dates

During the financial year 2021-22, the IT Strategy Committee of Board of Directors of the Company met 3 (Three) times on 05.08.2022, 02.11.2021 and 04.02.2022.

The date of the meetings of are as follows:

05.08.2021	02.11.2021	04.02.2022

11.5 Share Transfer Committee

A. Composition

The Share Transfer Committee of the Board of Directors of the Company presently consists of 2 members. The composition of the Share Transfer Committee and attendance of directors at the meetings as on March 31st, 2022 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	**Attended**
1.	Shri Karra Visweswar Rao	Chairman (Managing Director)	1	1
2	Shri Alan Savio Pacheco	Member (Nominee Director)	1	1

B. The number of meetings held and dates

During the financial year 2021-22, the Share Transfer Committee of Board of Directors of the Company met once on 04.03.2022.

11.6 Other Committees

The Company also has committees such as Internal Risk Committee, Internal Technology Committee, Share Allotment Committee and Share Transfer Committee etc.,

11.7 General Meetings held during the Financial Year 2021-22.

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

General Meeting	26th Annual General Meeting
Venue	Through Video Conferencing
Date and Day of meeting	Friday, October 22nd, 2021

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

12. Annual Return

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

URL:	https://ifinltd.in/Aboutus/Financials

13. Directors' Responsibility Statement

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

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

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

As on March 31, 2022, there are no Independent Directors on the Board of your Company.

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

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is made available through the following web:

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

16. Auditors

M/s S Venkatram, Chartered Accountants, (Firm Reg. No. 004656S) was appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditor of your Company for FY 2021-22. C&AG shall appoint Statutory Auditors for the Financial Year 2022-23.

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

The Comptroller and Auditor General of India (CAG) report on the accounts for the year ended 31st March, 2022 is attached **Annexure-I** to this report.

18. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

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

19. Related Party Transactions

All transactions entered by the Company with Related Parties were in the ordinary course of business and at Arm's Length pricing basis. The transactions entered with the holding, subsidiaries and other group company is as follows:

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ Arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any
1	IFCI Limited-Holding Company	Brokerage	As per approval	Ordinary course of business
		DP Income received	As per approval	Ordinary course of

				business
		Reimbursement of MD Salary paid by IFCI Limited	As per terms of deputation	Ordinary course of business
		Rent	As per approval	Ordinary course of business
		Deputation salary received	As per approval	Ordinary course of business
2	IFIN Securities Finance Limited – Subsidiary company	Reimbursement of office expenses received	As per approval	Ordinary course of Business
		Brokerage Income	As per approval	Ordinary course of business
		Commission income	As per the terms of agreement	Ordinary course of Business
		Sharing of manpower	As per approval / as per terms of deputation	Ordinary course of business
		Short Term Borrowings	As per approval	Ordinary course of business
3	IFIN Commodities Limited – subsidiary company	Reimbursement of office expenses received	Ongoing basis	Ordinary course of business
		Sharing of manpower	Ongoing basis/ as per terms of deputation	Ordinary course of business
4	IFIN Credit Limited – Subsidiary Company	Reimbursement of office expenses received	As per approval	Ordinary course of business
5	IFCI Factors Limited- Fellow subsidiary Company	Reimbursement of expenses	As per approval	Ordinary course of business
		DP Income received	As per approval	Ordinary course of business
6	IFCI Venture Capital Fund Limited- Fellow subsidiary Company	Brokerage	As per approval	Ordinary course of business
		DP Income received	As per approval	Ordinary course of business

There were no materially significant transactions with Related Parties during the financial year 2021-22 which were in conflict with the interest of the Company.

The particulars of Contracts or Arrangement with related parties are given in notes to the financial statement. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-I1** in Form AOC-2.

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

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

During the Financial Year 2021-22, your Company did not accept any deposits within the meaning of provisions of chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

21. Details of Frauds

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

22. Material changes and commitments

There were no material changes and commitments affecting the financial position of the company between the end of the financial year i.e. March 31, 2022 and the date of the report.

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

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

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

Your Company has neither incurred any expenditure nor earned any income in foreign exchange. Further, your Company has not incurred any expenditure on Research and Development.

24. Risk Management

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

The company has also constituted internal risk committee and Risk management committee at Board Level to monitor and mitigate the risk and safe guard the interest of the company.

25. Internal Financial Control

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business.

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

The Company has 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.

26. Vigil Mechanism/ Whistle Blower Policy

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

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

27. 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.

28. Formal Annual Evaluation of Board, Committees and Directors

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

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

Since, there was no Independent Director on the Board of the Company during the financial year 2021-22 hence, no Meeting of the Independent Directors could be held. As per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government, which is administratively in charge of the Company or as the case may be, the State Government, is required that the person intending to act as Independent Director shall be a person of integrity and possess relevant expertise and experience. Accordingly, in view of the above communication regarding appointment of requisite number of Independent Directors have been sent to the concerned authorities and the reply is still awaited.

29. **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.

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

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

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

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

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

The Company has neither made any application nor are any proceedings pending under The Insolvency and Bankruptcy Code, 2016 during the year under review. Therefore, there are no details required to be disclosed, as the said clause is not applicable as on year ended 31.03.2022.

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

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

33. Acknowledgement

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

By Order of the Board

For IFIN Financial Services Limited

	Sd/-	**Sd/-**
	Karra Visweswar Rao	**Ramesh NGS**
Place: Chennai	**Managing Director**	**Director**
Date: 30.08.2022	**(DIN:08111685)**	**(DIN: 06932731)**

Annexure - I

Form AOC-1

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

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

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	IFIN Securities Finance Limited	IFIN Commodities Limited	IFIN Credit Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Period same as holding company's	Reporting Period same as holding company's	Reporting Period same as holding company's
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Nil	Nil	Nil
4.	Share capital	30,01,00,000	5,00,00,000	2,50,00,000
5.	Reserves & surplus	(1,04,53,032)	(86,92,732)	(52,19,243)
6.	Total assets	29,30,09,023	5,55,68,296	1,98,31,004
7.	Total Liabilities	33,62,056	1,42,61,028	50,247
8.	Investments	10,21,48,262	Nil	Nil
9.	Turnover	1,02,67,066	44,37,417	-
10.	Profit before taxation	43,18,904	(65,93,800)	42,128
11.	Provision for taxation	12,55,575	0	7,052
12.	Profit after taxation	30,63,329	(65,93,800)	35,076
13.	Total Comprehensive Income	30,36,784	(61,16,269)	35,076
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%

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

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

Part "B": Associates and Joint Ventures

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

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

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

FOR IFCI FINANCIAL SERVICES LIMITED

Sd/-	Sd/-	Sd/-
A V Pushparaj	**Karra Visweswar Rao**	**Ramesh NGS**
Chief Financial Officer	**Managing Director**	**Director**

Date: 30.08.2022

Place: Chennai

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2022.

The preparation of financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2022 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 is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated19 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of thefinancial statements of IFCI Financial Services Limited for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(DEVIKA NAYAR)
DIRECTOR GENERAL OF COMMERCIAL AUDIT

Place: Chennai
Date: 19.08.2022

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 2022.

The preparation of consolidated financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of IFCI Financial Services Limited, IFIN Credit Limited and IFIN Securities Finance Limited but did not conduct supplementary audit of the financial statements of 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(DEVIKA NAYAR)
DIRECTOR GENERAL OF COMMERCIAL AUDIT

Place: Chennai
Date: 19.08.2022

Annexure III

FORM NO. AOC -2

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

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

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

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

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

Sr.No.	Name (s) of the related party & nature of relationship	Nature of contracts/ Arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	IFCI Limited-Holding Company	Brokerage	As per approval	Ordinary course of business	06.08.2021	Nil
		DP Income received	As per approval	Ordinary course of business	06.08.2021	Nil
		Reimbursement of MD Salary paid by IFCI Limited	As per terms of deputation	Ordinary course of business	06.08.2021	Nil
		Rent	As per approval	Ordinary course of business	06.08.2021	Nil
		Deputation salary received	As per approval	Ordinary course of business	06.08.2021	Nil
2	IFIN Securities Finance Limited – Subsidiary	Reimbursement of office expenses received	As per approval	Ordinary course of Business	06.08.2021	Nil
		Brokerage Income	As per approval	Ordinary course of business	06.08.2021	Nil

	company	Commission income	As per the terms of agreement	Ordinary course of Business	06.08.2021	Nil
		Sharing of manpower	As per approval / as per terms of deputation	Ordinary course of business	06.08.2021	Nil
		Short Term Borrowings	As per approval	Ordinary course of business	15.09.2021	Nil
3	IFIN Commodities Limited – subsidiary company	Reimbursement of office expenses received	As per approval	Ordinary course of business	06.08.2021	Nil
		Sharing of manpower	As per approval/ as per terms of deputation	Ordinary course of business	06.08.2021	Nil
4	IFIN Credit Limited – Subsidiary Company	Reimbursement of office expenses received	As per approval	Ordinary course of business	06.08.2021	Nil
5	IFCI Factors Limited- Fellow subsidiary Company	Reimbursement of expenses	As per approval	Ordinary course of business	06.08.2021	Nil
		DP Income received	As per approval	Ordinary course of business	06.08.2021	Nil
6	IFCI Venture Capital Fund Limited- Fellow subsidiary Company	Brokerage	As per approval	Ordinary course of business	06.08.2021	Nil
		DP Income received	As per approval	Ordinary course of business	06.08.2021	Nil

By Order of the Board

For IFCI Financial Services Limited

	Sd/-	**Sd/-**
	Karra Visweswar Rao	**Ramesh NGS**
Place: Chennai	**Managing Director**	**Director**
Date: 30.08.2022	**(DIN: 08111685)**	**(DIN: 06932731)**

S. Venkatram & Co. LLP
Chartered Accountants
"Formerly known as S. Venkatram & Co." (Regn No: 722)
Converted and registered as LLP vide LLPIN AAM-3179/27.03.2018
with Limited Liability

218, T.T.K. Road,
Alwarpet, Chennai – 600 018.
Ph. No.: 2499 21 55 / 56 / 57
E.mail : admin@svco.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S IFCI FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **M/S IFCI FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and the ***profits***, total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

Key Audit Matters

This Company is an unlisted public sector company (where the shareholding of the entities owned by the Government of India is more than 51%). We have been informed by the management that the transactions of the Company are not: (a) significant as compared to the size of operations of its Holding Company; (b) the transactions of the Company are not complex; and (c) of such nature to be of public interest. In view of the above, we are not mentioning any Key Audit Matters.

Emphasis of Matter

We draw attention to Note 37 in the Standalone Financial Statements, which describes the effect of COVID 19 on the Company. The Management has performed an impairment assessment for its assets. The Management assessment shows no indication of material fall in realizable value than the book value of those assets. However, the impact of COVID-19 may be different from that of estimates and judgements made by the management as at the date of approval of these Standalone Financial Statements. Further the impact on the financial performance is dependent on future development which are highly uncertain.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Standalone Financial Statements

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

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

S. VENKATRAM & CO. LLP * Chartered Accountants * No. 218, TTK Road, Chennai-18

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,

S. VENKATRAM & CO. LLP * No. 218, TTK Road, Chennai-18 * Chartered Accountants

2013, we give in the "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, in "**Annexure 2**" on the directions issued by the Comptroller and Auditors General of India.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We have been informed that the provisions of the section 164(2) of the Act in respect of the disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R. 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India.

f) With respect to the adequacy of the Internal Financial Controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**". Our Report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 29 of the Notes forming part of Standalone Financial Statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

S. VENKATRAM & CO LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

iv.

(a) The Board of Directors of the Company have represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Board of Directors of the Company have represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Board of Directors of the Company under sub-clause (a) and (b) hereinabove contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanation given to us, the provisions of section 197 of the Act are not applicable as the Company is a Government Company.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

R. Vaidyanathan
Partner
M.No. 018953
UDIN: 22018953AJQFEE1744

Place: Chennai
Date: 19th May 2022

ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE COMPANY (AUDITOR'S REPORT) ORDER, 2020 ("THE ORDER"), UNDER CLAUSE (i) OF SUB-SECTION (11) OF SECTION 143 OF THE COMPANIES ACT, 2013 (the ACT)

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IFCI FINANCIAL SERVICES LIMITED on the Standalone Financial Statements for the year ended 31st March 2022)

i. In respect of Property, Plant and Equipment:

   a)

      A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

      B. The Company has maintained proper records showing full particulars and details of Intangible Assets.

   b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us, the Company does not own any immovable properties. Therefore, the provisions of sub clause (c) of clause (i) of Paragraph 3 of CARO 2020 are not applicable

   d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

   e) As per explanations provided to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Therefore, the provisions of sub clause (e) of clause (i) of Paragraph 3 of CARO 2020 are not applicable.

ii. In respect of Inventories:

   a) The Company is in the service industry and consequently do not hold any inventory. Therefore, the provisions of sub clause (a) of clause (ii) of Paragraph 3 of CARO 2020 are not applicable

   b) The Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

assets. Therefore, the provisions of sub clause (b) of clause (ii) of Paragraph 3 of CARO 2020 are not applicable.

iii. In respect of Investments made, provision of guarantee or security:

a) The Company has provided a corporate guarantee to HDFC Bank Limited with respect to bank guarantees given by them to the exchanges on behalf its wholly owned subsidiary M/s IFIN Commodities Limited (ICOM):

A. the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such corporate guarantees are as under:

i) Aggregate amount of corporate guarantee provided during the year in respect of wholly owned subsidiary ICOM - Rs. 5 crores (sanctioned limit as at the Balance Sheet date: Rs. 3 crores).

ii) Balance outstanding as at Balance Sheet date: Rs. 3 crores

B. In our opinion the Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to parties other than to its subsidiaries, joint ventures, and associates.

b) As ICOM (to whom the corporate guarantee has been provided) has incurred cash losses during the financial year 2021-22 and 2020-21 and as at 31st March 2022 it has accumulated losses ₹ 86,92,732/-. Thus, there is a risk in the corporate guarantee getting invoked by the bankers in case default by ICOM. Subject to the above, in our opinion the terms and conditions of the guarantees provided are not prejudicial to the Company's interest.

The other provisions of sub clause (c) to (f) of clause (iii) of Paragraph 3 of CARO 2020 are not applicable.

iv. In our opinion the Company has complied with the provisions of section 186 of the Act, with respect to making investments and provision of guarantees. The Company has not given any loan or guarantee or provided any security to any party covered under Section 185 of the Act.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit 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 (v) of Paragraph 3 of the CARO 2020 are not applicable.

vi. The Central Government 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. Therefore, the provisions of clause (vi) of Paragraph 3 of CARO 2020 are not applicable.

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

vii. In respect of statutory dues:

a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other material statutory dues. Further, there were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31st March 2022 for a period of more than six months.

b) According to the information and explanations given to us and as per the books of accounts there are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax or Goods and Services Tax that have not been deposited as on 31st March, 2022 with the appropriate authorities on account of any dispute except as stated below:

Sl. No	Name of the Statute	Nature of Dues	Amounts Involved (Rs.)	Period to which the amount relates (Financial Year)	Forum where disputed is pending
1	Income Tax Act, 1961	Income Tax	3,94,229	2011-12	Commissioner of Income Tax (Appeals)
2			1,28,55,235	2012-13	
3			5,64,346	2014-15	
4			5,22,985	2015-16	
5			12,97,843	2017-18	
6	Income Tax Act, 1961	TDS	1,19,453	Various years	Demand as per Traces

viii. As per the explanations provided to us, there were no transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. With respect of Repayment of loans and other borrowings:

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

c) The Company has not obtained any Term Loans.

d) Based on our examination of the books of the Company, no funds were raised on short term basis which have been utilized for long term purposes.

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

Therefore, the provisions of sub clause (a) to (f) of clause (ix) of Paragraph 3 of CARO 2020 are not applicable

x. With respect to Public Offers and allotment of shares:

a) The Company has not raised any moneys by way of Initial Public offer or further public offer (including debt instruments).

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.

Therefore, the provisions of sub clause (a) & (b) of clause (x) of Paragraph 3 of CARO 2020 are not applicable.

xi. With respect to Fraud:

a) No material fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit.

b) There are no reports filed under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) There were no whistle-blower complaints received during the year by the Company.

Therefore, the provisions of sub clause (a) to (c) of clause (xi) of Paragraph 3 of CARO 2020 are not applicable

xii. In our opinion, the Company is not a Nidhi Company. Hence, reporting under sub clause (a) to (c) of clause (xii) of Paragraph 3 of CARO 2020 is not applicable to the Company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in Note 31 to the standalone financial statements as required by the applicable accounting standards.

xiv. Since neither the paid up share capital is greater than rupees fifty crores during the previous financial year nor the turnover is greater than rupees two hundred crores during previous financial year nor outstanding loans/borrowings from banks/public financial institutions is greater or equal to one hundred crore rupees at any time during the previous financial year or outstanding deposits is greater or equal to twenty five crore rupees at any time during the previous financial year, the

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

Company is not required have an internal audit system which commensurate with the size and nature of its business. Therefore, reporting under sub clause (a) & (b) of clause (xiv) of Paragraph 3 of CARO 2020 is not required.

xv. The Company has not entered in any non-cash transactions with its directors or persons connected with them. Therefore, reporting under clause (xv) of Paragraph 3 of CARO 2020 is not required.

xvi. The Company is not a Non-Banking Finance Company; and is not required to register under section 45-IA of Reserve Bank of India Act, 1934. Therefore, the reporting of sub clause (a) to (d) of clause (xvi) of Paragraph 3 of CARO 2020 are not applicable.

xvii. The Company has not incurred any cash losses during the financial year. However, the Company has incurred a cash loss of Rs. 1,26,60,808/- and in the immediately preceding financial year. Therefore, reporting under clause (xvii) of Paragraph 3 of CARO 2020 is not required.

xviii. There has not been any change in Statutory Auditors during the year, Therefore, reporting under clause (xviii) of Paragraph 3 of CARO 2020 is not required.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Since the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company, the reporting under sub clause (a) and (b) of clause (xx) of Paragraph 3 of the CARO 2020 are not applicable.

S. VENKATRAM & CO. LLP * Chartered Accountants * No. 218, TTK Road, Chennai-18

xxi. Since the Company is preparing consolidated financial statement, the reporting of clause (xxi) of Paragraph 3 of the CARO 2020 are done in the independent auditors report on consolidated financial statements.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP ★ Chartered Accountants ★ No. 218, TTK Road, Chennai-18

R. Vaidyanathan
Partner
M.No. 018953
UDIN: 22018953AJQFEE1744

Place: Chennai
Date: 19th May 2022

ANNEXURE "2" to INDEPENDENT AUDITOR'S REPORT

REPORT ON THE DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IFCI FINANCIAL SERVICES LIMITED on the Standalone Financial Statements for the year ended 31st March, 2022)

S.No.	GENERAL DIRECTIONS	AUDITOR'S COMMENT
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions through its IT systems with the support of accounting software – LIDHA DIDHA (LD) and Tally accounting software. The main activity is accounting for brokerage income earned from clients trading in equities and derivatives which are updated on a daily basis based on the trades carried through the exchange with the support of file / data shared by the exchanges. In respect of payroll related data, based on the files received from payroll department entries are uploaded periodically / monthly in the respective ledger accounts in the accounting software. Other administrative and routine entries are passed through the accounting software with appropriate menu-based operations. Based on the verification carried out by us during the course of our audit we have not come across any discrepancies in processing of accounting transactions outside the IT systems which has a significant implications on the integrity of accounts.

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

2.	Whether there is any restructuring of any existing loan or cases of waiver / write off of debts / loans / interest, etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	As per the information and explanations given to us the Company has not made any borrowings where there was any restricting of loans or waiver of loans.
3.	Whether funds received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	As per the information and explanations given to us the Company has neither received any funds nor is receivable for specific schemes from Central / State Government or its agencies.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP
No. 218,
TTK Road,
Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No. 018953
UDIN: 22018953AJQFEE1744

Place: Chennai
Date: 19th May 2022

ANNEXURE "3" to INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS with reference to STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

(Referred to Point f in Paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IFCI FINANCIAL SERVICES LIMITED on the Standalone Financial Statements for the year ended 31st March, 2022.)

We have audited the internal financial controls with reference to Standalone Financial Statements of **IFCI FINANCIAL SERVICES LIMITED** as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements 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 with reference to Standalone Financial Statements based on the criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

internal financial controls with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls,

S. VENKATRAM & CO LLP * Chartered Accountants * No. 218, TTK Road, Chennai-18 material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2022, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No. 018953
UDIN: 22018953AJQFEE1744

Place: Chennai
Date: 19th May 2022

IFCI Financial Services Limited
Balance Sheet as at March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	March 31, 2022	March 31, 2021
ASSETS			
1. Non-Current assets			
(a) Property, Plant and Equipment	2	68,33,744	29,51,807
(b) Other Intangible Assets	3	29,34,753	14,85,782
(c) Financial Assets			
- Investments	4	38,52,23,063	38,52,23,063
- Other Financial Assets	5	12,42,29,795	1,51,09,480
(d) Other Non-Current Assets	6	4,03,15,631	3,63,04,822
Total Non-Current Assets		**55,95,36,986**	**44,10,74,954**
2. Current assets			
(a) Financial Assets			
- Investments	7	54,830	52,977
- Trade Receivables	8	4,99,43,512	3,71,07,593
- Cash and Cash equivalents	9	10,23,13,097	10,34,92,976
- Bank balances other than Cash and Cash equivalents	10	8,19,98,258	19,76,09,545
- Other Financial Assets	5	19,64,00,947	16,67,73,968
(b) Other Current Assets	11	1,47,78,382	94,82,847
Total Current Assets		**44,54,89,026**	**51,45,19,907**
Total Assets		**1,00,50,26,012**	**95,55,94,861**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	41,53,37,090	41,53,37,090
(b) Other Equity		29,18,06,683	27,82,92,736
Total Equity		**70,71,43,773**	**69,36,29,826**
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
- Other Financial Liability	13	39,43,726	37,58,726
(b) Provisions	16	65,07,738	88,59,438
(c) Deferred Tax Liabilities (net)		-	-
Total Non-Current Liabilities		**1,04,51,464**	**1,26,18,164**
2. Current Liabilities			
(a) Financial Liabilities			
- Trade Payables	14		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		27,43,64,334	23,65,44,338
- Other Financial Liabilities		-	-
(b) Other Current Liabilities	15	1,23,57,553	1,27,47,153
(c) Provisions	16	7,08,887	55,380
Total Current Liabilities		**28,74,30,774**	**24,93,46,871**
Total Equity and Liabilities		**1,00,50,26,012**	**95,55,94,861**

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: May 19, 2022

IFCI Financial Services Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
Revenue from Operation	17	16,85,39,967	13,96,66,070
Other Income	18	4,01,34,981	1,97,25,617
Total Income		**20,86,74,948**	**15,93,91,686**
Expenses			
Operational Expense	19	6,19,22,806	4,80,90,448
Employee Benefit Expenses	20	7,53,54,279	7,99,90,319
Finance Costs	21	9,67,038	13,01,335
Depreciation and Amortisation Expense	22	9,66,773	5,80,660
Other Expenses	23	4,36,66,069	4,39,97,314
Impairment on Financial Instruments (including Bad Debts written off)	24	1,50,98,119	12,84,870
Total Expenses		**19,79,75,084**	**17,52,44,947**
Profit/(Loss) before exceptional item and Tax		**1,06,99,865**	**(1,58,53,261)**
Exceptional Items			-
Profit/(Loss) before Income Tax Expense		**1,06,99,865**	**(1,58,53,261)**
Current Tax		-	-
Deferred Tax		-	(26,51,556)
Income Tax Expense		-	**(26,51,556)**
Profit(Loss) after Tax		**1,06,99,865**	**(1,32,01,705)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of Defined Benefit Liability (Asset)		28,14,083	13,17,987
Income tax relating to items that will not be reclassified to profit or loss			-
Net other comprehensive income not to be reclassified subsequently to profit or loss		**28,14,083**	**13,17,987**
Items that will be reclassified subsequently to profit or loss		-	-
Other Comprehensive Income for the year, net of income tax expense		**28,14,083**	**13,17,987**
Total Comprehensive Income		**1,35,13,948**	**(1,18,83,718)**
Earnings per Share			
Basic and diluted earnings per share (in ₹)	25	0.26	(0.32)

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

IFCI Financial Services Limited
Cash flow statement for the year ended March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars		March 31, 2022	March 31, 2021
Cash flow from operating activities			
Net Profit / (Loss) before Tax		1,06,99,865	(1,58,53,261)
Adjustments for:-			
Depreciation		9,66,773	5,80,660
Finance Costs		9,67,038	13,01,335
Fair value change in Investment		(1,852)	8,935
Net Gain on Sale of Investments		(0)	(12,846)
Interest income		(85,19,732)	(1,37,65,905)
Impairment of Receivables		(37,84,135)	12,84,870
Remeasurements of Defined Benefit Liability		28,14,083	13,17,987
Profit on Sale of Fixed assets		(1,12,493)	
Loss on scrapped asset		-	468
Operating Cash Flow before Working Capital Changes		**30,29,547**	**(2,51,37,756)**
Adjustments for:			
(Increase) / Decrease in Trade Receivables		(90,51,783)	(52,54,012)
(Increase) / Decrease in Other current Assets		(52,95,535)	67,83,757
Increase / (Decrease) in Trade Payable		3,78,19,996	8,78,41,630
Increase / (Decrease) in Other Current Liabilities		(3,89,600)	(2,73,261)
Increase / (Decrease) in Provisions		(16,98,193)	(12,98,760)
(Increase) / Decrease in Financial Asset		(3,00,38,725)	(10,59,00,701)
Increase / (Decrease) in Financial Liability		1,85,000	(5,53,000)
Cash generated from Operating Activities		**(54,39,293)**	**(4,37,92,102)**
Income Taxes Paid (Net of Refunds)		(19,66,935)	(26,81,733)
Net Cash from Operating Activities	**(A)**	**(74,06,228)**	**(4,64,73,835)**
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment		(47,44,140)	(5,42,355)
Purchase of Intangible Assets		(15,56,840)	-
Sale of Fixed Assets		1,15,791	
(Increase) / Decrease in Fixed Deposits		69,02,719	2,45,70,305
Sale of Current Investment		(0)	10,00,000
Gratuity Fund Asset		(20,43,874)	(20,57,185)
Interest received		85,19,732	1,37,65,905
Net Cash used in Investing Activities	**(B)**	**71,93,388**	**3,67,36,670**
Cash flow from Financing Activities			
Receipt of short-term borrowings		7,00,00,000	
Repayment of short-term borrowings		(7,00,00,000)	
Interest Expense		(9,67,038)	(13,01,335)
Net Cash from Financing Activities	**(C)**	**(9,67,038)**	**(13,01,335)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**(A + B + C)**	**(11,79,878)**	**(1,10,38,500)**
Cash and Cash Equivalents at the beginning of the year		10,34,92,976	11,45,31,476
Cash and Cash Equivalents at the end of the year		**10,23,13,097**	**10,34,92,976**
Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement			
Balance with Banks in Current Accounts		10,23,12,759	10,34,92,114
Cash on Hand		338	862
		10,23,13,097	**10,34,92,976**

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

IFCI Financial Services Limited
Statements of Changes in Equity for the year ended March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

		Reserves and Surplus					
	Equity Share capital	**Securities Premium Reserve**	**General Reserve**	**Amalgamation Reserve**	**Retained Earnings**	**Other comprehensive income**	**Total**
Balance at the beginning of the reporting period, April 01, 2020	41,53,37,090	45,16,43,790	91,79,620	97,63,970	(18,04,10,926)	-	70,55,13,544
Changes in equity share capital due to prior period errors	-	-	-	-	-		-
Restated balance at the beginning of the reporting period, April 01, 2020	**41,53,37,090**	**45,16,43,790**	**91,79,620**	**97,63,970**	**(18,04,10,926)**		**70,55,13,544**
Profit or Loss for the period	-	-	-	-	(1,32,01,705)	-	(1,32,01,705)
Other Comprehensive Income (net of tax)	-	-	-	-		13,17,987	13,17,987
Transferred to Retained Earnings					13,17,987	(13,17,987)	
Balance as at March 31, 2021	**41,53,37,090**	**45,16,43,790**	**91,79,620**	**97,63,970**	**(19,22,94,644)**	-	**69,36,29,826**
Balance at the beginning of the reporting period, April 01, 2021	**41,53,37,090**	**45,16,43,790**	**91,79,620**	**97,63,970**	**(19,22,94,644)**	-	**69,36,29,826**
Changes in equity share capital due to prior period errors	-	-	-	-	-		-
Restated balance at the beginning of the reporting period, April 01, 2021	**41,53,37,090**	**45,16,43,790**	**91,79,620**	**97,63,970**	**(19,22,94,644)**		69,36,29,825.65
Profit or Loss for the period					1,06,99,865		1,06,99,865
Other Comprehensive Income (net of tax)						28,14,083	28,14,083
Transferred to Retained Earnings					28,14,083	(28,14,083)	-
Balance as at March 31, 2022	**41,53,37,090**	**45,16,43,790**	**91,79,620**	**97,63,970**	**(17,87,80,697)**	-	**70,71,43,773**

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

R. Vaidyanathan
Partner
M.No : 018953

S. VENKATRAM & CO LLP
No.218.
TTK Road.
Alwarpet.
Chennai-18
Chartered Accountants

Place : Chennai
Date: May 19, 2022

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

1 Significant Accounting Policies

A Reporting Entity

IFCI Financial Services Limited (IFIN) was incorporated on June 04, 1995, by IFCI Ltd.,to provide a wide range of financial products and services to investors, institutional and retail. IFIN is primarily involved in Stock Broking, Investment Banking, Mutual Fund Distribution & Advisory Services, Depository Participant Services, Insurance Products Distribution and the like. The Company is a SEBI registered Stock Broker of National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Stock Exchange (MCX-SX) and a Depository Participant with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and is primarily engaged in the business of providing securities market related transaction services. The Company is also a registered Merchant Banker Category I

B Summary of Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

(i) Statement of Compliance

The Financial Statements for the year ended March 31, 2022 have been prepared by the Company in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015.

For periods up to and including the year ended March 31, 2018, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013 .

The financial statements for the year ended March 31, 2022 are the fourth financial statements of the Company prepared under Ind AS and the date of transition to the Ind AS was April 1,2017.

The financial statements were authorised for issue by the Company's Board of Directors on May 19, 2022.

The financial statements have been prepared in accordance with historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies.

(ii) Functional and Presentation Currency

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

(iii) Use of Estimates and Judgment

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

(v) Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(vi) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

b) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

(ii) Classification and Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified and measured at
- Amortised Cost;
- FVOCI; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

(iii) Derecognition

Financial Assets

The Company derecognises a financial asset when :
– the contractual rights to the cash flows from the financial asset expire, or
– the company transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(iv) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Investments
Investments in subsidiaries, joint ventures and associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

Other Investments:
All equity investments in scope of Ind AS 109 (i.e. other than equity investments in subsidiaries / associates / joint ventures) are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

d) Property, Plant and Equipment
(i) Recognition and Measurement
Property, Plant and Equipment are stated at cost (cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition including applicable borrowing costs for qualifying assets) and is net of accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

(ii) Subsequent Expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation
Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using straight-line method and is generally recognised in the Statement of Profit and Loss.

Residual value in respect of assets is considered as 5% of the cost for computing depreciation.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Computer equipment's and accessories	3
Servers	6
Office equipment's	5
Motor Vehicles	10
Furniture and fittings	10

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the month in which asset is disposed of.

(iv) Derecognition
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

e) Other Intangible Assets
(i) Recognition and Measurement
Other intangible assets are initially measured at cost. Such intangibles are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent Expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated intangibles is recognised in Statement of Profit and Loss as incurred.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(iii) Amortization
Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Assets	Useful life (in years)
Computer Software	6
Non compete fees	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

f) Impairment

(i) Impairment of Financial Instruments
The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and FVOCI. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each balance sheet date, right from its initial recognition.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of Non-Financial Assets
The Company assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its estimated recoverable amount in the Statement of Profit and Loss.

The Company's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into CGUs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Employee Benefits

(i) Short-term Employee Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Provident Fund
Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

(iii) Gratuity
The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity Scheme is operated through Group gratuity Scheme of LIC. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

S. Venkatram & Co LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(iv) Compensated Absences

The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 30 days leave subject to availability of Annual Leave standing to the credit of the employee at any time during the year will be paid as leave salary calculated on the Gross component. The expenses on account thus arising are recognized in the profit and loss account.

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Short-term encashment of accumulated leave balances are accounted for in the year in which the leave balances are credited to employees on actual basis.

h) Provisions (other than for employee benefits) and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

i) Revenue Recognition

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

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

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

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

(v) Commission from selling of mutual funds is accounted on receipt basis.

(vi) Recovery from bad debts written off is recognised as income on the basis of actual realisation from customers.

(vii) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

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

(ix) All other income are recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

j) Leases

The Company has applied Ind AS 116 (as notified by the Ministry of Corporate Affairs on 30th March 2019) that is effective for annual periods that begin on or after 01st April 2019. Ind AS 116 'Leases' replaces Ind AS 17 'Leases. The new Standard has been applied by the Company using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognized in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for

a. Leases of low value assets; and

b. Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used

The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

k) Income Tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

S. Venkatram & Co. LLP, No. 218, TTK Road, Alwarpet, Chennai-18, Chartered Accountants

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Cash and Cash Equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank balances other than cash and cash equivalents.

n) Bank balances other than Cash and Cash equivalents

Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank balances other than cash and cash equivalents.

Fixed Deposits with amaturity period of more than 12 Months are classified under Other financial asset (Non current)

C Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

IFCI Financial Services Limited
Notes to the financial statements
(All amounts are in Indian Rupees, unless otherwise stated)

2 Property, Plant and Equipment

Reconciliation of Carrying Amount

	Computer Equipments and Accessories	Furniture & Fixtures	Office Equipments	Total
Gross Carrying Amount				
Balance as at April 1, 2021	3,93,14,177	56,77,766	1,20,04,643	5,69,96,586
Additions	45,82,211	1,61,929		47,44,140
Disposals	(1,54,427)	(75,128)	(68,295)	(2,97,850)
Balance as at March 31, 2022	**4,37,41,961**	**57,64,567**	**1,19,36,349**	**6,14,42,876**
Accumulated Depreciation and Impairment Losses				
Balance as at April 1, 2021	3,78,07,982	54,44,719	1,07,92,078	5,40,44,779
Depreciation for the year	6,34,665	10,322	2,13,918	8,58,905
Disposals	(1,54,427)	(73,128)	(66,997)	(2,94,552)
Balance as at March 31, 2022	**3,82,88,219**	**53,81,913**	**1,09,38,999**	**5,46,09,132**
Carrying Amounts (net)				
At March 31, 2022	**54,53,741**	**3,82,653**	**9,97,350**	**68,33,744**
At March 31, 2021	**15,06,195**	**2,33,047**	**12,12,565**	**29,51,807**

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

3 Other Intangible Assets

Reconciliation of Carrying Amount

	Computer Software	Others - Non compete fees	Total
Gross Carrying Amount			
Balance as at April 1, 2021	3,29,31,175	1,00,00,000	4,29,31,175
Additions	15,56,840	-	15,56,840
Balance as at March 31, 2022	**3,44,88,015**	**1,00,00,000**	**4,44,88,015**
Accumulated Amortisation and Impairment Losses			
Balance as at April 1, 2021	3,14,45,393	1,00,00,000	4,14,45,393
Amortisation for the year	1,07,868	-	1,07,868
Balance as at March 31, 2022	**3,15,53,262**	**1,00,00,000**	**4,15,53,262**
Carrying Amounts (net)			
As at March 31, 2022	**29,34,753**	-	**29,34,753**
As at March 31, 2021	**14,85,782**	-	**14,85,782**

4 Investment - Non-Current

	Units	As at March 31, 2022	Units	As at March 31, 2021
Investment measured at cost				
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up				
IFIN Commodities Limited (Face Value ₹ 10/-)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
IFIN Credit Limited (Face Value ₹ 10/-)	25,00,000	2,79,00,000	25,00,000	2,79,00,000
IFIN Securities Finance Limited (Face Value ₹ 100/-)	30,01,000	30,73,23,063	30,01,000	30,73,23,063
Total		**38,52,23,063**		**38,52,23,063**

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
5	**Other Financial Assets**		
	Security Deposits	20,78,93,673	17,75,58,651
	Bank deposit accounts (more than 12 months maturity)	10,87,08,568	-
	Rent advances	40,28,500	43,24,797
		32,06,30,741	**18,18,83,448**
	The above shall also be sub-classified as:		
	Considered Good - secured	-	-
	Considered Good - unsecured	32,06,30,741	18,18,83,448
	Balances which have significant increase in credit risk	-	-
	Credit Impaired	-	-
		32,06,30,741	**18,18,83,448**
	Current *	19,64,00,947	16,67,73,968
	Non-Current	12,42,29,795	1,51,09,480

** Deposit amounting to Rs.14,37,75,447 (Previous year - Rs.12,01,48,468) represents margin money maintained with Exchange*

		As at March 31, 2022	As at March 31, 2021
6	**Other Non-Current Assets**		
	Balance with IT Authorities	3,62,14,572	3,42,47,637
	Fair Value of Plan Asset - Gratuity fund	41,01,059	20,57,185
		4,03,15,631	**3,63,04,822**
7	**Investment - Current**		
	Investments measured at Fair Value through Profit and Loss (FVTPL)		
	- In Equity Instrument	-	-
	- In Mutual Funds*	50,509	50,509
		50,509	**50,509**
	Less:		
	Increase/Decrease in Fair Value	4,321	2,468
	Total of Investments measured at Fair Value Through Profit and Loss	**54,830**	**52,977**

** Investment in Aditya Birla Sun Life Liquid Fund, 159.795 Units (Previous year 159.795 Units) of Face Value ₹ 100/-*

		As at March 31, 2022	As at March 31, 2021
8	**Trade Receivables**		
	Considered Good Secured	-	-
	Considered Good Unsecured	4,99,43,512	3,71,07,593
	Receivables which have significant increase in Credit Risk	6,33,03,200	8,21,85,454
	Credit Impaired	-	-
	Less:		
	Allowance for doubtful receivables	(6,33,03,200)	(8,21,85,454)
	Net Trade Receivables	**4,99,43,512**	**3,71,07,593**
	Of the above, trade receivables from related parties are as below:		
	Total Trade Receivables from Related Parties	-	-
	Less: Loss Allowance	-	-
	Net Trade Receivables	**4,99,43,512**	**3,71,07,593**

The Company's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in Note 27

Trade Receivables ageing schedule

8.1 - Outstanding for following periods from due date of payment as at 31st March 2022:

Particulars	Less than 6 months	6 months-1 Year	1-2 Year	2-3 Year	More than 3 year
(i) Undisputed Trade receivables - Considered good	4,66,94,319	31,19,193	-	-	1,30,000
(ii) Undisputed Trade Receivables - Which have significant increased in credit risk	3,45,936	7,48,170	6,32,900	4,28,605	1,63,91,609
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-
(v)Disputed Trade Receivables -which have significant increased in credit risk	-	-	-	-	4,47,55,981
(vi)Disputed Trade Receivables - Credit impaired	-	-	-	-	-
Total	4,70,40,255	38,67,362	6,32,900	4,28,605	6,12,77,589
Less: Loss Allowance	(3,45,936)	(7,48,170)	(6,32,900)	(4,28,605)	(6,11,47,589)
Net Trade Receivables	**4,66,94,319**	**31,19,193**	-	-	**1,30,000**

8.2 - Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 6 months	6 months-1 Year	1-2 Year	2-3 Year	More than 3 year
(i) Undisputed Trade receivables - Considered good	3,61,99,862	2,60,950	2,42,400	-	4,04,382
(ii) Undisputed Trade Receivables - Which have significant increased in credit risk	3,10,213	10,55,079	7,16,666	-	3,02,09,548
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-
(v)Disputed Trade Receivables -which have significant increased in credit risk	-	-	-	-	4,98,93,947
(vi)Disputed Trade Receivables - Credit impaired	-	-	-	-	-
Total	3,65,10,075	13,16,030	9,59,066	-	8,05,07,877
Less: Loss Allowance	(3,10,213)	(10,55,079)	(7,16,666)	-	(8,01,03,495)
Net Trade Receivables	**3,61,99,862**	**2,60,950**	**2,42,400**	-	**4,04,382**

S. VENKATRAM & CO LLP
TTK Road,
Alwarpet,
Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
9	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balance with banks in current accounts	10,23,12,759	10,34,92,114
	Cash on Hand	338	862
		10,23,13,097	10,34,92,976
10	**Bank balances other than Cash and Cash equivalents**		
	Bank deposit accounts (more than 3 months but less than 12 months maturity) *	7,94,98,258	19,51,09,545
	Balances with banks held as margin money	25,00,000	25,00,000
		8,19,98,258	19,76,09,545

**Bank deposit accounts includes fixed deposits with banks aggregating to ₹ Nil (As at March 31, 2021 - ₹ 8,46,87,500/-) against which lien has been marked by the banks as*

		As at March 31, 2022	As at March 31, 2021
11	**Other Current Assets**		
	Interest accrued on Deposits	64,00,145	17,46,982
	Balance with Revenue Authorities	17,99,683	7,46,260
	Prepaid Expenses	60,69,054	63,90,885
	Employee Advances	5,09,500	5,73,594
	Other Advances	-	25,126
		1,47,78,382	94,82,847

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

12 Equity Share Capital

	As at 31 March 2022	As at 31 March 2021
Authorised		
50,000,000 equity shares of ₹ 10 each	50,00,00,000	50,00,00,000
Issued, subscribed and paid-up		
41,533,709 equity shares of ₹ 10 each fully paid up	41,53,37,090	41,53,37,090
	41,53,37,090	**41,53,37,090**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
As at beginning of the period	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Shares issued during the period	-	-	-	-
At the end of the period	**4,15,33,709**	**41,53,37,090**	**4,15,33,709**	**41,53,37,090**

Rights, preferences and restrictions attached to equity shares
The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/her/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding	Number of shares held	% holding
IFCI Limited and Nominees *	3,93,63,809	94.78%	3,93,63,809	94.78%

** Holding Company*

Shares held by promoters at the end of the year

	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
IFCI Limited and Nominees	3,93,63,809	94.78%	-	3,93,63,809	94.78%	

VENKATRAM & CO LLP No.218, ... Road, Alwarpet, Chennai-18 Chartered Accountants

IFCI Financial Services Limited
Notes to the financial statements
(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
13 Other Financial Liabilities		
Security deposits collected	39,43,726	37,58,726
	39,43,726	**37,58,726**
Security deposits		
Non-Current	39,43,726	37,58,726
Current		
	39,43,726	**37,58,726**

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in Note 27.

14 Trade and Other Payables

Other Trade Payables	27,43,64,334	23,65,44,338
	27,43,64,334	**23,65,44,338**

All trade payables are 'Current'.
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 27.

Trade Payables ageing

14.1 - Outstanding for following periods from due date of payment as at 31st March 2022

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	Total
MSME	-	-	-	-	-
Others	26,61,47,006	12,27,228	16,08,841	53,81,259	**27,43,64,334**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

14.2 - Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	Total
MSME	-	-	-	-	-
Others	16,38,58,940	3,45,082	33,29,874	6,90,10,443	**23,65,44,338**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

15 Other Current Liabilities

Creditors for Expenses	71,80,935	75,89,682
Employee Related payables	13,19,076	21,90,555
Statutory Dues payable	37,82,703	28,02,088
Other liabilities	74,839	1,64,828
	1,23,57,553	**1,27,47,153**

16 Provisions

Provisions for Employee Benefits		
Liability for Compensated Absences	72,16,625	89,14,818
	72,16,625	**89,14,818**
Non-Current	65,07,738	88,59,438
Current	7,08,887	55,380
	72,16,625	**89,14,818**

For details about the related employee benefit expenses, see Note 20.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

	Period from April 01, 2021 to March 31, 2022	Period from April 01, 2020 to March 31, 2021
17 Revenue from Operation		
Brokerage On Stock Broking	12,99,39,847	10,94,32,518
Commission On Mutual Fund	1,95,37,741	1,00,49,277
Depository Income	1,07,48,931	1,07,65,178
Merchant Banking & Valuation Fees	11,75,000	26,68,000
Commission from Insurance Companies	1,91,065	2,85,219
Account Opening Charges	1,84,350	1,59,750
Commission From ISFL Sharing	36,654	1,32,592
	16,18,13,588	**13,34,92,535**
Other Operational Income		
Delayed Payment Interest	67,26,380	61,73,535
	16,85,39,967	**13,96,66,070**
18 Other Income		
Reversal of impairment provision on receivable	1,88,82,254	-
Interest Income	85,19,732	1,37,65,905
Miscellaneous Income	78,99,274	30,78,654
Deputation Income	27,73,180	8,43,017
Rental Income	19,46,196	20,34,130
Profit on Sale of Fixed assets	1,12,493	
Profit on Sale of Investments	0	12,846
Net gain on fair value changes	1,852	(8,935)
	4,01,34,981	**1,97,25,617**
19 Operational Expense		
Commission Paid	5,21,32,347	3,65,68,935
Information Technology Exp	36,75,803	33,22,284
Data Feed Charges	20,59,681	19,84,627
Fees To Clearing Member	17,18,036	41,13,809
DP Expenses	11,94,763	14,62,261
Membership Fee	10,84,575	6,20,307
Broking Stamp Expenses	57,600	18,225
	6,19,22,806	**4,80,90,448**
20 Employee Benefits Expense		
Salaries, Wages and Bonus	6,76,91,131	7,20,20,467
Contribution to Provident Fund and Other Funds	43,43,352	48,19,834
Gratuity	11,27,057	11,87,500
Staff Welfare Expense	21,92,739	19,62,517
	7,53,54,279	**7,99,90,319**
21 Finance costs		
Bank Guarantee Commission Expense	8,84,079	12,65,101
Bank Charges	28,302	36,234
Interest on Loan	54,657	
	9,67,038	**13,01,335**
22 Depreciation and Amortisation Expense		
Depreciation of Property, Plant and Equipment	8,58,905	4,22,882
Amortisation of Intangible Assets	1,07,868	1,57,778
	9,66,773	**5,80,660**

S. VENKATRAM & CO LLP ★ No.218, TTK Road, Alwarpet, Chennai 18 ★ Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

	Period from April 01, 2021 to March 31, 2022	Period from April 01, 2020 to March 31, 2021
23 Other Expenses		
Rent	1,79,79,329	1,87,75,942
Office Maintenance	53,86,760	49,10,147
Annual Maintenance Charges	41,03,328	43,27,448
Professional Charges	35,78,798	25,77,444
Telephone Expenses	33,51,584	31,02,136
Electricity Charges	33,02,618	33,07,546
Insurance Expenses	12,45,540	20,81,716
Audit Fees	11,05,000	9,75,000
Printing & Stationery	8,42,808	8,40,014
Travelling & Conveyance Exp	6,59,058	7,88,466
Other Administrative Expenses	5,16,286	7,70,846
Postage & Telegram	4,77,614	3,45,563
Repairs & Maintenance	4,19,115	5,93,581
Sitting Fees	3,84,000	3,27,720
Training Expenses	1,20,396	77,215
Rates & Taxes	1,54,498	86,412
Advertisement	39,337	1,09,650
Loss on scrapped assets	-	468
	4,36,66,069	**4,39,97,314**

Payments to Auditors		
As Auditor:-		
Statutory Audit Fee	6,00,000	6,00,000
Fees for Limited review (Standalone & Consolidtion)	3,15,000	3,10,000
Tax Audit	55,000	55,000
Other Service	1,35,000	10,000
	11,05,000	**9,75,000**

24 Impairment on financial instrument		
Bad debts written off	1,50,98,119	-
Provision on impairment on receivable	-	12,84,870
	1,50,98,119	**12,84,870**

25 Earnings per share

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share based on profit attributable to equity shareholders and weighted average number of equity shares outstanding are as follows:

i. Profit attributable to equity shareholders (basic and diluted)		
Profit for the year, attributable to the equity holders	1,06,99,865	(1,32,01,705)
ii. Weighted average number of equity shares (basic and diluted)		
Opening balance	4,15,33,709	4,15,33,709
Additional shares issued during the year		
Weighted average number of equity shares for the year	**4,15,33,709**	**4,15,33,709**
Basic and Diluted EPS	**0.26**	**(0.32)**

S. VENKATRAM & CO LLP ★ Chartered Accountants ★ No.218, TTK Road, Alwarpet, Chennai-18

(All amounts are in Indian Rupees, unless otherwise stated)

26 Employee Benefit Expenses

(i) ***Defined Contribution Plan***

The company has recognised an expense of ₹ 41,67,991/- (Previous year ₹ 46,11,334/-) towards provident fund, ₹ 1,7,5361/ (Previous year ₹ 2,08,500/-) towards other welfare funds

(ii) ***Defined Benefit Plan - Compensated Absence***

The Company has recognised an expense of ₹ 10,06,882/- during the year ended March 31, 2022 as per actuarial valuation report. The Closing Balance of compensated absence as at March 31, 2022 is ₹ 72,16,625/-

(iii) ***Defined Benefit Plan - Gratuity***

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.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

A Reconciliation of Amounts in Balance Sheet

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Defined Benefit Obligation at the end of period	94,96,052	1,15,08,541
Fair value of Plan Assets at the end of period	1,35,97,111	1,35,65,726
Funded Status - (Surplus)/Deficit at the end of period	(41,01,059)	(20,57,185)
Liability/(Asset) recognised in the Balance Sheet	(41,01,059)	(20,57,185)

B Reconciliation of the present value of Defined Benefit Obligation and Fair value of Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the present value of Defined Benefit Obligation and Fair value of Plan Assets and its components.

Reconciliation of present value of defined benefit obligation

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Defined Benefit Obligation at the beginning of period	1,15,08,541	1,28,48,732
Benefits Paid	(11,12,346)	(21,04,997)
Current Service Cost	12,70,031	11,87,500
Interest Cost	7,97,371	8,92,987
Actuarial (gains)/losses recognised in other comprehensive income	(29,67,545)	(13,15,681)
Balance at the end of the year	**94,96,052**	**1,15,08,541**
Defined Benefit Obligation at the end of period	**94,96,052**	**1,15,08,541**

Reconciliation of fair value of Plan Asset

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Fair value of Plan Assets at the beginning of period	1,35,65,726	1,28,48,732
Interest Income	9,40,345	8,92,987
Actual Enterprise's Contribution	3,56,848	19,26,698
Actual Benefits Paid	(11,12,346)	(21,04,997)
Actuarial gains/(losses) recognised in other comprehensive income	(1,53,462)	2,306
Balance at the end of the year	**1,35,97,111**	**1,35,65,726**
Fair value of Plan Assets at the end of period	**1,35,97,111**	**1,35,65,726**

C *i. Expense recognised in Profit or Loss*

	March 31, 2022	March 31, 2021
Current Service Cost	12,70,031	11,87,500
Interest Cost	7,97,371	8,92,987
Expected Return on Plan Assets	(9,40,345)	(8,92,987)
	11,27,057	**11,87,500**

ii. Remeasurements recognised in other comprehensive income

	March 31, 2022	March 31, 2021
Amount recognized in OCI at the beginning of period	(13,17,987)	-
Actuarial loss (gain)/loss on Defined Benefit Obligation	(29,67,545)	(13,15,681)
Actuarial loss gain/(loss) on Plan asset	(1,53,462)	2,306
	(41,32,070)	(13,17,987)

D Defined Benefit Obligation

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2022	March 31, 2021
Discount rate	7.35%	6.95%
Salary Escalation	0% for next year and 3.00% thereafter	0% for next year and 5.00% thereafter

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

27 Financial instruments - Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy

March 31, 2022

	Amortised Cost	FVTPL	FVOCI	Total carrying amount
Financial assets				
Trade Receivables	4,99,43,512	-	-	4,99,43,512
Cash and Cash equivalents	10,23,13,097	-	-	10,23,13,097
Bank balances other than Cash and Cash equivalents	8,19,98,258			8,19,98,258
Other Financial Assets	32,06,30,741	-	-	32,06,30,741
Investments (other than investment in Subsidiary)	-	54,830	-	54,830
Total Financial assets	**55,48,85,608**	**54,830**	-	**55,49,40,438**
Financial liabilities				
Trade and Other Payables	27,43,64,334	-	-	27,43,64,334
Other Financial Liabilities	39,43,726	-	-	39,43,726
Total Financial liabilities	**27,83,08,061**	-	-	**27,83,08,061**

March 31, 2021

	Amortised Cost	FVTPL	FVOCI	Total carrying amount
Financial assets				
Trade Receivables	3,71,07,593	-	-	3,71,07,593
Cash and Cash equivalents	10,34,92,976	-	-	10,34,92,976
Bank balances other than Cash and Cash equivalents	19,76,09,545			19,76,09,545
Other Financial Assets	18,18,83,448	-	-	18,18,83,448
Investments (other than investment in Subsidiary)	-	52,977	-	52,977
Total Financial assets	**52,00,93,563**	**52,977**	-	**52,01,46,540**
Financial liabilities				
Trade and Other Payables	23,65,44,338	-	-	23,65,44,338
Other Financial Liabilities	37,58,726	-	-	37,58,726
Total Financial liabilities	**24,03,03,064**	-	-	**24,03,03,064**

- The fair value of investment (other than in subsidiary) is determined based on Level-1 input i.e the price quoted in active market.
- For all of the Company's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

B Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk (see (B)(ii));
- Liquidity risk (see (B)(iii)); and
- Market risk (see (B)(iv)).

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk refer to the risk of default on its obligation by the counter party resulting in financial loss. Credit risk always managed by the Company by proper approvals. Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Carrying amount March 31, 2022	Carrying amount March 31, 2021
Trade Receivables	4,99,43,512	3,71,07,593
Other Financial Assets	32,06,30,741	18,18,83,448
	37,05,74,253	**21,89,91,042**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by the credit rating agencies. Investments primarily include investment in liquid mutual fund units.

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

Trade Receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each balance sheet date, right from its initial recognition.

The Company has large customer base. As per the policy of the Company, for the equity clients receivable, provision of 100% is made on Quarterly basis on the unsecured outstanding receivable amount, only in case where such amount is outstanding for more than 10 days as at the Quarter end. Trade receivable to the extent not covered by collateral (i.e receivables which have significant increase in Credit Risk) is considered as default and are fully provided for against the respective trade receivable and the amount of provision is debited to Statement of Profit and Loss. Subsequently if the amount is realised then the provision earlier created is reversed. The movement of allowances for doubtful receivables are provided herein under:-

Reconciliation of Allowance for doubtful receivables:-	March 31, 2022	March 31, 2021
Opening Balance	8,21,85,454	8,09,00,583
Created / (Reversed) during the year	(1,88,82,254)	12,84,870
Closing Balance	6,33,03,200	8,21,85,454

Other Financial Assets

This balance is primarily constituted by deposit given to Stock exchange in relation to maintain minimum base capital requirement. The Company does not expect any losses from non-performance by these counter-parties.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents, the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2022, the Company had a working capital of ₹ 15,80,58,251/- including cash and bank balances of ₹ 10,23,13,097/- , Bank balances other than Cash and Cash equivalents of ₹. 8,19,98,258/- and current investments of ₹. 54,830/-. Further the promoter of the Company have also committed to support the company for there current and future requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

March 31, 2022

	Carrying amount	Contractual cash flows		
		Total	upto 1 year	more than 1 year
Financial liabilities				
Trade Payables	27,43,64,334	27,43,64,334	27,43,64,334	-
Other financial liabilities	39,43,726	39,43,726	-	39,43,726
	27,83,08,061	**27,83,08,061**	**27,43,64,334**	**39,43,726**

March 31, 2021

	Carrying amount	Contractual cash flows		
		Total	upto 1 year	more than 1 year
Financial liabilities				
Trade Payables	23,65,44,338	23,65,44,338	23,65,44,338	-
Other financial liabilities	37,58,726	37,58,726		37,58,726
	24,03,03,064	**24,03,03,064**	**23,65,44,338**	**37,58,726**

iv. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

C Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through support from the Holding Company. The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, trade payable, financial liabilities and other liabilities less cash and cash equivalents. Equity comprises all components of equity.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

28 Income Taxes (IND AS 12) :

Deferred Tax Asset / (Liability) as on March 31, 2022 has been arrived at as follows:

		March 31, 2022	March 31, 2021
Timing Difference on account of Disallowances		9,39,247	19,38,285
Timing Difference on account of Carry Forward Losses		73,81,762	73,93,398
	A	83,21,010	93,31,683
Less: Deferred Tax Liability arising on account of :			
Timing Difference on account of Disallowances		-	-
Timing Difference on account of Depreciation		(4,91,511)	(2,11,051)
	B	(4,91,511)	(2,11,051)
Net Deferred Tax Asset/(Liability)	(A+B)	78,29,499	91,20,632

According to IND AS-12, Deferred Tax Asset should be recognized only when there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available. In view of prudence, the Company has not recognized Deferred Tax Asset.

29 Contingent liabilities

Contingent liabilities	March 31, 2022	March 31, 2021
a. Bank Guarantees (Note (i))	-	16,93,75,000
b. Corporate Guarantees (Note (ii))	3,00,00,000	-
c. Claims against the Company not acknowledged as debts	1,35,78,000	1,33,88,000
d. TDS demand outstanding with TRACES (Note (iii))	1,19,453	94,802
e. Disputed Income tax demand* (Note (iv))	1,56,34,638	1,52,27,484
	5,93,32,091	19,80,85,286

Note

(i) The Company has provided Bank guarantees aggregating to Nil (Previous Year - ₹ 6,70,00,000/-) to National Stock Exchange of India Limited, Nil (Previous Year - ₹ 23,75,000/-) to Bombay Stock Exchange and Nil (Previous Year - ₹ 10,00,00,000/-) to Stock Holding Corporation of India Limited as on March 31, 2022 for meeting margin requirements. The Company has pledged fixed deposits aggregating to Nil (Previous Year - ₹ 8,46,87,500/-) with banks for obtaining the above bank guarantees.

(ii) The company has given a corporate guarantee of Rs. 5,00,00,000/- (sanctioned limit as at the Balance Sheet date is Rs. 3,00,00,000/-) to HDFC Bank Limited with respect to bank guarantees provided by them to the exchanges on behalf of its wholly owned subsidiary M/s. IFIN Commodities Limited.

(iii) The company has the following TDS Demand outstanding with TRACES as at March 31, 2022

Financial Year	*Amount*
2021 - 2022	*24,459*
2020 - 2021	*192*
2019 - 2020	*84*
Prior Years	*94,719*
	1,19,453

(iv) The company has the following Disputed Income tax demand as at March 31, 2022

S.No	*Assessment year*	*Forum where appeal is pending*	*Amount of demand*
1	*2011-12*	*Commissioner of Income Tax (Appeals)*	*3,94,229*
2	*2012-13*	*Commissioner of Income Tax (Appeals)*	*1,28,55,235*
3	*2014-15*	*Commissioner of Income Tax (Appeals)*	*5,64,346*
4	*2015-16*	*Commissioner of Income Tax (Appeals)*	*5,22,985*
5	*2017-18*	*Commissioner of Income Tax (Appeals)*	*12,97,843*
			1,56,34,638

** The company is in the process of reconciling the amount of Income-tax demand outstanding with the provisions of tax held in books.*

30 Segment Reporting

The company operates only in India, and only in one segment i.e. stock broking and hence there are no reportable segments as defined in Indian Accounting Standard (IND AS -108) on "Segment Reporting The entire revenue earned by the company is through the aforesaid services.

31 Related parties

A Details of related parties and the relationships

Description of relationship	**Name of the party**	
- Holding Company	IFCI Limited	
- Subsidiary Company	a) IFIN Commodities Limited b) IFIN Credit Limited c) IFIN Securities Finance Limited (Formerly known as Narayan Sriram Investments Private Limited)	
- Fellow Subsidiary Company	a) IFCI Venture Capital Funds Limited b) IFCI Factors Limited c) IFCI Infrastructure Development limited d) Stock Holding Corporation of India Limited e) MPCON Limited	
- Key management personnel	Mr. Ramesh N.G.S (w.e.f May 23, 2019)	Non-Executive Director
	Mr. Karra Visweswar Rao (w.e.f January 01, 2021)	Managing Director
	Mr. Jayesh Amichand Shah (w.e.f November 07, 2020)	Non-Executive Director
	Mr. Rajesh Kumar (w.e.f November 07, 2020)	Non-Executive Director
	Mr. Alan Savio Pacheco (w.e.f March 12, 2021)	Nominee Director
	Mr. A.V Pushparaj	Chief Financial Officer (CFO)
	Mr. Aby Eapen (Cessation w.e.f June 16, 2021)	Company Secretary (CS)
	Mrs. Pragyan Shree (w.e.f November 02, 2021)	Company Secretary (CS)

VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

B Transactions with key management personnel

i. Key Management Personnel Compensation

	Period ended March 31, 2022	Period ended March 31, 2021
Short-term benefits		
- Mr. A.V Pushparaj	10,68,023	10,59,396
- Mr. Aby Eapen	2,36,484	9,47,397
- Mrs. Pragyan Shree	2,68,855	-
	15,73,362	**20,06,793**
Sitting fees paid to Directors		
- Mr. Jayesh Amichand Shah	1,92,000	85,500
- Mr. Rajesh Kumar	1,92,000	85,500
- Mrs. Aparna Chaturvedi	-	66,000
- Mr. Sunit V Joshi	-	81,000
	3,84,000	**3,18,000**

C Related party transactions other than those with Key Management Personnel

Name of Related party	Nature of Relationship	Nature of Transactions	March 31, 2022	March 31, 2021
IFIN Commodities Ltd.	Subsidiary Company	Reimbursement of Expenses received - Rent, Software AMC & Employee Cost	26,28,896	25,46,155
		Corporate Guarantee Limit - HDFC Bank for Credit Facility	3,00,00,000	-
		Reimbursement of Festival advance Paid	18,000	-
		PM Care Fund - Covid 19 Contribution	-	16,309
		Incentive paid	(71,286)	-
		Salary deputation paid	(23,40,246)	(8,30,344)
IFIN Securities Finance Limited	Subsidiary Company	Reimbursement of Expenses received	59,21,250	18,00,000
		Brokerage Income	-	7,024
		Commission Income	36,654	1,32,592
		Salary deputation received	17,67,676	3,94,014
		Reimbursement of Employee Insurance	2,58,343	-
		Receipt of short term borrowings	7,00,00,000	-
		Payment of short term borrowings	(7,00,00,000)	-
		Interest on loan	(54,657)	-
		Reimbursement of Laptop Hire Charges received	-	1,19,783
		PM Care Fund - Covid 19 Contribution	-	8,671
		Salary deputation Paid	(9,19,719)	(3,19,627)
IFCI Limited	Holding Company	Brokerage	29,56,913	29,12,829
		DP Income received	1,94,627	1,98,262
		Salary deputation received	10,05,504	4,49,002
		Insurance for Deputed Employees paid	-	64,559
		Reimbursement of MD salary paid by IFCI Ltd	(39,76,201)	(9,79,940)
		Rent	(1,03,37,196)	(1,07,14,567)
IFIN Credit Ltd.	Subsidiary Company	Reimbursement of Expenses received - Rent, Office Maint., Employee Cost & Duties and Taxes	5,80,000	8,95,965
IFCI Factors Ltd.	Fellow Subsidiary Company	Reimbursement of Expenses-Maintenance & Electricity	68,994	-
		DP Income received	73,580	5,977
IFCI Infrastructure Development limited	Fellow Subsidiary Company	Brokerage	79,672	-
IFCI Ventures Capital Fund Ltd.	Fellow Subsidiary Company	Brokerage	1,66,684	2,523
		DP Income received	7,250	3,000
Stock Holding Corporation of India Limited	Fellow Subsidiary Company	Brokerage on mutual fund	3,699	-
		Annual maintenance charges	8,644	-

D Related Party Balances

Name of Related party	Nature of Relationship	Nature of balance	March 31, 2022	March 31, 2021
IFCI Limited	Holding Company	Receivable/(Payable)	(65,835)	18,69,543
IFIN Commodities Limited	Subsidiary Company	Receivable/(Payable)	-	(2,16,164)
IFIN Securities Finance Limited	Subsidiary Company	Receivable/(Payable)	-	(8,75,557)
IFCI Venture Capital Funds Limited	Fellow Subsidiary Company	Receivable/(Payable)	8,555	-
IFCI Factors Limited	Fellow Subsidiary Company	Receivable/(Payable)	0	7,053
Stock Holding Corporation of India Limited	Fellow Subsidiary Company	Receivable/(Payable)	15,07,10,718	12,49,25,975

32 The Company when applying Ind AS 116 to leases previously classified as operating leases, has used practical expedients for not recognising right-of-use assets and liabilities for leases of low value assets. As the leases of the Company are short term leases, the Company has charged the lease expense as a period cost in the Statement of Profit & Loss Account.

33 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Medium and Small Enterprises Development Act, 2006 (MSMED Act), the company has no amounts due to Micro, Medium and Small Enterprises under the said act as at March 31, 2022.

Sl. No	Particulars	March 31, 2022	March 31, 2021
(a)	The principal amount remaining unpaid at the end of the period	-	-
(b)	The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c)	Interest actually paid under Section 16 of MSMED Act	-	-
(d)	Normal Interest due and payable during the year, for delayed payments, as per the agreed terms	-	-
(e)	Total interest accrued during the year and remaining unpaid	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

34 Previous year figures have been regrouped wherever necessary to confirm to the current year classification.

35 The Schedule III- Divison II mandates to round off the figures to the nearest hundreds, thousands, lakhs or millions, or decimals thereo depending on the Total Income of the Comapany. However, the Company has opted to round off the figures to nearest rupess in the view better presentation and understaing of the users of the Financial Statements.

36 Third Party balances are subject to confirmations and reconciliations if any.

37 COVID 19, a global pandemic has spread across the world and created a unprecedented level of disruption. The Company has considered the possible effects that may result from the pandemic relating to COVID 19. The Company has experienced significant difficulties with respect to collections, market demand, liquidity so far. However, based on the current indicators of the economic conditions, the company believes that it would be in a position to recover the carrying amounts of the assets viz., receivables, property, plant and equipment's and other intangible assets, and does not anticipate any material impact due to impairment of these financial and non-financial assets. However the impact assessment is continuous process, given the uncertainties. The Company will continue to monitor changes in future economic conditions. The Company believes the challenges faced due to COVID 19 would have a short term impact, and thus does not expect any major impact of COVID 19 on its ability to continue as a going concern. The Company is taking all necessary measures in terms of mitigating the impact of the challenge being faced in the business.

38 Other Notes

(a) Financial Ratios :

S.No	Particulars	Components	As at 31st March 2022		As at 31st March 2021	
			Fig. in ₹	Ratio	Fig. in ₹	Ratio
1	**Current Ratio :**					
	Current Asset	Financial Assets + Other Current Assets	44,54,89,026		51,45,19,907	
	Current Liabilities	Financial Liabilities + Other Current Liabilities + Provisions	28,74,30,774	1.55	24,93,46,871	2.06
2	**Return on Equity Ratio :**					
	Net Profit after Taxes	Profit (Loss) for the year after taxes	1,06,99,865		(1,32,01,705)	
	Shareholder's Equity	Equity share capital + Other Equity	70,71,43,773	0.02	69,36,29,826	-0.02
3	**Trade Receivables Turnover Ratio :**					
	Sales	Revenue from Operations	16,85,39,967		13,96,66,070	
	Average Accounts receivable	Average Trade receivables	4,35,25,552	3.87	3,51,23,022	3.98
4	**Trade Payables Turnover Ratio :**					
	Annual Net Credit Purchases (Operating (	Operational expense	6,19,22,806		4,80,90,448	
	Average Accounts payable	Average Trade Payables	25,54,54,336	0.24	19,26,23,523	0.25
5	**Net Capital Turnover Ratio :**					
	Sales	Revenue from Operations	16,85,39,967		13,96,66,070	
	Net Assets	Total Assets - Current Liabilities	71,75,95,237	0.23	70,62,47,990	0.20
6	**Net Profit Ratio :**					
	Net Profit	Profit (Loss) for the year after taxes	1,06,99,865		(1,32,01,705)	
	Sales	Revenue from Operations	16,85,39,967	0.06	13,96,66,070	-0.09
7	**Return on Capital Employed :**					
	Earnings Before Interest and Taxes	Profit/(Loss) before Interest and Tax	1,06,99,865		(1,58,53,261)	
	Capital Employed	Equity share capital + Other Equity + Current and Non Current Borrowings	70,71,43,773	0.02	69,36,29,826	-0.02
8	**Return on Investment :**					
	Net Profit after Taxes	Profit (Loss) for the year after taxes	1,06,99,865		(1,32,01,705)	
	Assets	Total Assets - Current Liabilities	71,75,95,237	0.01	70,62,47,990	-0.02

Note:

1. The variance in the aforesaid financial ratios as compared to the previous year is due to profitability of the Company.

2. The Debt-Equity Ratio, Debt Service Coverage Ratio and Inventory turnover ratio are not applicable to the Company.

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date

For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218,
TTK Road,
Alwarpet,
Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

***for* and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S IFCI FINANCIAL SERVICES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

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 (Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of consolidated ***profits***, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated*

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

Financial Statements section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

The companies comprising of the Group are unlisted public sector entities (where the ultimate shareholding of the entities owned by the Government of India is more than 51%). We have been informed by the management that the transactions of the Group are not: (a) significant as compared to the size of operations of its Ultimate Holding Company; (b) the transactions of the Company are not complex; and (c) of such nature to be of public interest. In view of the above, we are not mentioning any Key Audit Matters.

Emphasis of Matter

We draw attention to Note 42 in the Consolidated Financial Statements, which describes the effect of COVID 19 on the Group. The Management has performed an impairment assessment for its assets. The Management assessment shows no indication of material fall in realizable value than the book value of those assets. However, the impact of COVID-19 may be different from that estimates and judgements made by the management as at the date of approval of these audited Consolidated Financial Statements. Further the impact on the financial performance is dependent on future development which are highly uncertain.

Our opinion is not modified in respect of this matter

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.-

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated Changes in Equity 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. 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 Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

S. VENKATRAM & CO. LLP
No. 218,
TTK Road,
Chennai-18
Chartered Accountants

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

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

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

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

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

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

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

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

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

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

Other Matters

We did not audit the financial statements of 3 Subsidiaries whose financial statements reflect total assets of ₹ 36,84,08,323/- as at 31st March 2022, total revenues (including other income) of ₹ 3,15,24,793/- and net cash outflows amounting to ₹ (32,26,381)/- for the year ended on that date, as

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, in "**Annexure 2**" on the directions issued by the Comptroller and Auditors General of India.

3. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) We have been informed that the provisions of the section 164(2) of the Act in respect of the disqualification of directors are not applicable to the Holding Company and its Subsidiaries incorporated in India, being a Government Company in terms of notification no. G.S.R. 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government

f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**" which is based on the auditor's reports of the Holding Company and its Subsidiary Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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

   i. The Consolidated Financial Statements disclose impact of pending litigations on the consolidated financial position of the Group - Refer Note 32 of the Notes forming part of Consolidated Financial Statements.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Companies incorporated in India.

   iv.

   (a) The Board of Directors of the Holding Company have represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly

S. VENKATRAM & CO. LLP * Chartered Accountants * No. 218, TTK Road, Chennai-18

or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Board of Directors of the Holding Company have represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Board of Directors of the Holding Company under sub-clause (a) and (b) hereinabove contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Company.

4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanation given to us, the provisions of section 197 of the Act are not applicable as the Companies included in the Group are Government Company.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

R.V.Nathan

R. Vaidyanathan
Partner
M.No. 018953
UDIN: 22018953AJQFKK4445

Place: Chennai
Date: 19th May 2022

ANNEXURE "1" TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE COMPANY (AUDITOR'S REPORT) ORDER, 2020 ("THE ORDER"), UNDER CLAUSE (i) OF SUB-SECTION (11) OF SECTION 143 OF THE COMPANIES ACT, 2013 (the ACT)

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of M/S IFCI FINANCIAL SERVICES LIMITED on the Consolidated Financial Statements for the year ended 31st March 2022)

(xxi) According to the information and explanations given to us, in respect of the following companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by their auditors till the date of this audit report:

Name of the Entity	CIN	Holding Company/subsidiary/Associate/Joint Venture Company	Clause number of the CARO report which is qualified or adverse
IFCI Financial Services Limited	U74899DL1995GOI064034	Holding	iii, vii & xvii
IFIN Commodities Limited	U93000TN2009GOI070524	Subsidiary	i & xvii
IFIN Credit Limited	U67190TN1995GOI032057	Subsidiary	vii & xvii

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

R. Vaidyanathan
Partner
M. No. 018953
UDIN: 22018953AJQFKK4445

Place: Chennai
Date: 19th May 2022

ANNEXURE "2" to INDEPENDENT AUDITOR'S REPORT

REPORT ON THE DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IFCI FINANCIAL SERVICES LIMITED on the Consolidated Financial Statements for the year ended 31st March, 2022)

S.No.	GENERAL DIRECTIONS	AUDITOR'S COMMENT
In respect of Holding Company: M/s IFCI Financial Services Limited:		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions through its IT systems with the support of accounting software – LIDHA DIDHA (LD) and Tally accounting software. The main activity is accounting for brokerage income earned from clients trading in equities and derivatives which are updated on a daily basis based on the trades carried through the exchange with the support of file / data shared by the exchanges. In respect of payroll related data, based on the files received from payroll department entries are uploaded periodically / monthly in the respective ledger accounts in the accounting software. Other administrative and routine entries are passed through the accounting software with appropriate menu-based operations. Based on the verification carried out by us during the course of our audit we have not

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

		come across any discrepancies in processing of accounting transactions outside the IT systems which has a significant implications on the integrity of accounts.
2.	Whether there is any restructuring of any existing loan or cases of waiver / write off of debts / loans / interest, etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	As per the information and explanations given to us the Company has not made any borrowings where there was any restricting of loans or waiver of loans.
3.	Whether funds received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	As per the information and explanations given to us the Company has neither received any funds nor is receivable for specific schemes from Central / State Government or its agencies.
In respect of Subsidiary Company: M/s IFIN Credit Limited:		
1.	*Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.*	*As per the information and explanations given to us, the company processes all the accounting transactions in computerized environment. No accounting transactions were processed outside IT system of the company.*
2.	*Whether there is any restructuring of any existing loan or cases of waiver / write off of debts / loans / interest, etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.*	*There has been no restructuring of existing loans or cases of waiver / write off debts/ loan/ interest etc made by lender company due to company's inability to repay loan and hence no financial impact on the financials of the company.*

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

3.	*Whether funds received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.*	*There were no funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies.*
In respect of Subsidiary Company: M/s IFIN Commodities Limited		
1.	*Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.*	*The Company maintains the accounting transactions through third party softwares like LIDHA DIDHA (LD) and tally software for maintaining the books of account. The other transactions are being carried out manually. The main activity is accounting for commodity income earned from clients trading in equities and derivatives which are updated on a daily basis based on the trades carried through the exchange with the support of file/data shared by the exchanges. In respect of payroll related data, based on the files received from the payroll department entries are updated periodically/monthly in the respective ledger account in the accounting software. There is no policy for synchronization of Tally and LD software*
2.	*Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. (In case,lender is Government company, then this direction is also applicable for statutory auditor of lender company)*	*No such restructuring has happened during the year under Audit.*

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

3.	*Whether funds (grants/subsidy etc) received /receivable for specific schemes from Central/State Government or its Agencies were properly accounted for /utilized as per its term and conditions? List the cases of Deviations*	*Not Applicable. Since no Grant/Subsidy was received*
In respect of Subsidiary Company: M/s IFIN Securities Finance Limited		
1.	*Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.*	*The company has system in place to process all the accounting transactions through IT system using tally accounting software.* *The main activity is accounting for interest income earned from clients for loans against shares and margin funding which are extracted from Miles Software and loan against mutual funds is extracted from Dhanlap software (third party software) which are updated in the tally accounting software.* *In respect of payroll related data, based on the files received from payroll department entries are uploaded periodically/monthly in the respective ledger accounts in the tally accounting software.* *Based on the verification carried out by us during the course of our audit we have not come across any discrepancies in processing of accounting transactions outside the IT systems which has a significant implication on the integrity of accounts.*
2.	*Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the*	*As per the information and explanations given to us, the Company has not taken any borrowings and hence not commented upon.*

S. VENKATRAM & CO. LLP * No. 218, TTK Road, Chennai-18 * Chartered Accountants

	company's inability to repay the loan? If yes, the financial impact may be stated.	
3.	*Whether funds (grants/subsidy etc) received /receivable for specific schemes from Central/State Government or its Agencies were properly accounted for /utilized as per its term and conditions? List the cases of Deviations.*	*The company is a Non-Banking Financial Company registered with RBI and no funds are received from any government agency for specific schemes.*

For S. Venkatram & Co LLP

Chartered Accountants

FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP
No. 218,
TTK Road,
Chennai-18
Chartered Accountants

R. V. M. Sha

R. Vaidyanathan

Partner

M.No. 018953

UDIN: 22018953AJQFKK4445

Place: Chennai

Date: 19th May 2022

ANNEXURE "3" TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUBSECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

(Referred to Point f in Paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of IFCI FINANCIAL SERVICES LIMITED on the Consolidated Financial Statements for the year ended 31st March, 2022.)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of **IFCI Financial Services Limited** (hereinafter referred to as "Holding Company") and its Subsidiary Companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

S. VENKATRAM & CO. LLP
No. 218, TTK Road, Chennai-18
Chartered Accountants

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A company's internal financial control with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the Consolidated Financial Statements includes those policies and procedures that:

S. VENKATRAM & CO. LLP
No. 218,
TTK Road,
Chennai-18
Chartered Accountants

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

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

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

Opinion

In our opinion, and according to the information and explanations given to us the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the Consolidated Financial Statements and such internal financial controls with reference to the Consolidated Financial Statements were operating effectively as at 31st March, 2022, based on the internal control with reference to the Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

S. VENKATRAM & CO. LLP * Chartered Accountants * No. 218, TTK Road, Chennai-18

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements insofar as it relates to 3 Subsidiary Companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For S. Venkatram & Co LLP
Chartered Accountants
FRN. No. 004656S/S200095

S. VENKATRAM & CO. LLP No. 218, TTK Road, Chennai-18 Chartered Accountants

R. Vaidyanathan
Partner
M. No. 018953
UDIN: 22018953AJQFKK4445

Place: Chennai
Date: 19th May 2022

IFCI Financial Services Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	March 31, 2022	March 31, 2021
ASSETS			
1. Non-Current assets			
(a) Property, Plant and Equipment	2	71,26,956	30,86,673
(b) Other Intangible Assets	3	35,97,976	14,85,783
(c) Goodwill		22,53,875	22,53,875
(d) Financial Assets			
- Investments			-
- Loans	4	1,77,35,871	4,55,78,273
- Other Financial Assets	5	16,62,17,476	2,88,40,062
(e) Deferred tax assets (net)		3,55,291	3,61,079
(f) Other Non-Current Assets	6	4,25,14,774	4,06,46,676
Total Non-Current Assets		**23,98,02,219**	**12,22,52,421**
2. Current assets			
(a) Financial Assets			
- Investments	7	10,22,03,092	13,90,30,385
- Trade Receivables	8	5,12,47,492	3,69,09,404
- Cash and Bank Balances	9	14,64,92,498	15,08,98,707
- Bank balances other than Cash and Cash equivalents	10	16,88,98,258	30,00,72,774
- Loans	11	6,53,17,387	1,95,14,651
- Other Financial Assets	5	19,64,00,947	16,67,73,968
(b) Other Current Assets	12	1,85,77,249	1,34,47,112
Total Current Assets		**74,91,36,923**	**82,66,47,001**
Total Assets		**98,89,39,142**	**94,88,99,422**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	41,53,37,090	41,53,37,090
(b) Other Equity		25,59,01,436	24,54,31,896
Total Equity		**67,12,38,526**	**66,07,68,986**
Liabilities			
1. Non-Current Liabilities			
(a) Financial Liabilities			
- Other Financial Liabilities	14	39,43,726	37,58,726
(b) Provisions	17	66,10,540	90,93,168
(c) Deferred Tax Liabilities (net)		4,38,148	16,24,608
Total Non-Current Liabilities		**1,09,92,414**	**1,44,76,502**
2. Current Liabilities			
(a) Financial Liabilities			
- Trade Payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		27,46,06,917	23,54,73,035
- Other Financial Liabilities	14	4,83,613	9,66,710
(b) Other Current Liabilities	16	3,01,74,203	3,61,14,925
(c) Provisions	17	14,43,468	10,99,263
Total Current Liabilities		**30,67,08,201**	**27,36,53,933**
Total Equity and Liabilities		**98,89,39,142**	**94,88,99,421**

The Significant accounting policies and Notes to Accounts are an integral part of these Consolidated Financial Statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

for and on behalf of the Board of Directors of
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

Place: Chennai
Date: May 19, 2022

IFCI Financial Services Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
Revenue from Operation	18	18,32,07,797	15,13,11,232
Other Income	19	4,50,81,241	3,07,39,439
Total Income		**22,82,89,038**	**18,20,50,670**
Expenses			
Operational Expense	20	6,43,16,551	5,00,42,271
Employee Benefit Expenses	21	8,52,22,720	9,56,79,613
Finance Costs	22	10,35,374	14,03,295
Depreciation and Amortisation Expense	23	12,87,742	7,77,115
Other Expenses	24	5,26,78,792	4,96,95,852
Impairment on Financial Instruments	25	1,52,80,762	18,82,531
Total Expenses		**21,98,21,940**	**19,94,80,678**
Profit/(Loss) before exceptional item and Tax		**84,67,098**	**(1,74,30,008)**
Exceptional Items			-
Profit/(Loss) before Income Tax Expense		**84,67,098**	**(1,74,30,008)**
Current Tax		24,34,371	3,50,000
Deferred Tax		(11,71,744)	(10,24,695)
Income Tax Expense		**12,62,627**	**(6,74,695)**
Profit(Loss) after Tax		**72,04,471**	**(1,67,55,313)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of Defined Benefit Liability (Asset)		32,56,141	13,91,613
Income tax relating to items that will not be reclassified to profit or loss		8,928	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		**32,65,069**	**13,91,613**
Items that will be reclassified subsequently to profit or loss			-
Other Comprehensive Income for the year, net of income tax expense		**32,65,069**	**13,91,613**
Total Comprehensive Income		**1,04,69,540**	**(1,53,63,700)**
Earnings per Share			
Basic and diluted earnings per share (in Rs.)	26	0.17	(0.40)

The Significant accounting policies and Notes to Accounts are an integral part of these Consolidated Financial Statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: May 19, 2022

Place: Chennai
Date: May 19, 2022

IFCI Financial Services Limited
Consolidated Cash flow statement for the year ended March 31, 2022
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars		March 31, 2022	March 31, 2021
Cash flow from operating activities			
Loss before Tax		84,67,098	(1,74,30,008)
Adjustments for:-			
Depreciation		12,87,742	7,77,115
Profit on Sale of Fixed assets		(1,12,493)	
Dividend Received (considered separately under Investment Activities)		-	6,708
Finance Costs		10,35,374	14,03,295
Fair value change in Investment		52,52,394	(19,34,644)
Net Gain on Sale of Investments		(89,25,602)	(61,64,814)
Loss on sale of Investment			15,84,056
Interest Income		(1,53,16,390)	(2,14,54,771)
Loss on scrapped asset		-	468
Remeasurements of Defined Benefit Liability		32,56,141	13,91,613
Impairment of Receivables		1,52,80,762	18,82,531
Operating Cash Flow before Working Capital Changes		**1,02,25,026**	**(3,99,38,451)**
Adjustments for:			
(Increase) / Decrease in Trade Receivables		(2,96,18,851)	(56,72,725)
(Increase) / Decrease in Loans & Advances		-	-
(Increase) / Decrease in Other current Assets		(51,30,137)	68,00,448
Increase / (Decrease) in Trade Payable		3,91,33,883	8,65,29,665
Increase / (Decrease) in Other Current Liabilities		(59,40,722)	(38,76,385)
(Increase) / Decrease in Short term Loans and Advances			-
Increase / (Decrease) in Provisions		(21,38,423)	(18,62,956)
(Increase) / Decrease in Financial Asset		(4,79,99,060)	(14,22,59,552)
Increase / (Decrease) in Financial Liability		(2,98,097)	(19,32,460)
Cash generated from Operating Activities		**(4,17,66,381)**	**(10,22,12,417)**
Income Taxes Paid (Net of Refunds)		(16,22,387)	(28,02,045)
Net Cash from Operating Activities	(A)	**(4,33,88,768)**	**(10,50,14,462)**
Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment		(51,78,675)	(6,44,071)
Purchase of Intangible Assets		(22,64,840)	
Sale of Fixed Assets		1,15,791	
(Increase) / Decrease in Fixed Deposits		(57,91,151)	2,14,58,063
Sale of Current Investment		4,05,00,500	4,94,45,243
Interest received		1,53,16,390	2,14,54,771
Gratuity fund asset		(26,80,082)	(20,14,703)
Dividend Income		-	(6,708)
(Increase) / Decrease in Investments			-
Purchase of Current Investment			-
Net Cash used in Investing Activities	(B)	**4,00,17,933**	**8,96,92,595**
Cash flow from Financing Activities			
Finance Cost		(10,35,374)	(14,03,295)
Share Premium (net of expenses)			-
Net Cash from Financing Activities	(C)	**(10,35,374)**	**(14,03,295)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	(A + B + C)	**(44,06,209)**	**(1,67,25,163)**
Cash and Cash Equivalents at the beginning of the year		15,08,98,707	16,76,23,870
Cash and Cash Equivalents at the end of the year		**14,64,92,498**	**15,08,98,707**
Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement			
Balance with Banks in Current Accounts		11,49,91,265	12,08,95,564
Cash on Hand		1,233	3,143
Short term Deposits		3,15,00,000	3,00,00,000
		14,64,92,498	**15,08,98,707**

The Significant accounting policies and Notes to Accounts are an integral part of these Consolidated Financial Statements

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: May 19, 2022

Place: Chennai
Date: May 19, 2022

IFCI Financial Services Limited

Consolidated Statements of Changes in Equity for the year ended March 31, 2022

(All amounts are in Indian Rupees, unless otherwise stated)

			Reserves and Surplus					
	Equity Share capital	Securities Premium Reserve	Statutory Reserves	General Reserve	Amalgamation Reserve	Retained Earnings	Other comprehensive income	Total
Balance at the beginning of the reporting period, April 01, 2020	41,53,37,090	45,16,43,790	61,89,500	95,01,851	17,45,305	(20,82,84,850)		67,61,32,686
Changes in equity share capital due to prior period errors								-
Restated balance at the beginning of the reporting period, April 01, 2020	**41,53,37,090**	**45,16,43,790**	**61,89,500**	**95,01,851**	**17,45,305**	**(20,82,84,850)**	-	67,61,32,686
Profit or Loss for the period						(1,67,55,313)		(1,67,55,313)
Other Comprehensive Income (net of tax)							13,91,613	13,91,613
Transferred from Retained Earnings to Statutory reserve			3,93,500			(3,93,500)		
Transferred to Retained Earnings						13,91,613	(13,91,613)	
Balance as at March 31, 2021	**41,53,37,090**	**45,16,43,790**	**65,83,000**	**95,01,851**	**17,45,305**	**(22,40,42,051)**	-	**66,07,68,986**
Balance at the beginning of the reporting period, April 01, 2021	**41,53,37,090**	**45,16,43,790**	**65,83,000**	**95,01,851**	**17,45,305**	**(22,40,42,051)**	-	**66,07,68,986**
Changes in equity share capital due to prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period, April 01, 2021	**41,53,37,090**	**45,16,43,790**	**65,83,000**	**95,01,851**	**17,45,305**	**(22,40,42,051)**	-	**66,07,68,986**
Profit or Loss for the period						72,04,471		72,04,471
Other Comprehensive Income (net of tax)							32,65,069	32,65,069
Transferred from Retained Earnings to Statutory reserve			6,12,666			(6,12,666)		-
Transferred to Retained Earnings						32,65,069	(32,65,069)	-
Balance as at March 31, 2022	**41,53,37,090**	**45,16,43,790**	71,95,666	**95,01,851**	**17,45,305**	**(21,41,85,176)**	-	**67,12,38,526**

The Significant accounting policies and Notes to Accounts are an integral part of these Consolidated financial statements

As per our attached Report of even date

For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP ★ No.218, TTK Road, Alwarpet, Chennai-18 ★ Chartered Accountants ★

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

for **and on behalf of the Board of Directors of**
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No : A51395

A V Pushparaj
Chief Financial Officer

Place: Chennai
Date: May 19, 2022

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

1 Significant Accounting Policies

A Groups Background:

The Consolidated Financial Statements comprises of standalone financial statements of IFCI Financial Services Limited (the Parent) and its subsidiaries collectively the group for the year ended March 31,2022. IFCI Financial Services Ltd (IFIN) was promoted in 1995, by IFCI Ltd., to provide a wide range of financial products and services to investors, institutional and retail. IFIN is primarily involved in Stock Broking, Investment Banking, Mutual Fund Distribution & Advisory Services, Depository Participant Services, Insurance Products Distribution and the like.

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

Subsidiaries:

- The subsidiary company IFIN Commodity Limited is a registered member of Multi Commodity Exchange Limited and National Commodity and Derivatives Exchange (NCDEX) and it is 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, and is primarily engaged in the business of providing loans against shares and margin funding.
- The subsidiary company IFIN Credit Limited is not engaged in any business activity.

IFCI Limited, our legendary Parent Institution

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

B Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

(i) Statement of Compliance

The Consolidated Financial Statements for the year ended March 31, 2022 have been prepared by the Group in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements for the year ended March 31, 2022 are the fourth Consolidated financial statements of the Company prepared under Ind AS and the date of transition to the Ind AS was April 1,2017.

The Consolidated financial statements were authorised for issue by the Company's Board of Directors on May 19, 2022.

The Consolidated financial statements have been prepared in accordance with historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies.

(ii) Functional and Presentation Currency

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

(iii) Use of Estimates and Judgment

The preparation of the Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

(a) Judgements

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

Classification of financial assets : Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

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

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

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

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31st March 2022 is included in the following notes:

Impairment of financial instruments : Determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows

- Determination of the fair value of financial instruments with significant unobservable inputs.
- Measurement of defined benefit obligations : key actuarial assumptions.
- Recognition of deferred tax assets : availability of future taxable profit against which carry forward tax losses can be used.
- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- Estimates regarding the value in use of the cash generating unit (CGU) for non financial assets based on the future cash flows.; and
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(iv) Business Combinations

Business Combinations are accounted for using the acquisitions method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The Consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income taxes and Ind AS 19, Employee Benefits, Respectively .Where the consideration transferred exceed the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisitions excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

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

Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the group's cash generation Units (CGUs) that are expected to benefit from the combination. A CGU is the Smallest identifiable group of assets that generates cash inflows that that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGU to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the group.

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

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

(v) 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 Indian Accounting Standard (Ind AS) 110 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'.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

IFCI Financial Services Ltd's (the parent company or the holding company) shareholding in the following companies as on March 31, 2022 and March 31, 2021 are as under:

Name of the Subsidiary	Country	Date on which became a Subsidiary	As on 31st Mar 2022		As on March 31, 2021	
			No of shares held	% of holding	No of shares held	% of holding
IFIN Commodities Limited	India	30-Jan-09	50,00,000	100%	50,00,000	100%
IFIN Credit Limited	India	01-Feb-10	25,00,000	100%	25,00,000	100%
IFIN Securities Finance Ltd. (Formerly known as Narayan Sriram Investments Private Ltd)	India	02-Mar-11	30,01,000	100%	30,01,000	100%

(vi) 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 Commodities 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 - 2009 and the balance in 2009 - 2010. 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/-.

(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 Net worth as on date of acquisition of Rs.50,69,206/- and the balance amount of Rs.22, 53,857 is shown as goodwill.

(vii) Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(viii) Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

b) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(ii) Classification and Subsequent Measurement

Financial Assets

On initial recognition, a financial asset is classified and measured at
- Amortised Cost;
- FVOCI; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

(iii) Derecognition

Financial Assets

The Group derecognises a financial asset when :

– the contractual rights to the cash flows from the financial asset expire, or

– the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

c) Investments:

All equity investments in scope of Ind AS 109 (i.e. other than equity investments in subsidiaries / associates / joint ventures) are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

d) Property, Plant and Equipment

(i) Recognition and Measurement

Property, Plant and Equipment are stated at cost (cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition including applicable borrowing costs for qualifying assets) and is net of accumulated depreciation and impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using straight-line method and is generally recognised in the Statement of Profit and Loss.

Residual value in respect of assets is considered as 5% of the cost for computing depreciation.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life (in years)
Computer equipment's and accessories	3
Servers	6
Office equipment's	5
Motor Vehicles	10
Furniture and fittings	10

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the month in which asset is disposed of.

(iv) Derecognition

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

e) Other Intangible Assets

(i) Recognition and Measurement

Other intangible assets are initially measured at cost. Such intangibles are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on internally generated intangibles is recognised in Statement of Profit and Loss as incurred.

(iii) Amortization

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Assets	Useful life (in years)
Computer Software	6
Non compete fees	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

f) Impairment

(i) Impairment of Financial Instruments

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and FVOCI. At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls). The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each balance sheet date, right from its initial recognition.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its estimated recoverable amount in the Statement of Profit and Loss.

The Group's non-financial assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into CGUs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Employee Benefits

(i) Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

(iii) Gratuity

The Group provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity Scheme is operated through Group gratuity Scheme of LIC. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

(iv) Compensated Absences

The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 30 days leave subject to availability of Annual Leave standing to the credit of the employee at any time during the year will be paid as leave salary calculated on the Gross component. The expenses on account thus arising are recognized in the profit and loss account.

Provision for long-term compensated absences is accrued and provided for on the basis of actuarial valuation made at the end of each financial period. The actuarial valuation is done as per projected unit credit method. Short-term encashment of accumulated leave balances are accounted for in the year in which the leave balances are credited to employees on actual basis.

S. VENKATRAM & CO LLP ★ Chartered Accountants ★ No.218, TTK Road, Alwarpet, Chennai-18

h) Provisions (other than for employee benefits) and Contingent Liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

i) Revenue Recognition

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

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

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

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

(v) Commission from selling of mutual funds is accounted on receipt basis.

(vi) Recovery from bad debts written off is recognised as income on the basis of actual realisation from customers.

(vii) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

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

(ix) Interest earned on loans against shares (financial asset) in case of NBFC is recognized based on the effective interest rate (EIR) method as per Ind AS 109 & 32.

(x) All other income are recognized on an accrual basis, when there is no uncertainty in the ultimate realization/ collection.

j) Income Tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

k) Borrowing Costs

Borrowing costs are interest incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an qualifying asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) Cash and Cash Equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank balances other than cash and cash equivalents.

n) Bank balances other than Cash and Cash equivalents

Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank balances other than cash and cash equivalents.

Fixed Deposits with a maturity period of more than 12 Months are classified under Other financial asset (Non current)

C Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

2 Property, Plant and Equipment

Reconciliation of Carrying Amount

	Computer Equipments and Accessories	Furniture & Fixtures	Office Equipments	Total
Gross Carrying Amount				
Balance as at April 1, 2021	4,07,87,642	56,77,766	1,29,16,902	5,93,82,310
Additions	50,16,746	1,61,929		51,78,675
Disposals	(1,54,427)	(75,128)	(68,295)	(2,97,850)
Transfers/Adjustments	(1,03,397)		1,03,397	-
Balance as at March 31, 2022	**4,55,46,564**	**57,64,567**	**1,29,52,005**	**6,42,63,135**
Accumulated Depreciation and Impairment Losses				
Balance as at April 1, 2021	3,91,49,391	54,44,719	1,17,01,527	5,62,95,637
Depreciation for the year	9,03,330	10,322	2,21,442	11,35,094
Disposals	(1,54,427)	(73,128)	(66,997)	(2,94,552)
Transfers/Adjustments	(76,784)		76,784	-
Balance as at March 31, 2022	**3,98,21,509**	**53,81,913**	**1,19,32,756**	**5,71,36,179**
Carrying Amounts (net)				
At March 31, 2022	**57,25,054**	**3,82,653**	**10,19,249**	**71,26,956**
At March 31, 2021	**16,38,251**	**2,33,047**	**12,15,375**	**30,86,673**

S. VENKATRAM & CO LLP ★ No.218, TTK Road, Alwarpet, Chennai-18 ★ Chartered Accountants

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

3 Other Intangible Assets

Reconciliation of Carrying Amount

	Computer Software	Others - Non compete fees	Total
Gross Carrying Amount			
Balance as at April 1, 2021	3,57,44,903	1,32,00,000	4,89,44,903
Additions	22,64,840	-	22,64,840
Balance as at March 31, 2022	**3,80,09,743**	**1,32,00,000**	**5,12,09,743**
Accumulated Amortisation and Impairment Losses			
Balance as at April 1, 2021	3,42,59,120	1,32,00,000	4,74,59,120
Amortisation for the year	1,52,647		1,52,647
Balance as at March 31, 2022	**3,44,11,768**	**1,32,00,000**	**4,76,11,768**
Carrying Amounts (net)			
As at March 31, 2022	**35,97,976**	-	**35,97,976**
As at March 31, 2021	**14,85,783**	-	**14,85,783**

S. VENKATRAM & CO LLP ★ Chartered Accountants ★ No.218, TTK Road, Alwarpet, Chennai-18

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
4 Loans		
Security Deposits		
Secured, considered good	1,77,35,871	4,55,78,273
Unsecured, considered good	-	-
Doubtful	-	-
	1,77,35,871	4,55,78,273

5 Other Financial Assets

	As at March 31, 2022	As at March 31, 2021
Fixed deposits (Maturing after 12 months)	13,84,96,249	15,30,582
Security Deposits	22,00,93,673	18,97,58,651
Rent advances	40,28,500	43,24,797
	36,26,18,422	19,56,14,030
The above shall also be sub-classified as:		
Considered Good - Secured	-	-
Considered Good - Unsecured	36,26,18,422	19,56,14,030
Balances which have significant increase in credit risk	-	-
Credit Impaired	-	-
	36,26,18,422	19,56,14,030
Considered Good - Unsecured		
Current*	19,64,00,947	16,67,73,968
Non-Current	16,62,17,476	2,88,40,062
	36,26,18,422	19,56,14,030

** Deposit amounting to Rs.14,37,75,447 (Previous year - Rs.12,01,48,468) represents margin money maintained with Exchange*

6 Other Non-Current Assets

	As at March 31, 2022	As at March 31, 2021
Balance with IT Authorities	3,78,19,989	3,86,31,973
Fair Value of Plan Asset - Gratuity fund	46,94,785	20,14,703
	4,25,14,774	4,06,46,676

7 Investment - Current

	As at March 31, 2022	As at March 31, 2021
Investments measured at Fair Value through Profit and Loss (FVTPL)		
- In Equity Instrument	4,913	4,913
- In Mutual Funds*	10,21,98,771	13,90,27,916
	10,22,03,684	13,90,32,829
Less:		
Increase/Decrease in Fair Value	(592)	(2,445)
Total of Investments measured at Fair Value Through Profit and Loss	10,22,03,092	13,90,30,385

*** Represents investments in the following :**
- *Aditya Birla Sun Life Liquid Fund, 159.795 Units of Face Value ₹ 100/-*
- *Aditya Birla Sun Life Liquid Fund, 343.1252 Units of Face Value ₹ 100/-*
- *ICICI Prudential Mutual Fund, 315.2563 Units of Face Value ₹ 100/-*
- *Axis liquid fund, 2364.0819 Units of Face Value ₹ 100/-*
- *HDFC liquid fund, 4184.7424 Units of Face Value ₹ 100/-*

8 Trade Receivables

	As at March 31, 2022	As at March 31, 2021
Considered Good Secured	-	-
Considered Good Unsecured	5,12,47,493	3,69,09,404
Receivables which have significant increase in Credit Risk	6,37,33,421	8,25,59,511
Credit Impaired	-	-
Less:		
Allowance for doubtful receivables	(6,37,33,421)	(8,25,59,511)
Net Trade Receivables	5,12,47,492	3,69,09,404
Of the above, trade receivables from related parties are as below:		
Total Trade Receivables from Related Parties	-	-
Less: Loss Allowance	-	-
Net Trade Receivables	5,12,47,493	3,69,09,404

The Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in Note 28

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

Trade Receivables ageing schedule

8.1 - Outstanding for following periods from due date of payment as at 31st March 2022

Particulars	Less than 6 months	6 months-1 Year	1-2 Year	2-3 Year	More than 3 year
(i) Undisputed Trade receivables -considered good	4,79,98,300	31,19,193	-	-	1,30,000
(ii) Undisputed Trade Receivables -which have significant increased in credit risk	3,45,936	8,04,334	9,16,796	5,05,685	1,64,04,690
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-
(v)Disputed Trade Receivables -which have significant increased in credit risk	-	-	-	-	4,47,55,981
(vi)Disputed Trade Receivables - Credit impaired	-	-	-	-	-
Total	4,83,44,236	39,23,526	9,16,796	5,05,685	6,12,90,670
Less: Loss Allowance	(3,45,936)	(8,04,334)	(9,16,796)	(5,05,685)	(6,11,60,670)
Net Trade Receivables	**4,79,98,300**	**31,19,193**	-	-	**1,30,000**

8.2 - Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 6 months	6 months-1 Year	1-2 Year	2-3 Year	More than 3 year
(i) Undisputed Trade receivables -considered good	3,60,01,672	2,60,950	2,42,400	-	4,04,382
(ii) Undisputed Trade Receivables -which have significant increased in credit risk	3,10,213	13,38,975	7,93,746	13,081	3,02,09,548
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables -considered good	-	-	-	-	-
(v)Disputed Trade Receivables -which have significant increased in credit risk	-	-	-	-	4,98,93,947
(vi)Disputed Trade Receivables - Credit impaired	-	-	-	-	-
Total	3,63,11,885	15,99,926	10,36,146	13,081	8,05,07,877
Less: Loss Allowance	(3,10,213)	(13,38,975)	(7,93,746)	(13,081)	(8,01,03,495)
Net Trade Receivables	**3,60,01,672**	**2,60,950**	**2,42,400**	-	**4,04,382**

9 Cash and Bank Balances

Cash and Cash Equivalents		
Balance with banks in current accounts	11,49,91,265	12,08,95,564
Cash on Hand	1,233	3,143
Short term Deposits (maturity within 3 months)	3,15,00,000	3,00,00,000
	14,64,92,498	15,08,98,707

10 Bank balances other than Cash and Cash equivalents

Bank deposit accounts (more than 3 months but less than 12 months maturity) *	16,63,98,258	29,75,72,774
Balances with banks held as margin money	25,00,000	25,00,000
	16,88,98,258	30,00,72,774

** Bank deposit accounts includes fixed deposits with banks aggregating to ₹ Nil (As at March 31, 2021 - ₹ 9,96,87,500) against which lien has been marked by the banks as security for guarantees issued on behalf of the Group.*

11 Loans

Others		
Other Loans and Advances	6,69,75,134	2,14,60,047
TDS and Advance Tax	79,544	75,120
	6,70,54,678	2,15,35,167
Less:		
Provision for Impairment loss	(17,37,291)	(20,20,515)
Total	6,53,17,387	1,95,14,651
Grand Total	6,53,17,387	1,95,14,651

12 Other Current Assets

Interest accrued on Deposits	85,32,693	34,02,040
Balance with Revenue Authorities	25,29,777	12,58,749
Prepaid Expenses	67,94,838	69,49,025
Other Advances	1,26,754	8,23,769
Employee Advances	5,82,300	6,01,994
Other Assets	10,887	4,11,536
Receivable from Exchange	-	-
	1,85,77,249	1,34,47,112

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
13 Equity Share Capital		
Authorised		
50,000,000 equity shares of ₹ 10 each	50,00,00,000	50,00,00,000
Issued, subscribed and paid-up		
41,533,709 equity shares of ₹ 10 each fully paid up	41,53,37,090	41,53,37,090
	41,53,37,090	**41,53,37,090**

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2022		As at 31 March 2021	
	Number	**Amount**	**Number**	**Amount**
Equity shares				
As at beginning of the period	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Shares issued during the period	-	-	-	-
At the end of the period	**4,15,33,709**	**41,53,37,090**	**4,15,33,709**	**41,53,37,090**

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/her/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
IFCI Limited and Nominees *	3,93,63,809	94.78%	3,93,63,809	94.78%

* *Ultimate Holding Company*

Shares held by promoters at the end of the year

	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	**% of Total Shares**	**% Change during the year**	**No. of Shares**	**% of Total Shares**	**% Change during the year**
IFCI Limited and Nominees	3,93,63,809	94.78%	-	3,93,63,809	94.78%	-

S. VENKATRAM & CO LLP ★ Chartered Accountants ★ No.218, TTK Road, Alwarpet, Chennai-18

(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
14 Other Financial Liabilities		
Security deposits collected	42,35,312	40,70,512
Credit balances in loan accounts	1,92,027	6,54,924
	44,27,340	**47,25,437**
Security deposits		
Non-Current	39,43,726	37,58,726
Current	4,83,613	9,66,710
	44,27,340	**47,25,437**

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in Note 28.

15 Trade and Other Payables

Other Trade Payables	27,46,06,917	23,54,73,035
Trade Payables to Related Parties	-	-
	27,46,06,917	**23,54,73,035**

All trade payables are 'Current'.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 28.

Trade Payables ageing schedule

14.1 - Outstanding for following periods from due date of payment as at 31st March 2022

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	Total
MSME	-	-	-	-	-
Others	26,61,61,386	14,55,431	16,08,841	53,81,259	**27,46,06,917**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

14.2 - Outstanding for following periods from due date of payment as at 31st March 2021

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 year	Total
MSME	-	-	-	-	-
Others	16,27,87,636	3,45,082	33,29,874	6,90,10,443	**23,54,73,035**
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

16 Other Current Liabilities

Creditors for expenses	76,39,242	90,49,132
Employee Related payables	14,44,628	23,16,107
Statutory Dues payable	41,19,776	32,16,926
Advance from Customers	1,15,85,994	1,62,11,752
Payable to Exchanges	2,78,989	1,24,107
Other liabilities	51,05,574	51,96,901
	3,01,74,203	**3,61,14,925**

17 Provisions

Provisions for Employee Benefits		
Provision for Gratuity	-	-
Provision for Bonus	16,332	28,000
Liability for Compensated Absences	80,37,676	1,01,64,431
Provisions for Taxation		
Provision for Income tax 2021-22	-	-
	80,54,008	**1,01,92,431**
Non-Current	66,10,540	90,93,168
Current	14,43,468	10,99,263
	80,54,008	**1,01,92,431**

For details about the related employee benefit expenses, see Note 21.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

	Period from April 01, 2021 to March 31, 2022	Period from April 01, 2020 to March 31, 2021
18 Revenue from Operation		
Brokerage On Stock Broking	13,43,70,514	11,57,87,209
Commission On Mutual Fund	1,95,37,741	1,00,49,277
Depository Income	1,07,48,931	1,07,65,178
Interest & Processing fees on loans	1,02,67,066	54,04,163
Merchant Banking & Valuation Fees	11,75,000	26,68,000
Commission from Insurance Companies	1,91,065	2,85,219
Account Opening Charges	1,91,100	1,78,650
	17,64,81,418	**14,51,37,697**
Other Operational Income		
Delayed Payment Interest	67,26,380	61,73,535
Other Operational Income	-	-
	18,32,07,797	**15,13,11,232**
19 Other Income		
Reversal of impairment provision on receivable	1,88,82,254	-
Interest Income	1,53,16,390	2,14,54,771
Profit on Sale of Investments	89,25,602	61,64,814
Deputation Income	10,05,504	-
Miscellaneous Income	7,80,949	5,45,539
Profit on Sale of Fixed assets	1,12,493	-
Interest on Income Tax Refund	58,050	6,32,963
Dividend Income	-	6,708
Net gain on fair value changes	-	19,34,644
	4,50,81,241	**3,07,39,439**
20 Operational Expense		
Commission Paid	5,24,73,253	3,68,83,863
Information Technology Exp	43,26,694	39,53,898
Fees To Clearing Member	29,01,328	48,01,383
Data Feed Charges	20,59,681	19,84,627
Membership Fee	13,03,177	9,37,031
DP Expenses	11,94,817	14,63,245
Broking Stamp Expenses	57,600	18,225
	6,43,16,551	**5,00,42,271**
21 Employee Benefits Expense		
Salaries, Wages and Bonus	7,62,39,994	8,63,41,848
Contribution to Provident Fund and Other Funds	50,96,055	56,31,492
Staff Welfare Expense	25,54,072	23,34,107
Gratuity	13,27,835	13,67,526
Labour welfare & Professional Tax	4,764	4,640
	8,52,22,720	**9,56,79,613**

In respect of IFIN Credit Limited, there are no regular employee on its payroll. However, the Company has been using the services of a few employees of its holding company, IFCI Financial Services Limited on a cost sharing basis and the same is accounted as reimbursement of expenses.

22 Finance costs		
Bank Charges	1,51,295	1,38,194
Interest on Loan	-	-
Bank Guarantee Commission Expense	8,84,079	12,65,101
	10,35,374	**14,03,295**

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai 18
Chartered Accountants

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

	Period from April 01, 2021 to March 31, 2022	Period from April 01, 2020 to March 31, 2021
23 Depreciation and Amortisation Expense		
Depreciation of Property, Plant and Equipment	11,35,094	5,41,651
Amortisation of Intangible Assets	1,52,647	2,35,464
	12,87,742	**7,77,115**
24 Other Expenses		
Rent	1,79,79,327	1,87,75,942
Office Maintenance	54,61,279	50,23,418
Professional Charges	54,09,527	43,28,167
Net loss on fair value changes	52,52,394	-
Annual Maintenance Charges	41,17,586	43,48,098
Telephone Expenses	33,51,584	31,02,136
Electricity Charges	33,02,618	33,07,546
Audit Fees	19,50,285	18,47,475
Insurance Expenses	14,48,374	26,31,550
Other Administrative Expenses	8,77,312	11,50,330
Printing & Stationery	8,59,436	9,12,306
Travelling & Conveyance Exp	7,73,921	8,41,890
Postage & Telegram	5,34,222	3,75,331
Sitting Fees	5,02,000	4,69,320
Repairs & Maintenance	4,19,115	5,93,581
Rates & Taxes	2,68,702	1,89,294
Training Expenses	1,23,596	1,05,293
Advertisement	47,514	1,09,650
Profit/loss on Sale of Long Term Investments	-	15,84,056
Loss on scrapped assets	-	468
	5,26,78,792	**4,96,95,852**
Payments to Auditors		
As Auditor:-		
Statutory Audit Fee	10,38,950	10,38,950
Fees for Limited review (Standalone & Consolidation)	5,42,115	5,42,065
Tax Audit	96,000	96,000
Other Service	2,73,220	1,70,460
	19,50,285	**18,47,475**
25 Impairment on financial instrument		
Provision for impairment in the value of investment	(2,83,224)	2,36,921
Loss on fair value of shares	-	-
Bad debts written off	1,55,07,822	16,724
Provision on impairment on receivable	56,164	16,28,886
	1,52,80,762	**18,82,531**

26 Earnings per share

Basic and diluted earnings per share attributable to equity shareholders and weighted average number of equity shares outstanding are as follows:

i. Profit attributable to equity shareholders (basic and diluted)		
Profit for the year, attributable to the equity holders	72,04,471	(1,67,55,313)
ii. Weighted average number of equity shares (basic and diluted)		
Opening balance	4,15,33,709	4,15,33,709
Additional shares issued during the year	-	-
Weighted average number of equity shares for the year	**4,15,33,709**	**4,15,33,709**
Basic and Diluted EPS	**0.17**	**(0.40)**

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

27 Employee Benefit Expenses

(I) Defined Contribution Plan

The Group has recognised an expense of ₹ 50,96,055/- (Previous year ₹ 56,31,492/-) towards provident fund and other welfare funds.

(II) Defined Benefit Plan - Compensated Absence

The Group has recognised an expense of ₹ 10,63,450 /- during the year ended March 31, 2022 as per actuarial valuation report. The closing balance of compensated absence as at march March 31, 2022 is ₹ 80,37,676 /- .

(III) Defined Benefit Plan - Gratuity

The Group 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.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

A Reconciliation of Amounts in Balance Sheet

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Defined Benefit Obligation (DBO) at the end of period	1,03,58,657	1,28,40,349
Fair Value of Plan Assets at the end of period	1,50,53,442	1,48,55,052
Funded Status - (Surplus)/Deficit	(46,94,785)	(20,14,703)
Liability/(Asset) recognised in the Balance Sheet *	(46,94,785)	(20,14,703)

B Reconciliation of the Net Defined Benefit (Asset) Liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Reconciliation of present value of defined benefit obligation

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Defined Benefit Obligation at the beginning of period	1,27,93,666	1,40,96,384
Benefits Paid	(13,70,689)	(21,95,092)
Current Service Cost	14,71,129	13,48,267
Interest Cost	8,86,509	9,80,097
Actuarial (gains)/losses recognised in other comprehensive income	(34,21,958)	(13,89,307)
Balance at the end of the year	**1,03,58,657**	**1,28,40,349**
Defined Benefit Obligation at the end of period	**1,03,58,657**	**1,28,40,349**

Reconciliation of fair value of Plan Asset

	For the period from April 01, 2021 to March 31, 2022	For the period from April 01, 2020 to March 31, 2021
Fair value of Plan Assets at the beginning of period	1,48,55,052	1,37,66,335
Interest Income	10,29,803	9,60,838
Actual Enterprise's Contribution	4,46,750	23,20,665
Actual Benefits Paid	(11,12,346)	-21,95,092
Actuarial gains/(losses) recognised in other comprehensive income	(1,65,817)	2,306
Balance at the end of the year	**1,50,53,442**	**1,48,55,052**
Fair value of Plan Assets at the end of period	**1,50,53,442**	**1,48,55,052**

C *i. Expense recognised in profit or loss*

	March 31, 2022	March 31, 2021
Current Service Cost	14,71,129	13,48,267
Interest Cost	8,86,509	9,80,097
Expected Return on Plan Assets	(10,29,803)	(9,60,838)
	13,27,835	13,67,526

ii. Remeasurements recognised in other comprehensive income

	March 31, 2022	March 31, 2021
Amount recognized in OCI at the beginning of period	-	-
Actuarial loss (gain)/loss on Defined Benefit Obligation	(34,21,958)	(13,89,307)
Actuarial loss gain/(loss) on Plan asset	(1,65,817)	2,306
	(32,56,141)	(13,91,613)

D Defined Benefit Obligation

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	March 31, 2022	March 31, 2021
Discount Rate #	7.35%	6.95%
Salary Escalation #	0% for next year and 3.00% thereafter	0% for next year and 5.00% thereafter

** In respect of IFCI Financial Services Limited ₹ 41,01,059/-(Previous Year ₹ 20,57,185) is recognised as Net fair value of Plan Asset., in respect of IFIN Commodities Limited ₹ 6,53,042/-(Previous Year ₹ 1,61,592) is recognised as Net fair value of Plan Asset, in respect of IFIN Securities Finance Limited ₹ 59,316/-(Previous Year ₹ 2,04,074) is recognised as Net Defined Benefit Obligation. for the year ended March 31, 2022.*

 # In respect of IFIN Commodities Limited discount rare is 7 % p.a. and Salary Escalation is 5% p.a.

VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

28 Financial instruments - Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in fair value hierarchy

March 31, 2022

	Amortised Cost	FVTPL	FVOCI	Total carrying amount
Financial assets				
Trade Receivables	5,12,47,492	-	-	5,12,47,492
Cash and Bank Balances	14,64,92,498	-	-	14,64,92,498
Bank balances other than Cash and Cash equivalents	16,88,98,258			16,88,98,258
Other Financial Assets	36,26,18,422	-	-	36,26,18,422
Investments	-	10,22,03,092	-	10,22,03,092
Loans	8,30,53,258	-	-	8,30,53,258
Total Financial assets	**81,23,09,929**	**10,22,03,092**	**-**	**91,45,13,021**
Financial liabilities				
Trade and Other Payables	27,46,06,917	-	-	27,46,06,917
Other Financial Liabilities	44,27,340	-	-	44,27,340
Total Financial liabilities	**27,90,34,257**	**-**	**-**	**27,90,34,257**

March 31, 2021

	Amortised Cost	FVTPL	FVOCI	Total carrying amount
Financial assets				
Trade Receivables	3,69,09,404	-	-	3,69,09,404
Cash and Bank Balances	15,08,98,707	-	-	15,08,98,707
Bank balances other than Cash and Cash equivalents	30,00,72,774			30,00,72,774
Other Financial Assets	19,56,14,030	-	-	19,56,14,030
Investments	-	13,90,30,385	-	13,90,30,385
Loans	6,50,92,924			6,50,92,924
Total Financial assets	**74,85,87,839**	**13,90,30,385**	**-**	**88,76,18,223**
Financial liabilities				
Trade and Other Payables	23,54,73,035	-	-	23,54,73,035
Other Financial Liabilities	47,25,437	-	-	47,25,437
Total Financial liabilities	**24,01,98,471**	**-**	**-**	**24,01,98,471**

- The fair value of investment (other than in subsidiary) is determined based on Level-1 input i.e. the price quoted in active market.
- For all of the Group's assets and liabilities which are not carried at fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

B Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk (see (B)(ii));
- Liquidity risk (see (B)(iii)); and
- Market risk (see (B)(iv)).

i. Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

ii. Credit risk

Credit risk refer to the risk of default on its obligation by the counter party resulting in financial loss. Credit risk always managed by the Group by proper approvals. Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Carrying amount March 31, 2022	Carrying amount March 31, 2021
Trade Receivables	5,12,47,492	3,69,09,404
Other Financial Assets	36,26,18,422	19,56,14,030
Loans	8,30,53,258	6,50,92,924
	49,69,19,173	29,76,16,357

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by the credit rating agencies. Investments primarily include investment in liquid mutual fund units and investment in equity instruments.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

Trade Receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime impairment pattern at each balance sheet date, right from its initial recognition.

- **For receivables from Equity Brokrage and Depository** : The Group has large customer base. As per the policy of the Group, for the equity clients receivable, provision of 100% is made on Quarterly basis on the unsecured outstanding receivable amount, only in case where such amount is outstanding for more than 10 days as at the Quarter end. Trade receivable to the extent not covered by collateral (i.e. receivables which have significant increase in Credit Risk) is considered as default and are fully provided for against the respective trade receivable and the amount of provision is debited to Statement of Profit and Loss. Subsequently if the amount is realised then the provision earlier created is reversed.

- **For receivables from Commodity Brokrage** : The Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

The movement of allowances for doubtful receivables are provided herein under:-

Reconciliation of Allowance for doubtful receivables:-	March 31, 2022	March 31, 2021
Opening Balance	8,25,59,511	8,09,90,744
Created during the year	56,164	15,68,767
(Reversed) during the year	(1,88,82,254)	-
Closing Balance	6,37,33,421	8,25,59,511

Other Financial Assets

This balance is primarily constituted by deposit given to Stock exchange in relation to maintain minimum base capital requirement. The Group does not expect any losses from non-performance by these counter-parties.

Loans

Loans represents amount lend by the Group against shares / margin funding and fully secured. The Group does not expect any losses.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's principal sources of liquidity are cash and cash equivalents, the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2022, the Group had a working capital of ₹ 44,24,28,722/- including cash and bank balances of ₹ 14,64,92,498/- ,Bank balances other than Cash and Cash equivalents of ₹ 16,88,98,258/- and current investments of ₹. 10,22,03,092/-. Further the promoter of the Group have also committed to support the Group for there current and future requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

March 31, 2022

	Carrying amount	Contractual cash flows		
		Total	upto 1 year	more than 1 year
Financial liabilities				
Trade Payables	27,46,06,917	(27,46,06,917)	(27,46,06,917)	-
Other financial liabilities	44,27,340	(44,27,340)	(4,83,613)	(39,43,726)
	27,90,34,257	(27,90,34,257)	(27,50,90,531)	(39,43,726)

March 31, 2021

	Carrying amount	Contractual cash flows		
		Total	upto 1 year	more than 1 year
Financial liabilities				
Trade Payables	23,54,73,035	(23,54,73,035)	(23,54,73,035)	-
Other financial liabilities	47,25,437	(47,25,437)	(9,66,710)	(37,58,726)
	24,01,98,471	(24,01,98,471)	(23,64,39,745)	(37,58,726)

iv. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

C Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through support from the Ultimate Holding Company. The Group monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, trade payable, financial liabilities and other liabilities less cash and cash equivalents. Equity comprises all components of equity.

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

29 Additional information pursuant to para 2 of general instruction for preparation of Consolidated Financial Statements

	For the year ended March 31, 2022							
	Net Asset		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent:								
IFCI Financial Services Limited	104.21%	69,95,23,920	42.75%	30,80,011	86.19%	28,14,083	56.30%	58,94,094
Indian Subsidiaries:								
IFIN Commodities Limited	-1.25%	(84,04,085)	-87.52%	(63,05,149)	14.63%	4,77,531	-55.66%	(58,27,618)
IFIN Credit Limited	-0.69%	(46,39,241)	8.54%	6,15,076	-	-	5.87%	6,15,076
IFIN Securities Finance Limited	-0.55%	(37,01,828)	136.23%	98,14,533	-0.81%	(26,545)	93.49%	97,87,988
Less:								
Adjustments arising out of consolidation	-1.72%	(1,15,40,240)		-		-		-
Total	**100%**	**67,12,38,526**	**100%**	**72,04,471**	**100%**	**32,65,069**	**100%**	**1,04,69,540**

S. VENKATRAM & CO LLP ★ No.218. TTK Road, Alwarpet, Chennai-18 ★ Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

30 Segment Information

The Chief Operating Decision Maker (CODM) reviews the operation of the group in two segments :
- Broking and related service : Broking, Depository, Commission, valuation and other related services income
- Finance and investing activities : Interest, Processing fees on loans and other income from investing and financing activities

The Group's operating segment are reflected based on principle business activities, the nature of service, the differing risk and returns, the organisational structure and the internal financial reporting system.

Segment revenue, profit, asset and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on reasonable basis.

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Broking and related service	Finance and investing activities	Total	Broking and related service	Finance and investing activities	Total
Segment Revenue						
External Revenue (excluding Interest income)	19,72,42,665	90,03,604	20,62,46,269	15,24,69,288	19,53,076	15,44,22,364
Interest income	75,85,042	1,44,57,727	2,20,42,769	1,76,19,351	1,00,08,955	2,76,28,306
Inter-segment revenue	36,654	-	36,654	1,39,616	-	1,39,616
Total revenue (Including Inter-segment revenue)	**20,48,64,361**	**2,34,61,331**	**22,83,25,692**	**17,02,28,255**	**1,19,62,031**	**18,21,90,286**
Profit before exceptional item, interest and tax	(15,73,212)	1,10,75,684	95,02,472	(2,04,80,740)	44,54,027	(1,60,26,713)
Less : Interest expense	10,29,798	5,576	10,35,374	13,97,694	5,601	14,03,295
Profit before tax	**(26,03,010)**	**1,10,70,108**	**84,67,098**	**(2,18,78,435)**	**44,48,427**	**(1,74,30,008)**
Less : Income Tax	7,052	12,55,575	12,62,627	(26,49,303)	19,74,608	(6,74,695)
Profit after Tax	**(26,10,062)**	**98,14,533**	**72,04,471**	**(1,92,29,132)**	**24,73,819**	**(1,67,55,313)**
Other Information						
Segment Depreciation and Amortisation	9,66,773	3,20,968	12,87,742	7,62,933	14,182	7,77,115
Segment non-cash expense other than Depreciation	-	-	-	-	-	-

Other Information

	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Broking and related service	Finance and investing activities	Total	Broking and related service	Finance and investing activities	Total
Segment Asset	69,74,48,381	29,14,90,761	98,89,39,142	65,83,62,479	29,05,36,943	94,88,99,422
Segment Liabilities	31,58,56,822	18,43,794	31,77,00,616	28,33,28,119	48,02,317	28,81,30,435
Capital Expenditure (including capital work-in-progress)	63,00,980	11,42,535	74,43,515	5,42,355	1,01,716	6,44,071

Intersegment pricing are at arm's length basis. Profit or loss on inter segment transfer are eliminated at the group level.

Segment information for secondary segment reporting (by geographical segments)
The Group operates in one geographical segment namely "within India", hence no geographical disclosure are required

Information about major customer
No customer individually accounted for more than 10% of the revenue in the year ended March 31, 2022 and March 31, 2021.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

31 Income Taxes (IND AS 12) :

Deferred Tax Asset / (Liability) as on 31st March, 2022 has been arrived at as follows:

		March 31, 2022	March 31, 2021
Timing Difference on account of Disallowances		5,00,313	23,11,027
Timing Difference on account of Carry Forward Losses		77,37,053	73,93,398
	A	**82,37,366**	**97,04,425**
Less: Deferred Tax Liability arising on account of :			
Timing Difference on account of Depreciation		(4,90,725)	(2,19,856)
Timing Difference on account of Disallowances		-	(16,27,466)
	B	**(4,90,725)**	**(18,47,322)**
Net Deferred Tax Asset/(Liability)	(A+B)	77,46,642	78,57,103

In respect of IFIN Securities Finance Limited ₹ 4,38,148/- is recognised as Deferred Tax liability, in respect of IFIN Commodities Limited ₹ 3,55,291/- is recognised as Deferred Tax assets and in respect of IFCI Financial Services Limited ₹ 78,29,499/- no Deferred Tax Asset is booked on account of prudence.

32 Contingent liabilities

Contingent liabilities	March 31, 2022	March 31, 2021
a. Bank Guarantees (Note (i))	3,00,00,000	19,93,75,000
b. Claims against the Group not acknowledged as debts	6,01,11,000	5,99,21,000
c. TDS demand outstanding with TRACES (Note (ii))	1,19,453	94,802
d. Disputed Income tax demand (Note (iii))*	1,56,34,638	1,52,27,484
	10,58,65,091	**27,46,18,286**

Note

(i) The Group has provided Bank guarantees aggregating to Rs. Nil (Previous Year - Rs.6,70,00,000/-) to National Stock Exchange of India Limited, Rs.Nil (Previous Year - Rs.23,75,000/-) to Bombay Stock Exchange, Rs.Nil /- (Previous Year - Rs.10,00,00,000/-) to Stock Holding Corporation of India Limited , Rs.3,00,00,000/- (Previous Year - Rs.3,00,00,000/-) to Multi Commodity Exchange Limited as on 31st March 2021 for meeting margin requirements. The Group has pledged fixed deposits aggregating to Rs.1,50,00,000/- (Previous Year -Rs.9,96,87,500/-) with banks for obtaining the above bank guarantees.

(ii) The Holding Company has the following TDS Demand outstanding with TRACES as at March 31, 2022

Financial Year	*Amount*
2021 - 2022	*24,459*
2020 - 2021	*192*
2019 - 2020	*84*
Prior Years	*94,719*
	1,19,453

(iii) The Holding Company has the following Disputed Income tax demand as at March 31, 2022

S.No	*Assessment year*	*Forum where appeal is pending*	*Amount of demand*
1	*2011-12*	*Commissioner of Income Tax (Appeals)*	*3,94,229*
2	*2012-13*	*Commissioner of Income Tax (Appeals)*	*1,28,55,235*
3	*2014-15*	*Commissioner of Income Tax (Appeals)*	*5,64,346*
4	*2015-16*	*Commissioner of Income Tax (Appeals)*	*5,22,985*
5	*2017-18*	*Commissioner of Income Tax (Appeals)*	*12,97,843*
			1,56,34,638

** The Holding Company is in the process of reconciling the amount of Income-tax demand outstanding with the provisions of tax held in books.*

33 Related parties

A Details of related parties and the relationships

Description of relationship	**Name of the party**	
- Ultimate Holding Company	IFCI Limited	
- Fellow Subsidiary Company	a) IFCI Venture Capital Funds Limited	
	b) IFCI Factors Limited	
	c) IFCI Infrastructure Development limit	
	d) Stock Holding Corporation of India Limited	
	e) MPCON Limited	
- Key management personnel	**IFCI Financial Services Limited**	
	Mr. Ramesh N.G.S (w.e.f May 23, 2019)	Non-Executive Director
	Mr. Karra Visweswar Rao (w.e.f January 01, 2021)	Managing Director
	Mr. Jayesh Amichand Shah (w.e.f November 07, 2020)	Non-Executive Director
	Mr. Rajesh Kumar (w.e.f November 07, 2020)	Non-Executive Director
	Mr. Alan Savio Pacheco (w.e.f March 12, 2021)	Nominee Director
	Mr. A.V Pushparaj	Chief Financial Officer (CFO)
	Mr. Aby Eapen (Cessation w.e.f June 16, 2021)	Company Secretary (CS)
	Ms. Pragyan Shree (w.e.f November 02, 2021)	Company Secretary (CS)
	IFIN Securities Finance Limited	
	Mr. Ramkumar Srinivasan(w.e.f June 21, 2017)	Non-Executive Director
	Mr. Sanjay Wasantrao Tanksale(w.e.f October 25, 2019)	Independent Director
	Mr. Siddharth Dwivedi(w.e.f February 21, 2022)	Company Secretary
	IFIN Commodities Limited	
	Mr. Manoj Rege Purushottam(w.e.f January 21, 2009)	Independent Director

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

IFCI Financial Services Limited
Notes to the Consolidated Financial Statements
(All amounts are in Indian Rupees, unless otherwise stated)

B Transactions with key management personnel

i. Key Management Personnel Compensation

	Period ended March 31, 2022	Period ended March 31, 2021
Short-term benefits		
- Mr. A.V Pushparaj	10,68,023	10,59,396
- Mr. Aby Eapen	2,36,484	9,47,397
- Ms. Pragyan Shree	2,68,855	-
- Mr. Siddharth Dwivedi	61,230	-
	16,34,592	20,06,793
Sitting fees paid to Directors		
- Mr. Rajesh Kumar	1,92,000	85,500
- Mr. Jayesh Amichand Shah	1,92,000	85,500
- Mrs. Aparna Chaturvedi	-	66,000
- Mr. Sunit V Joshi	-	81,000
- Mr. Sanjay Wasantrao Tanksale	1,18,000	1,41,600
	5,02,000	4,59,600

C Related party transactions other than those with Key Management Personnel

Name of Related party	Nature of Relationship	Nature of Transactions	March 31, 2022	March 31, 2021
Stock Holding Corporation of India Limited	Fellow Subsidiary Company	Managing Director's compensation, travel and other reimbursements paid / payable including taxes	(10,52,475)	(42,35,989)
		Brokerage on mutual fund	3,699	-
		Annual maintenance charges	8,644	-
		Commission for customer referrals (including taxes)	(2,64,487)	(2,11,952)
IFCI Limited	Ultimate Holding Company	Brokerage	29,56,913	29,12,829
		DP Income received	1,94,627	1,98,262
		Insurance for Deputed Employees paid	-	64,559
		Reimbursement of MD salary paid by IFCI Ltd	(39,76,201)	(9,79,940)
		Rent	(1,03,37,196)	(1,07,14,567)
		Salary deputation received	10,05,504	4,49,002
IFCI Infrastructure Development limit	Fellow Subsidiary Company	Brokerage	79,672	-
IFCI Factors Ltd.	Fellow Subsidiary Company	Reimbursement of Expenses-Maintenance & Electricity	68,994	-
		DP Income received	73,580	5,977
IFCI Ventures Capital Fund Ltd.	Fellow Subsidiary Company	Brokerage	1,66,684	2,523
		DP Income received	7,250	3,000

D Related Party Balances

Name of Related party	Nature of Relationship	Nature of balance	March 31, 2022	March 31, 2021
IFCI Limited	Ultimate Holding Company	Receivable/(Payable)	(65,835)	18,69,543
Stock Holding Corporation of India Limited	Fellow Subsidiary Company	Receivable/(Payable)	15,00,25,760	12,56,89,369
IFCI Venture Capital Funds Limited	Fellow Subsidiary Company	Receivable/(Payable)	8,555	0
IFCI Factors Limited	Fellow Subsidiary Company	Receivable/(Payable)	-	7,053

34 The Group when applying Ind AS 116 to leases previously classified as operating leases, has used practical expedients for not recognising right-of-use assets and liabilities for leases of low value assets. As the leases of the Group are short term leases, the Group has charged the lease expense as a period cost in the Statement of Profit & Loss Account.

35 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2022, Rs.6,12,666/- is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

36 During the current year and the previous year, the Group has not earned any income nor spent any amount in foreign exchanges.

37 Decision to continue with the process of merger considered at the meeting of the Board of Directors held on 22.04.2015, with the IFIN Commodities Limited and IFIN Credit Limited, (subsidiaries of IFCI Financial Services Limited) was put on hold vide letter dated 13.06.2016 from IFCI limited (Ultimate Holding Company), as they are in the process of obtaining approval in this regards from Government of India. The same had been intimated to the office of the Regional Director, Southern Region, Minister of Corporate affairs vide company's letter dated 24.06.2016. The company is yet to receive any approval in this regard.

38 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Medium and Small Enterprises Development Act, 2006 (MSMED Act), the group has no amounts due to Micro, Medium and Small Enterprises under the said act as at March 31, 2022.

Sl. No	Particulars	March 31, 2022	March 31, 2021
(a)	The principal amount remaining unpaid at the end of the period	-	-
(b)	The delayed payments of principal amount paid beyond the appointed date during the year	-	-
(c)	Interest actually paid under Section 16 of MSMED Act	-	-
(d)	Normal Interest due and payable during the year, for delayed payments, as per the agreed terms	-	-
(e)	Total interest accrued during the year and remaining unpaid	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

39 Previous year figures have been regrouped wherever necessary to confirm to the current year classification.

40 The Schedule III- Divison II mandates to round off the figures to the nearest hundreds, thousands, lakhs or millions, or decimals thereo depending on the Total Income of the Group. However, the Group has opted to round off the figures to nearest rupess in the view better presentation and understanding of the users of the Financial Statements.

41 Third Party balances are subject to confirmations and reconciliations if any.

S. VENKATRAM & CO LLP
No.218, TTK Road, Alwarpet, Chennai-18
Chartered Accountants

(All amounts are in Indian Rupees, unless otherwise stated)

42 COVID 19, a global pandemic has spread across the world and created a unprecedented level of disruption. The Group has considered the possible effects that may result from the pandemic relating to COVID 19. The Group has experienced significant difficulties with respect to collections, market demand, liquidity so far. However, based on the current indicators of the economic conditions, the Group believes that it would be in a position to recover the carrying amounts of the assets viz., receivables, property, plant and equipments and other intangible assets, and does not anticipate any material impact due to impairment of these financial and non-financial assets. However the impact assessment is continuous process, given the uncertainties.

The Covid-19 post lockdown has not resulted in material decline in prices of listed / quoted equity shares and the loans against shares and margin funding portfolio have not witnessed a material decline in the underlying security value. As a result of the above, the Group has created its Expected Credit loss (ECL) provisioning based on past history of the borrowers, and risk of credit default that may result due to likely stress in the financial position of our borrowers.

The Group has taken adequate safety majors to protect its employees and also will ensure vaccination for its staff on priority basis which will help Group to continue its business operations with minimum disruption. Moreover, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Group will continue to monitor changes in future economic conditions. The Group believes the challenges faced due to COVID 19 would have a short term impact, and thus does not expect any major impact of COVID 19 on its ability to continue as a going concern. The Group is taking all necessary measures in terms of mitigating the impact of the challenge being faced in the business.

43 Other Notes

(a) Financial Ratios :

S.No	Particulars	Components	As at 31st March 2022		As at 31st March 2021	
			Fig. in ₹	Ratio	Fig. in ₹	Ratio
1	**Current Ratio :**					
	Current Asset	Financial Assets + Other Current Assets	74,91,36,923		82,66,47,001	
	Current Liabilities	Financial Liabilities + Other Current Liabilities + Provisions	30,67,08,201	2.44	27,36,53,933	3.02
2	**Return on Equity Ratio :**					
	Net Profit after Taxes	Profit (Loss) for the year after taxes	72,04,471		(1,67,55,313)	
	Shareholder's Equity	Equity share capital + Other Equity	67,12,38,526	0.01	66,07,68,986	-0.03
3	**Trade Receivables Turnover Ratio :**					
	Sales	Revenue from Operations	18,32,07,797		15,13,11,232	
	Average Accounts receivable	Average Trade receivables	4,40,78,448	4.16	3,50,14,307	4.32
4	**Trade Payables Turnover Ratio :**					
	Annual Net Credit Purchases (Operating Cost)	Operational expense	6,43,16,551		5,00,42,271	
	Average Accounts payable	Average Trade Payables	25,50,39,976	0.25	19,22,08,202	0.26
5	**Net Capital Turnover Ratio :**					
	Sales	Revenue from Operations	18,32,07,797		15,13,11,232	
	Net Assets	Total Assets - Current Liabilities	68,22,30,941	0.27	67,52,45,489	0.22
6	**Net Profit Ratio :**					
	Net Profit	Profit (Loss) for the year after taxes	72,04,471		(1,67,55,313)	
	Sales	Revenue from Operations	18,32,07,797	0.04	15,13,11,232	-0.11
7	**Return on Capital Employed :**					
	Earnings Before Interest and Taxes	Profit before Interest and Tax Expense	84,67,098		(1,74,30,008)	
	Capital Employed	Equity share capital + Other Equity + Current and Non Current Borrowings	67,12,38,526	0.01	67,12,38,526	-0.03
8	**Return on Investment :**					
	Net Profit after Taxes	Profit (Loss) for the year after taxes	72,04,471		(1,67,55,313)	
	Assets	Total Assets - Current Liabilities	68,22,30,941	0.01	67,52,45,489	-0.02

Note:

1. The variance in the aforesaid financial ratios as compared to the previous year is due to profitability of the Group.

2. The Debt-Equity Ratio, Debt Service Coverage Ratio and Inventory turnover ratio are not applicable to the Group.

The Significant accounting policies and Notes to Accounts are an integral part of these financial statements

As per our attached Report of even date

For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095

S. VENKATRAM & CO LLP No.218, TTK Road, Alwarpet, Chennai-18 Chartered Accountants

R. Vaidyanathan
Partner
M.No : 018953

Place : Chennai
Date: May 19, 2022

for and on behalf of the Board of Directors of
IFCI Financial Services Limited
CIN: U74899DL1995GOI064034

K.V Rao
Managing Director
DIN: 08111685

Ramesh N.G.S
Director
DIN: 06932731

Pragyan Shree
Company Secretary
M.No.: A51395

A V Pushparaj
Chief Financial Officer

Place: Chennai
Date: May 19, 2022