



IFCI FINANCIAL SERVICES LIMITED

Annual Report 2017-18

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IFCI FINANCIAL SERVICES LIMITED

Board of Directors*:

Shri Biswajit Banerjee	Nominee Director
Shri Sunit Vasant Joshi	Independent Director
Smt Aparna Chaturvedi	Independent Director
Shri Sreekumaran V Nair	Nominee Director
Shri Karra Visweswar Rao	Managing Director

**As on date of this report*

Company Secretary & Compliance Officer

Shri Aby Eapen

Chief Financial Officer

Shri A.V. Pushparaj

Statutory Auditors

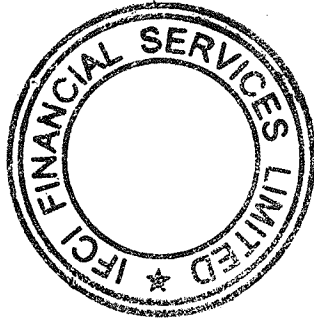
M/s. Raman Associates- Chartered Accountants,
HO:13, Luz Avenue, Mylapore, Chennai- 600 004

Registered Office

IFCI Tower, No. 61
Nehru Place
New Delhi-110 019
Web: www.ifinltd.in

Corporate Office

Continental Chambers, 3rd Floor
142, Mahatma Gandhi Road
Nungambakkam, Chennai - 600 034
Ph: 044 2830 6600



NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the shareholders of the Company will be held at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019 on Tuesday, September 25, 2018 at 02.00 P.M to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2018, together with Board of Directors' Report and the Auditors Report thereon;
2. To appoint a director in place of Sri. K.V Rao who retires by rotation and being eligible, offers himself for reappointment.
3. To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary resolution:

"RESOLVED that pursuant to the provisions of Sections 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2018-19, as may be deemed fit."

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


**Aby Eapen
Company Secretary**

Place: Chennai
Date : 30.08.2018



Notes:

1. A Statement pursuant to Section 172(1) of the Companies Act, 2013 in respect of Special business, if any is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxy forms should be submitted to the Company 48 Hours before the commencement of the Meeting.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members should bring the attendance slip duly filled in for attending the meeting.
5. All documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the registered office of the Company during Business Hours except on Holidays, up to and including the date of the Annual General Meeting of the Company.

Corpt. Office : 'Continental Chambers', 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam,
Chennai - 600 034. Tel : +91 (044) 2830 6600, Fax : +91 (044) 2830 6650, Website : www.ifinltd.in
Regd. Office : IFCI Tower, 61, Nehru Place, New Delhi - 110 019. Tel : 91-011-2643 3207, Fax : 91-011-2641 6705
SEBI Registration No. INB/INF/INE 231108631 (NSE) : INB 011108637 (BSE) ; INE261108631 (MCX-SX)
CIN : U74899DL1995GOI064034

Annexure – A

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

Name of the Director	Shri Karra Visweswar Rao
Date of Birth	April 15, 1977
Date of Appointment	May 16, 2018
Expertise in Specific functional area	Financial Services and Banking
Qualification	B.Com., CA, CMA
Experience	15 plus years of experience in banking and Financial Services
Directorships in other Companies	1. IFCI Commodities Limited 2. IFIN Securities Finance Limited 3. IFIN Credit Limited
Number of Board Meetings attended during the Year	Nil
Chairman/ Membership of the Committee across all Companies	Member of Audit Committee 1. IFIN Securities Finance Limited Member of Credit Committee 1. IFIN Securities Finance Limited
Shareholding in the Company	Nil
Relationship with other Directors	Nil

IFCI FINANCIAL SERVICES LIMITED

CIN: U74899DL1995GOI064034

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **23rd Annual General Meeting** of the Company held on **Tuesday, September 25, 2018** at **02.00 p.m** at **17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019.**

Member's/Proxy's Signature

FORM NO MGT-11**PROXY FORM**

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

CIN	: U74899DL1995GOI064034
Name of the Company	: IFCI Financial Services Limited
Registered Office	: IFCI Tower, 61, Nehru Place, New Delhi – 110 019
Email	: <u>cs@ifinltd.in</u>
Telephone	: 044 2830 6634

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Tuesday, September 25, 2018 at 02.00 p.m at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS**ORDINARY BUSINESS**

1. Receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2018, together with Board of Directors' Report and the Auditors Report thereon.
2. Appoint a director in place of Sri K.V. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. Fix remuneration of the Statutory Auditor of the Company.

Signed this _____ day of _____ 2018

Signature of the Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

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

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

BOARDS' REPORT

To
The Members of
IFCI Financial Services Limited

The Board of Directors of your Company hereby presents the Twenty Third Annual Report of IFCI Financial Services Limited together with the Audited Financial Statement for the financial year ended on March 31, 2018.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Operating Results:				
Income from Operations	1696.69	1433.49	2277.67	2272.61
Other Income	374.71	396.27	262.81	264.87
Gross Income	2071.40	1829.76	2540.48	2537.48
Gross Expenditure	1944.21	1905.50	2321.31	2189.71
Profit/ (Loss) before Exceptional item, Interest, Depreciation and Tax	127.19	(75.74)	219.17	347.77
Less: Interest	14.84	26.81	36.61	160.95
Profit/(Loss) before Exceptional Item, Depreciation and Tax	112.35	(102.55)	182.56	186.82
Less: Depreciation	10.41	14.12	10.71	15.95
Profit before Exceptional item and tax	101.94	(116.67)	171.85	170.87
Add: Reversal of provisions for Diminution in the value of securities held as stock-in-trade	-	55.03	-	54.76
Less: Provision for Doubtful Debts and Advances/bad debts written off	(27.90)	(61.44)	(25.81)	(59.02)
Less: Exceptional item			(10.93)	(10.50)
Profit before Tax	129.84	(0.2)	208.59	295.15
Less: Current year tax MAT	26.48		47.71	65.25
Less: MAT Credit entitlement			-	(4.20)
Less: Income Tax for earlier years			31.41	-
Less: Deferred Tax Charges (Net)	(1.30)		-	(1.65)
Profit after tax	104.66	(0.2)	129.47	235.75

2. FINANCIAL PERFORMANCE

The Operating Income of IFIN increased from Rs.1433.49 lakh during the year 2016-17 to Rs.1696.69 lakh during the year 2017-18, mainly due to positive sentiments in Capital Markets. Within this, Other Operating Income, comprising delayed payment charges, also increased from Rs.129.14 lakh to Rs.154.46 lakh. However, Other Income decreased from Rs.396.27 lakh in 2016-17 to Rs.374.71 lakh in 2017-18, mainly due to lower interest earned on fixed deposits kept with banks - on account of reduction in interest rates, which more than offset the higher Profit on Sale of Investments.

There was a marginal increase in the overall expenses from Rs.1946.43 lakh during 2016-17 to Rs.1969.46 lakh during 2017-18.

Employee Cost increased from Rs.954.96 lakh to Rs.964.78 lakh, mainly due to increase in premium for gratuity contribution. Depreciation was lower at Rs.10.41 lakh for 2017-18, as compared to Rs.14.12 lakh for 2016-17, since there have been no major additions to fixed assets. There has been a sharp reduction in the Finance Cost from Rs.26.81 lakh during 2016-17 to Rs.14.84 lakh during 2017-18, on account of substantial savings resulting from reduction in Bank Guarantees Commission and discontinuation of payment of LoC charges to IFCI.

Other Expenses were marginally higher at Rs.979.43 lakh, as compared to Rs.950.54 lakh in the previous year.

The surplus of Income over Expenditure increased from (-)Rs.116.67 lakh in 2016-17 to Rs.101.94 lakh in 2017-18.

After accounting for Provisions / Reversal of Provisions, PBT and PAT if IFIN on Stand-alone basis was Rs.129.84 lakh and Rs.104.66 lakh, respectively, for the year 2017-18, as against Loss of Rs.0.20 lakh recorded in the previous year 2016-17.

Out of 32 branches, 19 branches made profit of Rs.313.75 lakh and the remaining 13 branches made losses aggregating Rs.56.09 lakh during 2017-18, thereby resulting in overall profit of Rs.257.66 lakh from broking business at branches during the year.

The Board was further informed that the Institutional Teams at Delhi and Mumbai earned profits of Rs.36.57 lakh and Rs.88.82 lakh, respectively, during the year under review, mainly due to business placed by IFCI and revenues from LIC of India block deals, respectively. The Institutional Team at Chennai and the FPD & Investment Banking Team at Mumbai incurred losses of Rs.1.56 lakh and Rs.11.09 lakh, respectively, during the year.

3. OPERATIONAL PERFORMANCES

3.1 STOCK BROKING

The Company's stock broking operations have witnessed tremendous growth across geography. With wider reach expected in the Financial Year 2018-19, your Company is on the right path to add to its clientele base significantly. The net brokerage income of the company increased from Rs.1224 lakh in the previous year to Rs.1402 lakh in the current year.

3.2 INSURANCE COMMISSION

Insurance Commission earned during the year is Rs. 0.53 Lakh for the year 2017- 18 (previous year Rs 0.97 lakh).

3.3 BROKERAGE FROM SELLING OF MUTUAL FUNDS

During the year, your company has earned an income of Rs. 91.29 lakh from selling of mutual fund units as compared to Rs. 55.50 lakh in the previous year.

3.4 DISTRIBUTION OF IPO'S & BONDS

During the year, your company has earned an income of Rs. 28.97 lakh from distribution of IPO's & Bonds as compared to Rs. 49.39 lakh in the previous year.

3.5 DEPOSITORY SEGMENT

The Company operated as the Depository Participants of both NSDL and CDSL during the year for the benefit of its retail and institutional client base. Total Income received during the year 2017-18 was Rs. 47.24 lakh (previous year Rs. 57.33 lakh)

3.6 NON FUND BASED ACTIVITY- MERCHANT BANKING AND INVESTMENT BANKING

During the year the Company has earned syndication fee of Rs. 14.66 lakh (Previous Year- Rs.14.05 lakh) and valuation fees of Rs.16.78 lakh (Previous Year- Nil)

4. BUSINESS ENVIRONMENT

The Indian equity markets remained on a roll for the most of 2017-18 aided by strong domestic liquidity and favourable macroeconomic conditions. In fact, the ride till January 2018 this year was so smooth that the market did not witness a single correction in excess of 5 per cent. The rally, however, has been derailed since February, and the NIFTY tested the low of 9075.15 during April 2017 and touched an all-time high of 11171.55 during January 2018. Moreover the equity markets have surpassed their global peers with rising from 9220.60 on 03rd April 2017 to 10113.70 on 28th March 2018. Indian equity markets corrected 5 per cent in February 2018 and another 3.5 per

cent in March 2018, eating into the gains clocked during the first 10 months. The sharp rise in global bond yields was a key factor that contributed to the recent volatility. Yields on India's 10-year government securities also touched a four-year high in February on fears of high domestic inflation and aggressive rate hikes by the US Federal Reserve. Likewise, widening of the fiscal deficit targets raised concerns of a reversal in the policy stance by the RBI. This, coupled with the scam involving one of the public sector bank, weighed on banking shares that have significant weight in key stock indices. The reintroduction of the tax on long-term capital gains (LTCG) in the Budget and higher taxes on mutual fund investors also dampened sentiment. Thus, the S&P BSE Sensex ended with gains of 11.3 per cent and the 50-share Nifty was up 10.2 per cent in 2017-18. On the brighter side, earnings growth, which was a drag in the first two quarters due to demonetization and goods and services tax (GST) rollout, was promising in quarter ending December 2017. At Rs. 192 billion, net buying of equities by foreign portfolio investors was subdued. DIIs, including mutual funds and insurance companies, however have stepped up purchases in the past three years; in 2017-18, DIIs bought shares worth Rs 1.03 trillion.

The financial year 2018-19 will bring more volatility in the Indian equity markets as we consider multiple state elections in 2018 and general elections next year, increase in current account deficit, raise domestic interest rates and trigger rupee depreciation, inching up global crude oil prices, higher US rates, dollar appreciation and raising geopolitical tensions on Syria. Add to that the higher NPA and recent fraud at one of the public sector banks will also add to more volatility. Though we believe that an economic recovery is on its way and that should help corporate earnings grow in double digits in FY19.

5. OUTLOOK

IFIN shall adopt the following strategy in order to maintain its growth and profitability for FY 2018-19

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

6. SUBSIDIARIES

6.1 IFIN SECURITIES FINANCE LIMITED

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

6.2 IFIN COMMODITIES LIMITED

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

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

6.3 IFIN CREDIT LIMITED

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

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

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

8. DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2018.

9. TRANSFER TO RESERVES

The Board of Directors have no proposal to carry on any amount to any reserves for the year ended March 31, 2018.

10. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

(a) As at March 31, 2018, the Board consisted of 5 (Five) Directors. The Company has a Non-Executive Chairman and one Managing Director, 2 Independent Directors and 1 IFCI Nominee. The Management of the Company is headed by the Managing Director, who operates under the supervision and control of the Board.

(b) The changes in Directors during the financial year 2017-18 are as follows:

- Shri. M.P. Rege, Independent Director resigned from the Board on 24.07.2017 consequent upon his tenure as an Independent Director as per the terms of his appointment ended on that date. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. M.P. Rege, as an Independent Director of the Company.
- Shri. Lalit Kumar Patangia, Independent Director resigned from the Board on 24.07.2017 consequent upon his tenure as an Independent Director as per the terms of his appointment ended on that date. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. Lalit Kumar Patangia, as an Independent Director of the Company.
- Shri. V. Ramanan, Independent Director resigned from the Board on 24.07.2017 consequent upon his tenure as an Independent Director as per the terms of his appointment ended on that date. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. V. Ramanan, as an Independent Director of the Company.
- The Board of Directors appointed Shri Rajib Sekhar Sahoo as an Additional Director of the Company in the category of Independent Director with effect from August 4, 2017 and was subsequently regularized at the 22nd Annual General Meeting held on October 24, 2017 . Shri Rajib Sekhar Sahoo has given declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.
- Shri Rajib Sekhar Sahoo, Independent Director resigned from the Board on 21st March, 2018 citing personal reasons. Your Directors place on record their sincere appreciation for the significant contributions made by Shri. Rajib Sekhar Sahoo, as an Independent Director of the Company.
- The Board of Directors appointed Smt. Aparna Chaturvedi as an Additional Director of the Company in the category of Independent Director with effect from 24th July, 2017 and was subsequently regularized at the 22nd Annual General Meeting held on October 24, 2017. Smt. Aparna Chaturvedi has given

declaration that she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

- Shri Rajesh Kumar Gupta, Director resigned from the Board on 7th June, 2017 following the withdrawal of his nomination by IFCI. Your Directors place on record their sincere appreciation for the significant contributions made by Shri Rajesh Kumar Gupta, as a Director of the Company.
- The Board of Directors appointed Shri Sreekumaran V Nair as a Nominee Director of the Company with effect from 19th June, 2017.
- The tenure of Smt. S. Usha, as Managing Director of IFIN expired on April 27, 2018 consequent upon her superannuating from the services of IFCI. Your Directors place on record its appreciation for the contribution made by Sri. S. Usha towards the cause of IFIN and its subsidiaries during her tenure as Managing Director of the Company.
- Sri. K. V. Rao took charge as the new Managing Director of IFIN w.e.f evening of 27.04.2018 consequent upon retirement of Smt. S. Usha.

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

116 th Board Meeting	April 11, 2017
117 th Board Meeting	May 05, 2017
118 th Board Meeting	August 04, 2017
119 th Board Meeting	September 26, 2017
120 th Board Meeting	November 07, 2017
121 st Board Meeting	February 01, 2018

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

Sl. No.	Name of Director	Attendance Particulars		No. of other Directorships 31 st March, 2018
		No. of Meetings during 2017-18		Other Director-ships (Including Private Limited Companies)
		Held*	Attended	
1.	Shri Biswajit Banerjee	6	6	3
2.	Shri Manoj P Rege*	2	2	1
3.	Shri V. Ramanan*	2	2	11
4.	Shri Lalit Kumar Patangia*	2	2	2

Sl. No.	Name of Director	Attendance Particulars		No. of other Directorships 31 st March, 2018
		No. of Meetings during 2017-18		Other Director-ships (Including Private Limited Companies)
		Held*	Attended	
5.	Shri Sunit Vasant Joshi	6	6	1
6.	Shri Rajib Sekhar Sahoo*	4	1	2
7.	Smt. Aparna Chaturvedi@	4	2	-
8.	Shri Rajesh Kumar Gupta*	2	2	5
9.	Smt. S Usha	6	6	3
10.	Shri V S Nair	2	2	4

* No. of Board Meetings held during the tenure of directors in the financial year 2017-2018.

@ Please refer clause 10(b) of this report regarding changes in Directors during the financial year 2017-18.

11. COMMITTEES OF THE BOARD

11.1 AUDIT COMMITTEE:

(A) COMPOSITION

The Audit Committee of the Company presently consists of two Independent Directors and one Non – Executive Director. The Chairman of the Committee is an independent director. The composition of the Audit committee and attendance of directors at the meetings for the FY 2017-18 is shown below:-

Sl. No.	Name of Director	Designation	No. of Meetings during the tenure of respective directors in FY 2017-2018	
			Held	Attended
1	Shri Sunit V. Joshi	Member (Independent, Non-executive)	6	6
2	Shri Biswajit Banerjee	Member (Independent, Non-executive)	4	4
3	Smt. Aparna Chaturvedi	Member (Independent, Non-executive)	4	2
4	Shri Lalit Kumar Patangia*	Chairman (Independent, Non-executive)	2	2
5	Shri V. Ramanan*	Member (Independent, Non-executive)	2	2

* No. of Committee Meetings held during the tenure of directors in the financial year 2017-2018.

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

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

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

During the financial year 2017-18, the Audit Committee of Directors of the Company met 6 times. The dates of the meetings were 11.04.2017, 05.05.2017, 04.08.2017, 26.09.2017, 07.11.2017, and 01.02.2018.

(C) TERMS OF REFERENCE:

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

11.2 NOMINATION & REMUNERATION COMMITTEE:

(A) COMPOSITION

The Nomination and Remuneration Committee of the Company presently consists of two Independent Directors and the Managing Director. The composition of the Nomination and Remuneration Committee and attendance of directors at the meetings for the FY 2017-18 is shown below:-

S. No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2017-2018	
			Held	Attended
1.	Shri M. P. Rege	Chairman (Independent, Non-executive)	2	2
2.	Shri Rajesh Kumar Gupta	Member (Non-executive)	2	2
3.	Smt. S Usha	Member (Non-executive)	2	2

(B) THE NUMBER OF MEETINGS HELD AND DATES

During the financial year 2017-18, the Nomination & Remuneration Committee of Directors of the Company met two times. The dates of the meeting are 11.04.2017 and 04.05.2017.

(C) TERMS OF REFERENCE:

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

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

11.3 OTHER COMMITTEES:

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

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

The Extract of the annual return as provided under sub-section (3) of section 92 in Form MGT-9 is given in **Annexure-II**. The copy of the Annual Return is also available at the website of the Company. The link is provided below:

URL: http://www.ifinitd.in/Financialspdf/IFIN%20-%20MGT-9%20-%202017-18.pdf

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

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

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

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

URL:	http://www.ifinltd.in/privacy_policy/IFINNRCPolicy.pdf
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16. AUDITORS

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

Comptroller and Auditor General of India (C&AG) vide letter dated 13.07.2017 have again appointed M/s. Raman Associate, Chartered Accountants, Chennai as the Statutory Auditors of the Company for the financial year 2018-19. The necessary resolution for fixing the remuneration of auditors will be placed before the shareholders for their approval.

17. REPORTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

The explanations/comments on the report of Comptroller & Auditor General of India on the accounts for the year ended 31st March, 2018 under Companies Act, 2013 are attached as Annexure-IV to this report.

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

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

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

There were no materially significant transactions with Related Parties during the FY 2017-18 which were in conflict with the interest of the Company.

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

20. DEPOSITS

During the financial year 2017-18, the Company has not accepted any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

21. MATERIAL CHANGES AND COMMITMENTS

There are no significant material changes and commitments for the Financial Year 2017-18.

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

The Company has taken measures to conserve energy by having energy efficient air conditioners, blade servers, CFL lamps, LCD monitors etc. at its various locations. As regards absorption of technology, your Company has installed

computer systems, software packages and other office equipments to increase its organisational efficiency, maximise productivity and to gain competitive advantage.

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

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

23. THE RISK MANAGEMENT POLICY.

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

24. INTERNAL FINANCIAL CONTROL

The Company has put in place adequate Internal Financial Control commensurate with the size of the Company and nature of its business. The Company has appointed M/s. IV & Associates, Chartered Accountants as Internal Auditors to conduct the internal audit functions and the activities of the Company for the FY 2018-19.

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

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

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

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

26. ANTI SEXUAL HARASSMENT POLICY

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

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

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

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

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

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

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

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

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

29. PERSONNEL

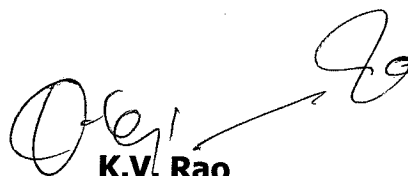
The company has no employee in respect of whom the information required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is required to be given.

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

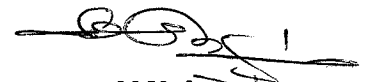
30. ACKNOWLEDGEMENT

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

By Order of the Board
IFCI Financial Services Limited



K.V. Rao
Managing Director
(DIN 08111685)



Sreekumaran V Nair
Nominee Director
(DIN 02207516)

Place: Chennai
Date: 08.08.2018



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.)

SL No	Particulars	Details	Details	Details
1	Name of the subsidiary	IFIN Securities Finance Limited	IFIN Commodities Limited	IFIN Credit Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Period same as holding company's	Reporting Period same as holding company's	Reporting Period same as holding company's
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Nil	Nil	Nil
4	Share capital	30,01,00,000	5,00,00,000	2,50,00,000
5	Reserves & surplus	39,884,921	468,605	(5,386,776)
6	Total assets	350,990,317	86,136,748	20,998,057
7	Total Liabilities	350,990,317	86,136,748	20,998,057
8	Investments	41,113,749	Nil	Nil
9	Turnover	51,598,119	10,074,778	1,473,394
10	Profit before taxation	10,663,220	(2,677,165)	(110,214)
11	Provision for taxation	53,91,097	3817	-
12	Profit after taxation	5,272,123	(2,680,982)	(110,214)
13	Proposed Dividend	Nil	Nil	Nil
14	% of shareholding	100%	100%	100%

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

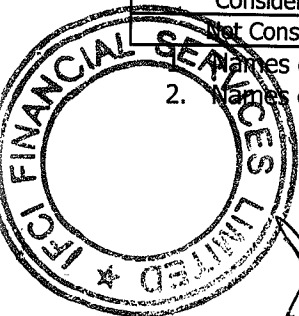
1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

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



A V Pushparaj
Chief Financial Officer

FOR IFCI FINANCIAL SERVICES LIMITED

K V Rao
Managing Director

Sreekumaran V Nair
Nominee Director

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

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Security and commodity contracts brokerage	6612	64.38%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF*		6	6	0.00	-	6	6	0.00	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	3,93,63,803	3,93,63,803	94.78	-	3,93,63,803	3,93,63,803	94.78	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	3,93,63,803	3,93,63,803	94.78	-	3,93,63,803	3,93,63,803	94.78	0
B. Public Shareholding**									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Companies									
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	2169900	2169900	5.22	-	2169900	2169900	5.22	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total** (B)(2):-	-	2169900	2169900	5.22	-	2169900	2169900	5.22	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	41533709	41533709	100	-	41533709	41533709	100	0

* beneficial interest are held by IFCI Limited

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

B) Shareholding of Promoter:

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

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

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

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

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

E) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		S. Usha (MD)	
1	Gross salary	34,61,418/-	34,61,418/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission (Incentive) - as % of profit - others, specify...	320000/-	320000/-
5	Others, please specify	-	-
	Mobile	8562/-	
	Medical	43011/-	51573/-
	Total (A)		
	Ceiling as per the Act (as per Schedule V of the Companies Act, 2013)		N.A

B. Remuneration to other directors (Amount in Rs)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri M P Rege#	Shri V Ramana n#	Shri Lalit Patangia #	Shri Sunit Vasant Joshi	Smt. Aparna Chaturvedi	Sri. Rajib Sekar Sahoo@	
1	Independent Directors							
	Fee for attending board and committee meetings	51000	66000	51000	129000	39000	12000	3,48,000
	Commission							
	Others, please specify							
	Total (1)							
2	Other Non-Executive Directors							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (2)							
	Total (B)=(1+2)	51000	66000	51000	129000	39000	12000	3,48,000
	Total Managerial Remuneration*							Nil
	Overall Ceiling as per the Act							(@1% of profits calculated under Section 198 of the Companies Act, 2013)

#Shri M P Rege, Shri V Ramanan, Shri Lalit Patangia, Independent Directors resigned from the Board on 24.07.2017 consequent upon expiry of their tenure as an Independent Director.

@Sri. Rajib Sekar Sahoo, Independent Director resigned from the Board on 21st March, 2018 citing personal reasons.

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

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

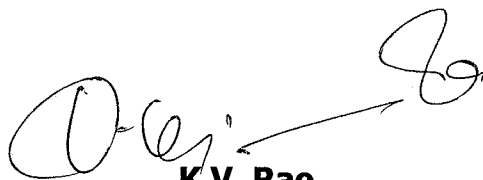
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	849615	950000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalty / Punishment/ Compounding under Companies Act during the year ended 31.03.2018.

By Order of the Board

IFCI Financial Services Limited



K.V. Rao
Managing Director
(DIN 08111685)



Sreekumaran V Nair
Director
(DIN 02207516)

Place: Chennai

Date: 08.08.2018



Nomination and Remuneration Policy

1. Background:

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

2. Framework

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

3. Objective

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

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

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

3.6. To formulate criteria for evaluation of Directors.

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

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

4.1. Educational qualification:

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

4.2. Experience/Expertise

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

4.3. Disqualifications

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

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

4.4. Other Eligibility Criteria

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

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

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

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

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

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

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

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

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

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

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

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

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

company; or

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

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

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

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

5. Remuneration Policy

I. Board Level Remuneration Structure

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

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

2. In case of Non-Executive/Independent Directors

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

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

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

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

6. Monitoring and Evaluation

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

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

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

7. Board Diversity

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

FORM NO. AOC -2

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

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

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

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

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

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

**By Order of the Board
For IFIN Credit Limited**

Sd/-

K.V. Rao

Managing Director

(DIN: 08111685)

Sd/-

Sreekumaran V Nair

Director

(DIN: 02207516)

Place: Chennai

Date: August 08, 2018



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

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

No: PDCA/CHENNAI/CA-II/2-143/2018-19/138

10.07.2018

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

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of IFCI Financial Services Limited (Standalone and Consolidated Financial Statement), Chennai for the year ended 31 March 2018.

I forward herewith comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statements of IFCI Financial Services Limited (Standalone and Consolidated Financial Statement), Chennai for the year ended 31 March 2018.

Receipt of this letter may be acknowledged.

Yours faithfully,

(R. AMBALAVANAN)

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

Encl: Audit Certificate.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of IFCI Financial Services Limited, Chennai for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IFCI Financial Services Limited for the year ended 31 March 2018 under section 143(6)(a) of the Act.

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



**(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI**

Place: Chennai
Date: 10 July 2018

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of IFCI Financial Services Limited, for the year ended 31 March 2018 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) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of IFCI Financial Services Limited for the year ended 31 March 2018 under section 143(6)(a) read with section 129(4) of the Act.

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



**(R. AMBALAVANAN)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT &
EX-OFFICIO MEMBER, AUDIT BOARD, CHENNAI**

Place: Chennai
Date: 10 July 2018



ANNEXURE "A" TO THE Independent Auditors' Report of M/s. IFCI FINANCIAL SERVICES LIMITED as of and for the year ended March 31, 2018

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

We have audited the internal financials controls over financial reporting of **M/S. IFCI Financial Services Limited** ("the Company.") as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

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

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

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





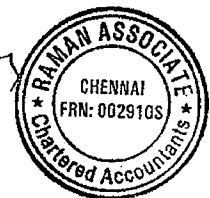
- e) On the basis of written representation received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequate Internal Financial Control over financial reporting of the Company and in place and the operating effectiveness of such controls refer to our Report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has pending litigations against it to the tune of Rs.133.88 lakhs and its impact cannot be ascertained.
- ii) The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
- iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund .
3. As per Directions issued by the C & AG of India under section 143(5) of the companies Act 2013, we report that:
1. As per the information and explanations given to us, the company do not hold any freehold and lease hold land as on the balance sheet date.
2. According to the information and explanation given to us and on the basis of audit carried out by us, we note that there are bad debts written off during the year an amount of Rs. 1.50 Crore as details given below,
- i) Dues from IFCI Limited for Rs. 1.18 Crore and
- ii) One time settlement for Prime research and advisory ltd. For Rs. 0.32 Crore
3. The Company does not hold inventory and have not received any assets as gifts / grants from the Government or other authorities. Hence, reporting under this sub- direction does not arise.

Place: Chennai
Dated: 27.04.18

For RAMAN ASSOCIATE
Chartered Accountants
FRN : 002910S

AP

A.P.VIJAYENDRAN
M.NO : 215166





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

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

Opinion

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

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b. In the case of the statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. As per the information and explanations given to us, the company has branch office(s) only for marketing purposes. Hence, no requirement to consider report of branch auditor and dealt with it in preparing our report.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





RAMAN ASSOCIATE

Chartered Accountants

H.O. : 13, Luz Avenue,
Mylapore, Chennai - 600 004.

Telephone : 091 - 044-24996255
Tele Fax : 091 - 044-24717337
E-mail : ramanassociate@rediffmail.com
ramanassociate@yahoo.com

INDEPENDENT AUDITORS 'REPORT

TO

The members of IFCI Financial services limited

REPORT ON STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of IFCI Financial Services Limited ("the company"), which comprises the balance sheet as at 31st March 2018, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the financial statements:

The company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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



Chennai : 091-044-2471 6226, 091-044-2471 7337, 091-044-2480 1097

Bangalore : 091-080-22280874 Chidambaram : 091-04144-222697



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respect, and adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the guidance note issued by the ICAI.

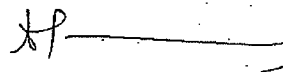
Place: Chennai

Dated: 27.04.18

For RAMAN ASSOCIATE

Chartered Accountants

FRN: 002910S



A.P.VIJAYENDRAN
M.NO: 215166





ANNEXURE "B" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2018:

- i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The physical verification of fixed assets is being done by the Company once in a year which in our opinion is reasonable having regard to the size of the Company and nature of business. During the year the assets have been physically verified by the management and no major variation noticed.
 - (c) As per our verification and explanation given to us, the Company is not having any immovable property in its name.
- ii) The Company does not have any inventory. Therefore, clause 3(ii) of the order is not applicable.
- iii) The Company has not granted secured loan to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and the terms and conditions, repayments and interest payments have been complied with.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied in the provisions of section 185 and 186 of the Companies Act, 2013 in the respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, wherever applicable. Therefore the provisions of clause 3(v) of the Order are not applicable.
- vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the services rendered by the company.
- vii)
 - a) According to the information and explanations given to us and the records produced before us for verification, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.





RAMAN ASSOCIATE
Chartered Accountants

- viii) The company has not defaulted any repayment to financial institutions. The company has not taken any loan from banks or government. The company has no debenture holders.
- ix) The company has not raised any fund through IPO/term loan.
- x) To the best of our knowledge and belief and according to information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of audit
- xi) The company made managerial remuneration as per provisions of Section 197 read with Schedule (V) of the Companies Act, 2013.
- xii) The Company is not a Nidhi Company. Hence clause (XII) is not applicable.
- xiii) As per information given to us, all the transactions to which section 177 and 188 of the companies Act, 2013 applies, have been disclosed by the Company as required by applicable accounting standards.
- xiv) As per information given to us, the Company has not made any preferential issue/ private placement of shares/debentures. Hence this clause is not applicable.
- xv) The Company has not entered into any non-cash transactions with directors or other persons to whom the provisions of section 192 of the Act applies.
- xvi) The Company does not require to be registered under section 45A of RBI Act 1934.

Place : Chennai
Dated : 27.04.18

For RAMAN ASSOCIATE
Chartered Accountants
FRN: 002910S

AP
A.P.VIJAYENDRAN
M.NO: 215166



IFCI FINANCIAL SERVICES LIMITED
Balance Sheet as at 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	As at 31st March 2018	As at 31st March 2017
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	41,53,37,090	41,53,37,090
	(b) Reserves and surplus	3	29,88,63,499	28,83,97,884
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(a) Deferred tax liabilities (Net)		26,37,029	27,66,999
	(b) Other Long term liabilities	4	68,52,327	66,26,724
	(c) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables		21,27,27,466	23,17,26,357
	(c) Other current liabilities	5	4,45,00,074	1,79,85,165
	(d) Short-term provisions	6	1,09,81,560	66,77,614
	TOTAL		99,18,99,045	96,95,17,834
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible assets		24,62,692	31,45,204
	(ii) Intangible assets		17,56,008	19,75,375
	(b) Non-current investments	8	38,52,23,063	38,52,23,063
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	9	7,72,43,187	14,02,63,436
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	10	56,60,806	1,59,14,685
	(b) Trade receivables	11	8,93,08,388	7,50,56,628
	(c) Cash and cash equivalents	12	38,21,83,946	26,48,52,554
	(d) Short-term loans and advances	13	4,48,86,324	7,34,27,071
	(e) Other current assets	14	31,74,631	96,59,818
	TOTAL		99,18,99,045	96,95,17,834

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

For Raman Associate
Chartered Accountants
FRN - 002910S

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



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

S. Usha
S. Usha
Managing Director

Biswajit Banerjee
Biswajit Banerjee
Chairman

Place : Chennai
Date: 27/04/2018

Aby Eapen
Aby Eapen
Company Secretary

A V Pushparaj
A V Pushparaj
Chief Financial Officer

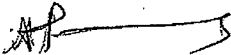
IFCI FINANCIAL SERVICES LIMITED
Statement of Profit and Loss for the period ended 31st March, 2018

(Amount in Rs)

Particulars		Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I.	Revenue from operations	15	15,42,22,467	13,04,35,064
II.	Other Operating Income	16	1,54,46,072	1,29,13,861
III.	Other Income	17	3,74,71,424	3,96,27,092
IV.	Total Revenue (I + II + III)		20,71,39,963	18,29,76,018
V.	Expenses:			
	Employee benefits expense	18	9,64,77,719	9,54,95,763
	Finance costs	19	14,84,468	26,80,972
	Depreciation and amortization expense		10,41,057	14,11,819
	Other expenses	20	9,79,42,935	9,50,54,061
	Total expenses (V)		19,69,46,179	19,46,42,621
VI.	Profit before bad & doubtful debts and tax (IV - V)		1,01,93,784	(11,666,603)
VII.	Provision for bad & Doubtful debts Exceptional Items -Interest received	21	(2,789,875)	(11,646,555)
VIII.	Profit before extraordinary items and tax (VI - VII)		1,29,83,659	(20,048)
IX.	Extraordinary Items		-	-
X.	Profit before tax (VIII -IX)		1,29,83,659	(20,048)
XI.	Tax expense:			
	- Income Tax		2,648,015	-
	- Current Tax / Deferred Tax		(129,970)	-
XII.	Profit (Loss) after tax (X - XI)		1,04,65,614	(20,048)
XIII.	Profit/(loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		-	-
XVI.	Profit (Loss) for the period (XII + XV)		1,04,65,614	(20,048)

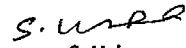
The Notes 1 & 15 TO 21 form an integral part of Statement of Profit and Loss
This is the Balance Sheet referred to in our Report of even date

For Raman Associate
Chartered Accountants
FRN - 002910S


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



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


S. Usha
Managing Director


Aby Eapen
Company Secretary


Biswajit Banerjee
Chairman


A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: 27/04/2018

IFCI FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2018

(Amount in Rs)

Particulars	Year ended		Year ended	
	31.03.2018		31.03.2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		1,29,83,659		(20,041)
Adjustments for:				
Depreciation / Amortisation on Fixed Assets	10,41,057		14,11,819	
Dividend Received (considered separately under Investment Activities)	(172,457)		(174,279)	
Profit on Sale of Investments (considered separately under Investment Activities)	(2,374,157)			
Finance Cost (considered separately under Finance Activities)	1,484,468		26,80,972	
Interest income	(18,429,674)		(21,943,080)	
Profit/(Loss) on Fixed Asset	-	(18,450,762)	-	(18,024,568)
A Operation Profit before Working Capital Changes		(5,467,102)		(18,044,610)
Adjustments for:				
(Increase) / Decrease in Current Investments	1,02,53,879		(4,701,992)	
(Increase) / Decrease in Trade Receivables	(14,251,760)		2,86,30,637	
(Increase) / Decrease in Loans & Advances	9,15,60,996		(102,434,218)	
(Increase) / Decrease in Other current Assets	64,85,187		1,51,47,114	
Increase / (Decrease) in Trade Payable	(18,998,891)		9,03,13,564	
Increase / (Decrease) in Provisions	43,03,946		28,97,605	
Increase / (Decrease) in Non - Current Liabilities	2,67,40,511	10,60,93,869	(5,619,606)	2,42,33,105
Cash Generated from Operation before tax		10,06,26,766		61,88,495
Direct taxes paid		2,648,015		-
Net cash from Operating Activities		9,79,78,751		61,88,495
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(139,178)		(109,456)
Decrease in Capital advance		-		-
(Increase) / Decrease in Fixed Deposits		(14,442,599)		(21,620,023)
Dividend Received		1,72,457		1,74,279
Profit on Sale of Investments		23,74,157		-
Interest received		1,84,29,674		2,19,43,080
Net Cash used in / raised from Investing Activities		63,94,510		3,87,880
C CASH FLOW FROM FINANCING ACTIVITIES				
Finance Cost		(1,484,468)		(2,680,972)
Repayment of Loans		-		-
		(1,484,468)		(2,680,972)
Net Changes in Cash & Cash Equivalent (a+b+c)		10,28,88,793		38,95,403
Opening Cash and Cash Equivalent		4,57,79,715		4,18,84,312
Closing Cash and Cash Equivalent		14,86,68,508		4,57,79,715
Increase / (Decrease) in Cash & Cash Equivalent		10,28,88,793		38,95,403

The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules,2006.
This is the Cash Flow referred to our report of even date

For Raman Associate
Chartered Accountants
FRN-9029105

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



Place : Chennai
Date : 27/04/2018

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

S. Usha
Managing Director

Aby Eapen
Company Secretary

Biswajit Banerjee
Chairman

A V Pushparaj
Chief Financial Officer

IFCI FINANCIAL SERVICES LIMITED

Note No. 2 Share Capital

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued				
___% preference shares of ___ each	-	-	-	-
Equity Shares of Rs.10/- each	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Subscribed & Paid up				
___% preference shares of ___ each	-	-	-	-
Equity Shares of Rs.10/- each	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Subscribed but not fully Paid up				
Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090

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

Particulars	As at 31st March 2018		Equity Shares March 2017	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090

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

Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

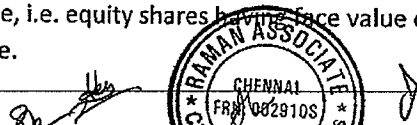
Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Limited and nominees	3,93,63,809	94.78	3,93,63,809	94.78
Ms. Chandra Ramesh	17,57,619	4.23	17,57,619	4.23
Mr. D V Ramesh	4,12,281	0.99	4,12,281	0.99

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

Terms/Rights attached to equity shares:

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



IFCI FINANCIAL SERVICES LIMITED
Note No. 3 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
a. Capital Reserves		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
A. Securities Premium Account		
Opening Balance	45,16,43,790	45,16,43,790
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	45,16,43,790	45,16,43,790
B. Other Reserves (Specify the nature and purpose of each reserve)		
i) Amalgamation Reserve:		
Opening Balance	97,63,970	97,63,970
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	97,63,970	97,63,970
ii) General Reserve:		
Opening Balance	91,79,620	91,79,620
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	91,79,620	91,79,620
C. Surplus:		
Opening balance	(182,189,496)	(182,169,454)
(+) Net Profit/(Net Loss) For the current year	1,04,65,614	(20,041)
Closing Balance	(171,723,881)	(182,189,496)
Total	29,88,63,499	28,83,97,884

Note No. 4 Other Long Term Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
(a) Security Deposit and Sundry deposits	68,52,327	66,26,724
Total	68,52,327	66,26,724

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IFCI FINANCIAL SERVICES LIMITED
Note No. 5 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Other payables		
Creditors for expenses	78,09,829	25,69,605
Statutory dues	1,56,29,572	1,35,95,553
Other liabilities	2,10,60,673	18,20,008
Total	4,45,00,074	1,79,85,165

Note No. 6 Short Term Provisions

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
(a) Provision for employee benefits		
Gratuity	24,25,804	-
Leave Encashment	82,03,952	58,81,595
Bonus	3,51,804	7,96,019
Total	1,09,81,560	66,77,614



IFCI FINANCIAL SERVICES LIMITED
Note No. 7 Fixed Assets

Fixed Assets	Gross Block						Accumulated Depreciation			Net Block	
	Balance as at 1st April 2017	Additions	Balance as at 31st Mar 2018	Balance as at 1st April 2017	Depreciation charge for the year Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2018	Balance as at 31 March 2017	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
a											
Tangible Assets											
Furniture and Fixtures	56,51,416	26,350	56,77,766	49,64,746	2,65,873	52,30,619	4,47,147	6,86,670			
Vehicles	22,150	-	22,150	20,907	352	21,259	891	1,243			
Office equipment	1,10,46,609	1,08,260	1,11,54,869	95,84,213	5,54,759	1,01,38,972	10,15,897	14,62,396			
computer hardware	3,73,47,491	4,568	3,73,52,059	3,63,52,596	706	3,63,53,302	9,98,757	9,94,895			
Total	5,40,67,666	1,39,178	5,42,06,844	5,09,22,463	8,21,690	5,17,44,152	24,62,692	31,45,204			
b											
Intangible Assets											
Computer software	3,27,33,175	-	3,27,33,175	3,07,57,800	2,19,367	3,09,77,167	17,56,008	19,75,375			
Licenses and franchise	-	-	-	-	-	-	-	-			
Others - Non compete fees	1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000	-	-			
Total	4,27,33,175	-	4,27,33,175	4,07,57,800	2,19,367	4,09,77,167	17,56,008	19,75,375			
c											
Capital Work In Progress											
Total	9,68,00,841	1,39,178	9,69,40,019	9,16,80,263	10,41,057	9,27,21,319	42,18,700	51,20,579			
Previous Year	9,66,91,385	1,09,456	9,68,00,841	9,02,68,444	14,11,819	9,16,80,262	51,20,579	64,22,942			



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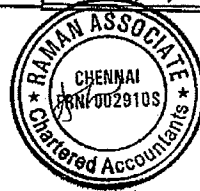
IFCI FINANCIAL SERVICES LIMITED
Note No. 8 Non Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Other Investments (Refer B below)		
(a) Investment Properties		
(b) Investment in Equity instruments	38,52,23,063	38,52,23,063
Total	38,52,23,063	38,52,23,063
Less : Provision for dimunition in the value of Investments	-	-
Total	38,52,23,063	38,52,23,063

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	38,52,23,063	38,52,23,063

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IFCI FINANCIAL SERVICES LIMITED

Note No. 9 Long Term Loans and Advances

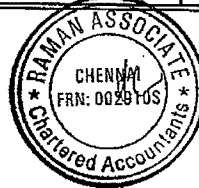
(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	-
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good *	7,22,31,469	13,13,63,930
Doubtful	-	-
	-	-
	-	-
	7,22,31,469	13,13,63,930
c. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
	-	-
d. Other loans and advances (specify nature)		
Other Loans & Advances	50,11,719	88,99,506
	50,11,719	88,99,506
Total	7,72,43,188	14,02,63,436

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IFCI FINANCIAL SERVICES LIMITED		
Note No. 10 Current Investments		(Amount in Rs.)
Particulars	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.
(a) Investment in Equity instruments	2,32,33,773	3,39,71,809
Total (A)	2,32,33,773	3,39,71,809
Less : Provision for diminution in the value of Investments	1,75,72,967	1,80,57,124
Total	56,60,806	1,59,14,685
Particulars	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.
Aggregate amount of quoted investments	56,60,806	1,59,14,685
Note No. 11 Trade receivable		(Amount in Rs.)
Particulars	As at 31st March 2018	As at 31st March 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Secured, considered good	5,31,61,697	7,16,89,973
Unsecured, considered good	-	-
Unsecured, considered doubtful	3,84,570	8,96,432
	5,35,46,267	7,25,86,405
Less: Provision for doubtful debts	3,84,570	8,96,432
	5,31,61,697	7,16,89,973
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	3,61,46,691	33,66,654
Unsecured, considered good	-	-
Unsecured, considered doubtful	11,49,55,093	13,17,19,017
	15,11,01,785	13,50,85,671
Less: Provision for doubtful debts	11,49,55,094	13,17,19,017
	3,61,46,691	33,66,655
Total	8,93,08,388	7,50,56,628



IFCI FINANCIAL SERVICES LIMITED

Note No. 12 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks				
In Current Accounts with Banks	-	14,86,66,860	-	4,57,79,096
Fixed Deposit (Bank deposits with more than 12 months maturity)	8,12,22,539	-	8,21,94,759	-
c. Cash on hand	-	1,648	-	619
Total	8,12,22,539	38,21,83,946	-	26,48,52,554

Note No. 13 Short term loans and advances

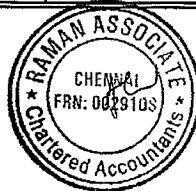
(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Rs.	Rs.	Rs.	Rs.
a. Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	52,00,271	-	6,65,431	-
	-	52,00,271	-	6,65,431
b. Others				
Other Loans and Advances	7,95,909	-	3,61,69,797	-
Advance Tax (net of provisions)	3,42,52,792	-	3,34,61,617	-
Prepaid Expenses	46,37,352	-	31,30,226	-
Secured, considered good	-	3,96,86,053	-	7,27,61,640
	-	3,96,86,053	-	7,27,61,640
Total	-	4,48,86,324	-	7,34,27,071

Note No. 14 Other current assets

Particulars	As at 31st March 2018	As at 31st March 2017
Interest accrued on Deposits	31,74,631	96,59,818
Interest Receivable	-	-
Total	31,74,631	96,59,818

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IFCI FINANCIAL SERVICES LIMITED

Note No. 15 Revenue from Operations

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Brokerage On Stock Broking	13,33,61,191	11,10,12,803
Commission On Mutual Fund	91,29,693	55,50,528
Insurance Commission	52,992	97,622
Syndication Fee	14,66,500	14,05,435
Valuation Fees	16,78,478	-
Depository Income	47,24,543	57,32,829
Commision From IPO / Bonds /Others	28,97,581	49,38,841
Commision On Fixed deposits	4,75,482	13,17,378
Account Opening Charges	2,63,550	2,05,350
Dividend income	1,72,457	1,74,279
Total	15,42,22,467	13,04,35,064

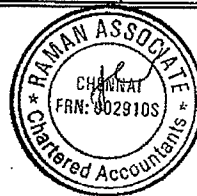
Note No. 16 Other Operating Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Delayed Payment Interest	1,54,46,072	1,29,13,861
Total	1,54,46,072	1,29,13,861

Note No.17 Other Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Interest on staff advances	-	-
Rental Income	22,97,928	26,27,949
Miscellaneous Income	1,43,69,665	1,48,81,477
Interest Income	1,84,29,674	2,19,43,080
Profit on Sale of Investments	23,74,157	1,74,586
Total	3,74,71,424	3,96,27,092

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IFCI FINANCIAL SERVICES LIMITED

Note No. 18 Employee Benefits expense

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
(a) Salaries and incentives	8,56,69,005	8,63,87,789
Provident fund & Employee State Insurance	54,57,926	53,31,007
Gratuity fund contributions	31,02,346	14,07,265
(c) Staff welfare expenses	22,48,442	23,69,702
Total	9,64,77,719	9,54,95,763

Note No. 19 Finance Costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Bank Financial Charges	14,84,468	26,80,972
Total	14,84,468	26,80,972

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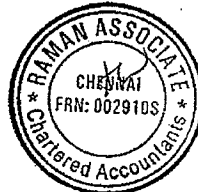


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IFCI FINANCIAL SERVICES LIMITED		
Note No. 20 Other Expenses		(Amount in Rs)
Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs.	Rs.
Fees To Clearing Member	45,73,813	34,02,383
Information Technology Exp	4,97,106	11,27,252
Data Feed Charges	16,45,291	20,78,323
Depository Participant Expenses	6,44,965	12,88,376
Broking Stamp Expenses	19,200	26,400
Professional & Consultancy Charges	3,00,32,683	2,51,66,006
Advertisement	-	1,41,386
Audit Fees	8,40,000	7,55,000
Electricity Charges	40,15,839	43,09,357
Insurance Expenses	16,28,327	14,46,577
Commission Paid	95,38,848	99,77,883
Postage & Telegram	10,34,891	9,30,877
Printing & Stationery	14,76,450	12,07,767
Rent	2,10,94,972	2,33,85,477
Rates & Taxes	96,439	1,68,641
Repairs & Maintenance	14,52,560	11,14,977
Sitting Fees	3,87,000	3,85,500
Membership Fee And Subscription	64,87,917	70,59,310
Telephone Expenses	61,79,687	44,40,820
Training Expenses	1,12,917	1,07,433
Travelling & Conveyance Expenses	11,77,508	11,95,371
Office Maintenance	31,53,791	30,38,966
Other Administrative Expenses	18,52,732	22,99,981
TOTAL	9,79,42,935	9,50,54,061

IFCI FINANCIAL SERVICES LIMITED		
Note No. : 21 Provision for Bad & Doubtful debts		(Amount in Rs)
Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs.	Rs.
Diminution in the value of shares (Net)	(484,157)	(5,502,984)
Bad Debts Written off	(2,305,718)	-
Provision for Doubtful Debts and Advances		(6,143,571)
TOTAL	(2,789,875)	(11,646,555)

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IFCI FINANCIAL SERVICES LIMITED

Note No. 1

A. Significant Accounting Policies:

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

II. Use of Estimates:

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

III. Revenue Recognition:

Broking Income

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

Interest Income

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

Loan Syndication Fees

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

Income from Depository Segment

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

Insurance Income

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



Commission from marketing of Mutual Fund units and Bonds

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

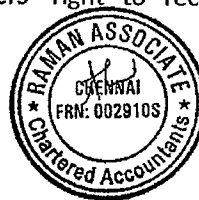
Equity Index/Stock – derivatives

- Equity Index/Stock Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance sheet date.
- As at the Balance sheet date, the profit or loss on open positions are accounted for as follows:
 - The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account. The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.
- On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.
- Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets.

Dividend Income

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

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IV. Investments:

- The Company acquires holds and deals in shares in its own account also. The investments intended to be held for one year or more were classified as long-term investments and provision for diminution in the value of long term investments being made only if such a decline is other than temporary.
- Current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

V. Fixed Assets and Depreciation:

- Fixed assets are stated at historical cost less accumulated depreciation.
- Intangible Assets:
Intangible assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account.
The computer software is identified as Intangible assets and useful life for these asset is 10 years as per schedule II of the Companies Act, 2013.
- Depreciation is provided on Written Down Value method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

VI. Impairment of Assets:

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

VII. Employee Benefits:

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

Defined contribution plan -

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



(b) The Company's liability towards Gratuity is a Defined Benefit Plan. The liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through Group gratuity Scheme of LIC. The gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Profit and Loss Account.

▪ **Compensated Absence-Leave Salary**

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

VIII. Borrowing Costs:

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

IX. Taxation:

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

X. Provision, Contingent Liabilities and Contingent Assets:

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

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

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

B. Notes forming part of the Accounts

8/2/2015



B. Notes forming part of the Accounts

I. Nature of Business:

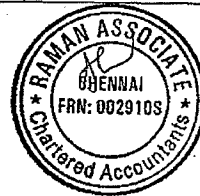
The Company is a SEBI registered Stock Broker on National Stock Exchange of India Ltd (NSE), Bombay Stock Exchange (BSE) and Multi Commodity Stock Exchange (MCX-SX) and primarily engaged in the business of providing securities market related transaction services.

II. Contingent Liabilities not provided for:

- (a) Bank guarantees aggregating to Rs. 25,00,00,000 /-(Previous Year – Rs. 20,70,00,000 /-) to National Stock Exchange of India Limited, Rs. 3,00,00,000/- (Previous Year – 3,00,00,000/-) to Bombay Stock Exchange and Rs. Nil (Previous Year – 1,00,00,000) to MCX-SX Stock Exchange as on 31st March 2018 for meeting margin requirements.
- (b) The Company has pledged fixed deposits aggregating to Rs.14,00,00,000 /- (Previous Year – Rs. 12,35,00,000 /-) with banks for obtaining the above bank guarantees.
- (c) Counter guarantee given by the Parent Company (IFCI Limited) to banks for issue of bank guarantee to the subsidiary company IFCI Financial Services Limited – Rs. Nil (previous year – Rs.30,00,00,000/-).
- (d) Other Contingent liabilities – The Clients has lodged three cases against the company which is pending as follows.

Forum before which the cases are pending	No. of cases	Amount (Rs. In Lakhs)
14th Additional City Civil Court, Bangalore	1	127.45
District Court, Patiala House, New Delhi	1	1.43
Highcourt of Madras	1	5.00

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III. **Estimated amount of contracts remaining to be executed**

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

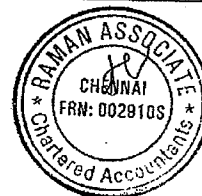
IV. **Managerial Remuneration:**

Particulars	2017-18	2016-17
To Managing Director (On deputation from IFCI Limited)		
(a) Salary and Allowances	32,79,762	30,09,440
(b) Contribution to PF and other funds	1,81,656	1,75,806
Total	34,61,418	31,85,246

V. **Earnings Per Share:**

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

Particulars	As on 31-03-2018	As on 31-03-2017
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	1,29,83,658	(20,041)
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	4,15,33,709	4,15,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	31.26	(0.00)
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	1,04,65,613	(20,041)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	25.20	(0.00)



VI. Current and Deferred Taxation:

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

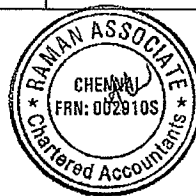
(b) During the year the tax effect on timing difference has resulted in Deferred Tax Liability and the same has been duly accounted as under:

Deferred Tax Asset / Liability	As on 31-03-2018 (Rs.)	As on 31-03-2017 (Rs.)
Deferred Tax Liability – Fixed Assets (accumulated depreciation)	26,37,029	27,66,999

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

Nature of Service	2017-18	2016-17
Statutory Audit Fee	5,00,000	5,00,000
Consolidation Fee	75,000	75,000
For quarterly reporting and Consolidating financial statements	1,80,000	1,80,000
Tax Audit	25,000	25,000
Other services	-	-
Total	7,80,000	7,80,000

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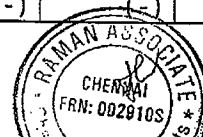
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VIII. Disclosure as per AS-17 'Segmental Reporting'

(In Lakhs)

Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
External -Segment Revenue	1659.87 (1,393.62)	14.67 (-)	47.25 (57.33)	137.06 (118.95)	5.28 (14.15)	- -	- -	1864.12 (1,584.05)
Inter Segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total Revenue	1659.87 (1,393.62)	14.67 (-)	47.25 (57.33)	137.06 (118.95)	5.28 (14.15)	0.00 (-)	0.00 (-)	1864.12 (1,584.05)
Segment Result	1282.32 (1,060.08)	14.67 (-)	40.80 (44.44)	41.67 (19.17)	5.28 (14.15)	0.00 (-)	0.00 (-)	1384.73 (1,137.85)
Unallocated Corporate Expenses net of Income	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-1439.19 -1357.48
Operating Profit	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-54.46 (219.43)
Interest Income	184.30 (219.43)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	184.30 (219.43)
Net Profit before Tax	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	129.84 (0.20)
Tax Expenses	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	25.18 (1.23)
Net Profit after Tax	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	104.65 (0.20)
Segment Assets	5050.16 (5,595.32)	- (-)	18.33 (19.72)	- (-)	- (-)	- (-)	- (-)	5068.48 (5,615.04)
Unallocated Assets	4850.51 (4,080.14)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4850.51 (4,080.14)
Total Assets	9900.66 (9,675.46)	- (-)	18.33 (19.72)	- (-)	- (-)	- (-)	- (-)	9918.99 (9,695.18)

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Particulars	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
Segment Liabilities	2640.17	-	0.63	-	-	-	-	2640.80
	(2,562.70)	(-)	-0.68	(-)	(-)	(-)	(-)	(2,563.38)
Unallocated Liabilities	7278.19	-	-	-	-	-	-	7278.19
	(7,131.80)	(-)	(-)	(-)	(-)	(-)	(-)	(7,131.80)
Total Liabilities	9918.36	-	0.63	-	-	-	-	9918.99
	(9,694.50)		(0.68)					(9,695.18)
Capital Expenditure	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Depreciation	-	-	-	-	-	-	-	10.41
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(14.12)
Non-cash expenses other than Depreciation	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

IX. Employee Benefits :

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

Defined Contribution plan: Provident and other statutory funds. The amount recognized as an expense during the year is Rs. 85,60,272 /- (Previous Year – Rs. 67,38,272 /-).

(b) Defined Benefit plan: Compensated Absence-Leave Salary

The policy provides for that an employee is entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the Gross pay.

(c) The Company has constituted The Employees Group Gratuity Fund under the Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India. The scheme provides for Lump sum payment to vested employees at retirement, death while in employment

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or on termination of employment of an amount equivalent to 15 days salary payable for each year of completed service or part thereof in excess of 6 months subject to maximum of Rs 20,00,000. Vesting occurs on completion of 5 years of service.

(d)

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

Particulars	(Amount in Rs.)
	Year 2017-18
Policy No	605000538
Date of Valuation	31/03/2018
Membership Date	
Number of Members	155
Average age	39.04
Average Monthly Salary	20007.33
Average past Service	6.25
Valuation Method	Projected unit credit method
Results of Valuation	
Present value of Past Service Benefit	89,08,516
Service cost	12,29,137
Fund with lic	78,18,766
Accrued Gratuity	1,23,94,726
Actuarial Assumptions	
Mortality Rate	LIC (2006-08) ultimate
Discount rate	7.5 % p.a
Salary escalation rate	5%
Withdrawal rate	1% to 3% depending on age
Total Amount Payable	24,25,804

X. Related Party Disclosure as per AS 18:

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

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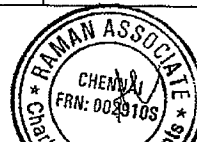
(d) Key Management Personnel and relatives of such personnel:

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

(e) Transaction with Related Parties:

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	Key Managerial Personnel
		2017-18	2016-17	2017-18	2016-17
1	Rent Paid to IFCI Ltd.	1,14,76,559	1,33,73,222	-	-
2	Rent received from IFIN Commodities Ltd.	26,94,345	26,27,949	-	-
3	Brokerage Received from IFCI Ltd	39,35,381	44,58,980	-	-
4	Brokerage Received from IFCI Employee Stock Option Trust	-	18,029	-	-
5	Brokerage Received from IFCI Venture Capital Fund Ltd.	1,74,037	4,16,592	-	-
6	Brokerage received from IFCI Factors Ltd	22,803	7,170	-	-
7	Portfolio Management Services fees received	-	-	-	-
8	Depository Services	8,61,310	9,70,984	-	-
9	Reimbursement of Expenses to IFCI Limited.	43,011	1,31,975	-	-
10	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
11	Managerial Remuneration	-	-	35,04,429	33,17,221
12	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
13	Loan Availed from IFIN Securities Finance Limited	-	5,00,00,000	-	-
14	Loan Repaid	-	-	-	-
15	Corporate Guarantee Issued to IFIN Commodities Ltd	-	-	-	-
16	Interest Paid	-	-	-	-
17	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	30,01,00,000	-	-
18	Equity contribution made in IFIN Commodity Limited	5,00,00,000	5,00,00,000	-	-

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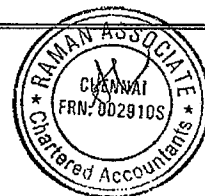
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19	Equity contribution made in IFIN Credit Limited	2,50,00,000	2,50,00,000		
19	Reimbursement of Expenses from IFIN Securities Finance Limited	1,25,00,000	1,25,00,000	-	-
20	Amount Due from IFIN Securities Finance Limited	35,62,500	-	-	-
21	Reimbursement of Expenses from IFIN Credit Limited	14,40,000	14,40,000	-	-
22	Amount Due from IFIN Credit Limited	12,95,383	9,95,950	-	-
23	Insurance of IFIN Commodities Limited paid by IFCI Financial Services Limited	-	-	-	-
24	Amount Due from IFIN Commodities Limited	4,13,634	(66,546)	-	-

XI. Foreign Exchange Inflow and Outflow

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

- XII.** Balances of Sundry Debtors confirmed on a regular basis from the respective parties. In the opinion of the management, the balances are considered as good and recoverable except debtors for an amount of Rs. 11,53,39,663/-.(previous year Rs. 13,26,15,449) which includes provision of Rs.1,19,83,430/- towards Depository Services provided to M/s IFCI Limited.
- XIII.** The Company had initiated the process of identifying the vendors under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.
- XIV.** Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.
- XV.** Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.





RAMAN ASSOCIATE

Chartered Accountants

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Mylapore, Chennai - 600 004.

Telephone : 091 - 044-24996255
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E-mail : ramanassociate@rediffmail.com
ramanassociate@yahoo.com

Independent Auditors' Report

To the members of IFCI Financial Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/S IFCI Financial Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's responsibility for the Consolidated Financial Statements

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

Auditor's responsibility

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

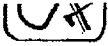
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from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

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

Chennai : 091-044-2471 6226, 091-044-2471 7337, 091-044-2480 1097

Bangalore : 091-080-22280874 Chidambaram : 091-04144-222697





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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (i) in the case of Consolidated Balance Sheet, of the Consolidated state of affairs of the Group, as at March 31, 2018;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the Consolidated PROFIT for the year then ended on that date;
- (iii) in the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flows for the year ended on that date.

Other matters

- (a) The Consolidated Financial Statements include the Financial Statements of 3 subsidiaries whose financial statements reflect the total assets of Rs.105.82 crore as at 31st March 2018, total revenue of Rs.25.40 crore and net profit before tax amounting Rs.2.09 crore for the year ended on that date which has not been audited by us. These Financial Statement have been audited by other auditors whose reports have been furnished to us by the management and in our opinion, the consolidated financial statements, in so far as it relates to the amounts and disclosures includes in respect of these subsidiaries, are based solely on the reports of the other auditors.

Report on other legal and regulatory requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law relating to preparation of aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the report of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement, with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the Directors of the Holding Company as on 31. March 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group companies, is disqualified as on 31 March, 2018, from being appointed as a Director in terms of Section 164(2) of the Act.






- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding Company, Subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's subsidiaries' Internal Financial Controls over Financial Reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of 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 Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial position of the Group. Refer Notes to Account B(II)
 - ii. The Company does not have any long-term contracts including derivatives contracts for which there are any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

2. As per directions issued by the C & AG of India under section 143(5) of the companies Act 2013, we report that:

- I. As per the information and explanations given to us, the Companies do not hold any freehold or lease hold land as on the balance sheet date.
- II. According to the information and explanation given to us and on the basis of audit carried out by us, we note that there are bad debts written off during the year an amount of Rs. 3.46 Crore as details given below.
 - i) Dues from IFCI Limited for Rs. 1.18 Crore
 - ii) One time settlement for Prime Research and Advisory Ltd. For Rs. 0.32 Crore
 - iii) Dues from Nippon Investment & Finance Pvt. Ltd. For Rs. 0.95 Crore and
 - iv) Dues from Shree Dhoot Trading & Agencies Ltd. For Rs. 1.01 Crore
- III. The Group does not hold inventory and have not received any assets as gifts/grants from the Government or other authorities. Hence, reporting under this sub-direction does not arise.

Place: Chennai
Dated: 27.04.18

For RAMAN ASSOCIATE
Chartered Accountants
FRN: 002910S


A.P.VIJAYENDRAN
M.NO: 215166





ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT (Referred to in our report of even date)

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

We have audited the internal financials controls over financial reporting of **M/S. IFCI Financial Services Limited** ("the Company.") and its subsidiaries together referred as the Group as of March 31, 2018 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

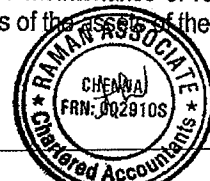
Our responsibility is to express an opinion on the companies' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the 'guidance note;') and the Standards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

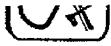
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control, over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the





Chartered Accountants

company; (ii) provide reasonable assurance the transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has, in all material respect, and adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential component of internal control stated in the guidance note issued by the ICAI.

Place: Chennai
Dated: 27.04.18

For RAMAN ASSOCIATE
Chartered Accountants
FRN: 002910S

AP

A.P.VIJAYENDRAN
M.NO: 215166



IFCI FINANCIAL SERVICES LIMITED
Consolidated Balance Sheet as at 31st March, 2018

(Amount in Rs.)

Particulars		Note No.	As at 31st March 2018	As at 31st March 2017
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	41,53,37,090	41,53,37,090
	(b) Reserves and surplus	3	32,23,90,114	30,83,89,075
	(c) Money received against share warrants		-	-
2	Share application money pending allotment			
3	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(a) Deferred tax liabilities (Net)		25,32,993	26,59,146
	(b) Other Long term liabilities	4	68,52,327	66,26,724
	(c) Long-term provisions		-	-
4	Current liabilities			
	(a) Short-term borrowings		10,00,000	7,15,00,000
	(b) Trade payables		23,62,99,689	28,22,27,814
	(c) Other current liabilities	5	6,04,27,047	3,22,67,124
	(d) Short-term provisions	6	1,33,18,459	1,53,15,953
	TOTAL		105,81,57,719	113,43,22,925
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	7		
	(i) Tangible assets		25,71,941	32,57,816
	(ii) Intangible assets		18,63,478	21,09,280
	(iii) Goodwill		22,53,857	22,53,857
	(b) Non-current investments	8	-	-
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	9	29,46,31,248	30,99,77,070
	(e) Other non-current assets		-	-
2	Current assets			
	(a) Current investments	10	4,32,03,625	1,14,61,957
	(b) Trade receivables	11	8,93,08,745	7,50,56,981
	(c) Cash and cash equivalents	12	47,32,69,384	38,41,08,833
	(d) Short-term loans and advances	13	14,50,80,683	33,41,33,296
	(e) Other current assets	14	59,74,758	1,19,63,834
	TOTAL		105,81,57,719	113,43,22,925

The Notes 1 to 15 form an integral part of Consolidated Balance Sheet
This is the Consolidated Balance Sheet referred to in our Report of even date

For Raman Associate
Chartered Accountants
FRN - 002910S

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



Place : Chennai
Date: 27/04/2018

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

S. Usha
Managing Director

Aby Eapen
Company Secretary

Biswajit Banerjee
Chairman

A V Pushparaj
Chief Financial Officer

IFCI FINANCIAL SERVICES LIMITED
Consolidated Statement of Profit and Loss for the period ended 31st March, 2018

(Amount in Rs)

Particulars		Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I.	Revenue from operations	15	21,23,20,611	21,43,47,623
II.	Other Operating Income	16	1,54,46,072	1,29,13,861
III.	Other Income	17	2,62,81,642	2,64,87,385
IV.	Total Revenue (I + II + III)		25,40,48,325	25,37,48,869
V.	Expenses:			
	Employee benefits expense	18	10,76,24,821	11,02,26,868
	Finance costs	19	36,61,349	1,60,95,046
	Depreciation and amortization expense		10,70,857	15,95,227
	Other expenses	20	10,48,70,610	10,87,44,466
	Bad Debts		1,96,34,943	-
	Total expenses (V)		23,68,62,579	23,66,61,607
VI.	Profit before bad & doubtful debts and tax (IV - V)		1,71,85,746	1,70,87,262
VII.	Provision for bad & Doubtful debts	21	(2,580,882)	(11,378,455)
	Prior period Income		(1,092,870)	(1,190,278)
	Prior period expenses		-	1,40,450
VIII.	Profit before extraordinary items and tax (VI - VII)		2,08,59,498	2,95,15,545
IX.	Extraordinary Items		-	-
X.	Profit before tax (VIII - IX)		2,08,59,498	2,95,15,545
XI.	Tax expense:			
	- Income Tax		-	-
	- Current Tax / Deferred Tax		47,71,862	65,25,000
	- Reversal of IT provision for Earlier Year		-	(420,536)
	- Income Tax for Earlier Years		31,41,097	-
	- Deferred Tax Reversal (Net)		-	(164,542)
XII.	Profit (Loss) after tax (X - XI)		1,29,46,539	2,35,75,623
XIII.	Profit/(loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	Profit/(loss) from Discontinuing operations (after tax) (XIII - XIV)		-	-
XVI.	Profit (Loss) for the period (XII + XV)		1,29,46,539	2,35,75,623

The Notes 1 & 16 to 21 form an integral part of Consolidated Statement Profit and Loss

This is the Consolidated Statement Profit and Loss referred to in our Report of even date

For Raman Associate
Chartered Accountants
FRN - 002910S

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



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

S. Usha
S. Usha
Managing Director

Abys
Aby Eapen
Company Secretary

Biswajit Banerjee
Biswajit Banerjee
Chairman

A V Pushparaj
A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: 27/04/2018

(Amount in Rs)

Particulars		Year ended 31.03.2018	Year ended 31.03.2017
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	2,08,59,498	2,95,15,545
	Adjustments for:		
	Depreciation / Amortisation on Fixed Assets	10,70,857	15,95,227
	Dividend Received (considered separately under Investment Activities)	(180,767)	-
	Finance Cost (considered separately under Finance Activities)	36,61,349	-
	Interest income	(21,558,364)	(26,487,385)
	Interest expenses	-	1,60,95,046
	Profit/(Loss) on Fixed Asset	(17,006,924)	-
	Operation Profit before Working Capital Changes	38,52,573	2,07,18,433
	Adjustments for:		
	(Increase) / Decrease in Current Investments	(31,741,668)	(4,675,309)
	(Increase) / Decrease in Trade Receivables	(14,251,764)	2,99,84,187
	(Increase) / Decrease in Short term Loans and Advances	-	(5,725,236)
	(Increase) / Decrease in Loans & Advances	18,64,05,598	(94,094,489)
	(Increase) / Decrease in Other current Assets	59,89,076	1,80,54,167
	Increase / (Decrease) in Trade Payable	(45,928,125)	10,98,20,008
	Increase / (Decrease) in Other Current Liabilities	2,81,59,923	(22,000,000)
	Increase / (Decrease) in Provisions	(1,997,494)	95,53,717
	Increase / (Decrease) in Non - Current Liabilities	2,25,603	(8,695,496)
	Cash Generated from Operation before tax	13,07,13,722	5,29,39,983
	Direct taxes paid	53,92,097	(6,525,000)
	Reversal of Tax Provisions	-	4,20,536
	Net cash from Operating Activities	12,53,21,625	4,68,35,519
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(139,178)	(109,456)
	(Increase) / Decrease in Fixed Deposits	-	(91,749,888)
	(Increase) / Decrease in Long Term Advances	1,64,00,322	-
	Dividend Received	1,80,767	-
	Interest received	2,15,58,364	2,64,87,385
	Repayment of Long Term Borrowings	-	(10,000,000)
	Repayment of Long Term Liabilities	-	(63,264)
	Net Cash used in / raised from Investing Activities	3,80,00,275	(75,435,223)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Short term Borrowing(net)	-	-
	Interest Paid	-	(16,095,046)
	Finance Cost	(70,500,000)	-
	Repayment of Loans	(3,661,349)	-
	Net Changes in Cash & Cash Equivalent (a+b+c)	(74,161,349)	(16,095,046)
	Net Changes in Cash & Cash Equivalent (a+b+c)	8,91,60,551	(44,694,751)
	Opening Cash and Cash Equivalent	38,41,08,833	16,06,31,251
	Closing Cash and Cash Equivalent	47,32,69,384	11,59,36,501
	Increase / (Decrease) in Cash & Cash Equivalent	8,91,60,551	(44,694,751)

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

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

For Raman Associate
Chartered Accountants
FRN - 002910S

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



S. Usha
S. Usha
Managing Director

Aby Eapen
Company Secretary

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

Biswajit Banerjee
Chairman

A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: 27/04/2018

IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 2 Share Capital

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued				
___% preference shares of ` ___ each	-	-	-	-
Equity Shares of Rs.10/- each	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Subscribed & Paid up				
___% preference shares of ` ___ each	-	-	-	-
Equity Shares of Rs.10/- each	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Subscribed but not fully Paid up				
Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090

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

Particulars	As at 31st March 2018		Equity Shares March 2017	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,15,33,709	41,53,37,090	4,15,33,709	41,53,37,090

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

Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Limited and nominees	39,363,809	94.78	39,363,809	94.78
Ms. Chandra Ramesh	1,757,619	4.23	1,757,619	4.23
Mr. D V Ramesh	412,281	0.99	412,281	0.99

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

Terms/Rights attached to equity shares:

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



IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 3 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
a. Capital Reserves		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
b. Capital Redemption Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
C. Statutory Reserve		
Opening Balance	51,35,000	-
Add : Amount transferred from surplus in the statement of Profit & Loss	10,54,500	51,35,000
	61,89,500	51,35,000
A. Securities Premium Account		
Opening Balance		
Add : Securities premium credited on share issue	45,16,43,790	45,16,43,790
Less : Premium utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For issuing Bonus Shares	-	-
Closing Balance	45,16,43,790	451,643,790.00
B. Other Reserves (Specify the nature and purpose of each reserve)		
i) Amalgamation Reserve :		
Opening balance	17,45,305	17,45,305
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	17,45,305	17,45,305
(ii) General Reserve :		
Opening balance	95,01,851	95,01,851
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	95,01,851	95,01,851
C. Surplus		
Opening balance	(159,636,871)	(178,077,494)
(+) Net Profit / (Net Loss) for the current year	1,29,46,539	2,35,75,623
(-) Adjustment for Fixed Asset	-	-
(+) Transfer from Reserves	-	51,35,000
(-) Transfer to Reserves	-	-
Closing Balance	(146,690,332)	(159,636,871)
Total	32,23,90,114	30,83,89,075

Note No. 4 Other Long Term Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
(a) Security Deposit and Sundry deposits	68,52,327	66,26,724
Total	68,52,327	66,26,724



IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 5 Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Other payables		
Creditors for expenses	90,58,776	42,12,531
Statutory dues	1,67,79,831	1,50,47,863
Payable to Exchanges & other liabilities	3,43,85,479	1,27,77,645
Sundry Deposits	2,02,962	2,29,086
Total	6,04,27,048	3,22,67,124

Note No. 6 Short Term Provisions

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
(a) Provision for employee benefits		
Gratuity	26,30,739	2,06,949
Leave Encashment	89,66,832	65,42,320
Provision for Income tax	-	61,37,171
Provision for Standard Assets	12,19,490	14,51,990
Bonus	5,01,398	9,77,523
Total	1,33,18,459	1,53,15,953

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IFC FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 7 Fixed Assets

	(Amount in Rs.)									
	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1st April 2017	Additions	Balance as at 31st Mar 2018	Balance as at 1st April 2017	Depreciation charge for the year Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2018	Balance as at 31st Mar 2017	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Fixed Assets										
a										
Tangible Assets										
Furniture and Fixtures	63,69,130	26,350	63,95,480	56,46,574	2,65,873	59,12,447	4,83,033	7,22,556		
Vehicles	22,150	-	22,150	20,907	352	21,259	891	1,243		
Office equipment	1,12,64,834	1,08,260	1,13,73,094	97,86,424	5,58,123	1,03,44,547	10,28,547	14,78,409		
computer hardware	3,85,61,764	4,568	3,85,66,332	3,75,06,156	706	3,75,06,862	10,59,470	10,55,608		
Total	5,62,17,878	1,39,178	5,63,57,056	5,29,60,062	8,25,054	5,37,85,115	25,71,941	32,57,816		
b										
Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	22,53,857	
Computer software	3,55,46,903	-	3,55,46,903	3,34,37,623	2,45,803	3,36,83,426	18,63,477	21,09,280		
Intangible-Membership Card	3,200,000	-	3,200,000	3,200,000	-	3,200,000	-	-		
Others - Non compete fees	1,00,00,000	-	1,00,00,000	1,00,00,000	-	1,00,00,000	-	-		
Total	4,87,46,903	-	4,87,46,903	4,66,37,623	2,45,803	4,68,83,426	18,63,477	43,63,137		
c										
Capital Work In Progress										
Total	10,49,64,781	1,39,178	10,51,03,959	9,95,97,685	10,70,857	10,06,68,541	44,35,418	76,20,953		
Previous Year	10,71,09,182	1,09,456	10,72,18,638	9,80,02,458	15,95,227	9,95,97,685	76,20,953	91,06,725		



Signature and Date

IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

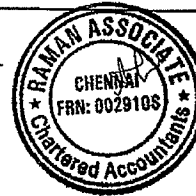
Note 8 Non Current Investments

(Amount in Rs)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Other Investments (Refer B below)		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	-	-
Total	-	-
Less : Provision for dimunition in the value of Investments	-	-
Total	-	-

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	-	-

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No.9 Long Term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	-	-
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good *	8,43,81,469	14,35,13,930
Doubtful	-	-
	8,43,81,469	14,35,13,930
c. Other Loans and advances		
Secured, considered good	20,52,38,060	15,75,63,634
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
	20,52,38,060	15,75,63,634
d. Other loans and advances (specify nature)		
Other Loans & Advances	50,11,719	88,99,506
	50,11,719	88,99,506
Total	29,46,31,248	30,99,77,070

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)
Note No. 10 Current Investments
(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
(a) Investment in Equity instruments	2,95,83,896	2,95,83,896
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments (specify nature)	-	-
Total (A)	2,95,83,896	2,95,83,896
Less : Provision for diminution in the value of Investments	1,81,21,939	1,81,21,939
Total	1,14,61,957	1,14,61,957

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Aggregate amount of quoted investments	1,14,61,957	1,59,14,685

Note No. 11 Trade receivable
(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment	-	-
Secured, considered good	5,31,61,696	7,16,89,973
Unsecured, considered good	359	353
Unsecured, considered doubtful	3,84,570	8,96,432
	5,35,46,625	7,25,86,758
Less: Provision for doubtful debts	3,84,570	8,96,432
	5,31,62,055	7,16,90,326
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	3,61,46,691	33,66,654
Unsecured, considered good	-	-
Unsecured, considered doubtful	11,60,75,424	13,45,14,236
	15,22,22,115	13,78,80,890
Less: Provision for doubtful debts*	11,60,75,425	13,45,14,236
	3,61,46,690	33,66,655
Total	8,93,08,745	7,50,56,981

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 12 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Rs.	Rs.	Rs.	Rs.
a. Balances with banks				
In Current Accounts with Banks		17,67,47,484	-	9,69,07,634
Fixed Deposit (Bank deposits with more than 12 months maturity)	8,12,22,539	29,65,07,808	-	26,81,72,333
c. Cash on hand		14,093	-	28,867
Total	8,12,22,539	47,32,69,384	-	38,41,08,833

Note No. 13 Short term loans and advances

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Rs.	Rs.	Rs.	Rs.
a. Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
b. Others				
Other Loans and Advances	10,06,43,545		3,67,78,342	-
Advance Tax (net of provisions)	3,96,75,136		3,57,74,234	-
Prepaid Expenses	47,62,002		33,02,338	-
Secured, considered good		14,50,80,683	25,82,78,383	-
		14,50,80,683	-	33,41,33,296
Total		14,50,80,683	-	33,41,33,296

Note No. 14 Other current assets

Particulars	As at 31st March 2018	As at 31st March 2017
Interest accrued on Deposits	31,74,631	1,19,63,834
Interest Receivable	-	-
Total	31,74,631	1,19,63,834

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 15 Revenue from Operations

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Brokerage On Stock Broking	14,02,56,459	12,24,01,496
Commission On Mutual Fund	91,29,693	55,50,528
Insurance Commission	52,992	97,622
Syndication Fee	14,66,500	14,05,435
Valuation Fees	16,78,478	-
Depository Income	47,24,543	57,32,829
Commission From IPO / Bonds /Others	28,97,581	49,38,841
Commission On Fixed deposits	4,75,482	13,17,378
Interest Receipts from Loans	4,94,87,966	6,99,68,006
Processing fees	16,92,500	25,17,500
Account Opening Charges	2,77,650	2,33,700
Dividend income	1,80,767	1,84,289
Total	21,23,20,611	21,43,47,623

Note No. 16 Other Operating Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Delayed Payment Interest	1,54,46,072	1,29,13,861
Total	1,54,46,072	1,29,13,861

Note No. 17 Other Income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Interest on IT Refund	3,40,720	-
Miscellaneous Income	4,66,385	4,02,828
Interest Income	2,15,58,364	2,55,79,937
Profit on Sale of Investments	39,16,174	5,04,620
Total	2,62,81,642	2,64,87,385

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 18 Employee Benefits expense

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
(a) Salaries and incentives	9,57,50,314	9,98,94,429
Provident fund & Employee State Insurance	62,63,782	60,56,052
Gratuity fund contributions	31,02,346	14,07,265
(c) Staff welfare expenses	25,08,379	28,69,122
Total	10,76,24,821	11,02,26,868

Note No. 19 Finance Costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs.	Rs.
Interest expenses	1,861,227	13,083,912
Bank Financial Charges	18,00,122	30,11,135
Total	36,61,349	1,60,95,046

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 20 Other Expenses

(Amount in Rs)

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs.	Rs.
Fees To Clearing Member	45,73,813	34,02,382
Information Technology Exp	7,98,871	14,30,248
Data Feed Charges	16,45,291	20,78,323
Depository Participant Expenses	6,44,965	12,88,376
Broking Stamp Expenses	19,200	26,400
Professional & Consultancy Charges	3,18,99,512	2,60,37,599
Advertisement	-	1,41,386
Audit Fees	11,84,170	10,63,500
Electricity Charges	40,15,839	43,09,357
Insurance Expenses	16,92,910	15,00,070
Commission Paid	1,02,94,229	1,26,44,302
Postage & Telegram	11,55,912	11,04,964
Printing & Stationery	15,86,068	13,61,721
Rent	2,10,94,972	2,33,85,477
Rates & Taxes	1,83,337	2,12,515
Repairs & Maintenance	14,52,560	11,14,977
Sitting Fees	7,43,500	6,21,525
Membership Fee And Subscription	67,74,683	70,59,310
Telephone Expenses	62,29,021	44,40,820
Training Expenses	1,12,917	1,07,433
Travelling & Conveyance Expenses	13,16,301	21,36,848
Office Maintenance	52,34,817	55,84,575
Business Development Expenses	-	1,38,344
Court fee - Suit filing	-	20,82,115
Service tax expenses	-	25,19,550
Other Administrative Expenses	22,17,722	29,52,350
TOTAL	10,48,70,610	10,87,44,466

IFCI FINANCIAL SERVICES LIMITED

Note No. 21 Provision for Bad & Doubtful debts

(Amount in Rs)

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs.	Rs.
Diminution in the value of shares (Net)	12,043	(5,476,303)
Provision for Standard Assets	(232,501)	2,10,076
Bad Debts Written off	1,95,80,237	-
Provision for Doubtful Debts and Advances	(2,305,718)	(6,112,228)
TOTAL	1,70,54,061	(11,378,455)

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IFCI Financial Services Limited (Consolidated)

Note No.1

A. Significant Accounting Policies & Notes to Accounts for the year ended March, 31 2018

I. Basis of Preparation of Financial Statements:

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

II. Use of Estimates:

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

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

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

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IFCI Financial Services Ltd's (the parent company or the holding company) shareholding in the following companies as on 31st March 2018 and 31st March 2017 are as under:

Name of the Subsidiary	Country Date on which became a Subsidiary		As on 31st Mar 2018		As on 31st Mar 2017	
			No of shares held	% of holding	No of shares held	% of holding
IFIN Commodities Ltd.	India	30.01.2009	50,00,000	100	50,00,000	100
IFIN Credit Ltd.	India	01.02.2010	25,00,000	100	25,00,000	100
IFIN Securities Finance Ltd. (Formerly known as Narayan Sriram Investments Private Ltd)	India	02.03.2011	30,01,000	100	30,01,000	100

IV. Principles used in preparing Consolidated Financial statements:

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

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

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

(i) In the case of IFIN Commodity Ltd., since the amount paid is equal to the paid up capital of the subsidiary, there is neither goodwill nor a capital reserve.

(ii) In the case of IFIN Credit Ltd., IFCI Financial Services Ltd. had acquired the 100% of the share capital in two stages i.e. initially 45% in the accounting year 2008-09 and the balance in 2009-10. The total amount paid is Rs.2,79, 00,000 for a net asset value of Rs. 1, 98, 81,335/- as on 01.02.2010 i.e., the date on which the Company became a subsidiary (Wholly owned). The surplus of Rs.80, 18,665/- is adjusted against the Amalgamation Reserve of Rs.97,63,970/- leaving a balance of Rs.17,45,305/-.

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(iii) In the case of IFIN Securities Finance Ltd (Formerly known as Narayan Sriram Investments Private Ltd.), IFCI Financial Services Ltd. had acquired the 100% of the share capital for a consideration of Rs. 73,23,063 for a total equity of Rs.1,00,000/- as on 02.03.2011 i.e., the date on which the Company became a subsidiary (Wholly owned). The total reserves and surplus as on date of acquisition of Rs.50, 69,206/- and the balance amount of Rs. 22, 53,857 is shown as goodwill.

V. Revenue Recognition:

Broking Income

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

Interest Income from Fixed Deposits

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

Loan Syndication Fees

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

Income from Depository Segment

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

Insurance Income

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

Commission from selling of Mutual Fund

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

Interest Income from Loans disbursed

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

Processing Fee:

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

Dividend Income

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

Equity Index/Stock – derivatives

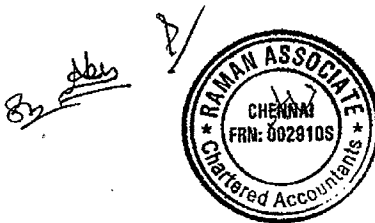
Equity Index/Stock/Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance sheet date.

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

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

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

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



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

VI. Stock-in-trade:

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

VII. Investments:

- The Company acquires holds and deals in shares in its own account also. The investments intended to be held for one year or more were classified as long-term investments and provision for diminution in the value of long term investments being made only if such a decline is other than temporary.
- Current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

VIII. Fixed Assets and Depreciation:

Fixed assets are stated at historical cost less accumulated depreciation.

Intangible Assets:

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

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

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

IX. Impairment of Assets:

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

X. Employee Benefits:

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

Defined contribution plan -

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

Defined Benefit Plan -Gratuity

- The Company's liability towards Gratuity is a Defined Benefit Plan. The liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through Group gratuity Scheme of LIC. The gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Profit and Loss Account.

- **Compensated Absence-Leave Salary**

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

8/2/2018

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XI. Borrowing Cost:

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

XII. Taxation:

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

B. Notes forming part of the Accounts

I. Nature of Business:

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

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

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

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

8/2/2015



II. 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.

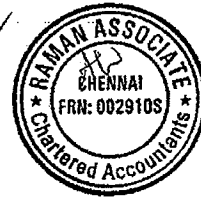
III. Contingent Liabilities not provided for:

Bank guarantees aggregating to Rs. 25,00,00,000 (Previous Year – Rs. 20,70,00,000/-) to National Stock Exchange of India Limited, Rs.3,00,00,000/- (Previous Year – 3,00,00,000/-) to Bombay Stock Exchange, Rs. Nil (Previous Year – 1,00,00,000)/- to MCX-SX Stock Exchange and Rs. Nil (Previous Year – 4,00,00,000) , Multi Commodity Exchange Limited , Rs, 4,00,00,000 /- (Previous Year Rs. 5,00,00,000 /-) as on 31st March 2018 for meeting margin requirements.

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

Counter guarantee given by the Parent Company (IFCI Limited) to a bank for issue of bank guarantee to the subsidiary company IFCI Financial Services Limited – Rs. Nil (previous year – Rs.30,00,00,000/-) and IFIN Commodities Limited – Rs.4,00,00,000/-(previous year – Rs.5,00,00,000/-)

8/2/18



Other Contingent liabilities in respect of claims against the company:

(Rupees in lakhs)

Forum before which the case is pending	No. of cases	Amount
District Court, Patiala House, New Delhi	1	1.43
Additional City Civil & Sessions Judge, Bangalore	1	127.45
Highcourt of Madras	1	5.00
Principal District Judge, Panaji	8	954.96

a. Estimated amount of contracts remaining to be executed

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

b. Loans Borrowed :

Loans borrowed as on 31/03/2018 amounting to Rs. 10,00,000 /- and the details of security offered thereon are as under

Loan Availed from	Loan Amount	Security
Aditya Birla Finance Ltd.	10,00,000 /-	Receivables of the company along with a comfort letter from IFCI Limited

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c. Earnings Per Share:

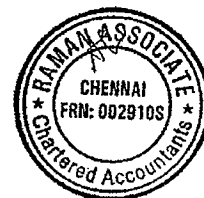
The Earning per Share [EPS] has been computed in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. The numerators and denominators used to calculate the EPS are:

(Amounts in Rupees)

Particulars	As on 31-03-2018	As on 31-03-2017
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	2,08,58,498	2,95,15,545
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	4,15,33,709	4,15,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	1.99	1.41
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	1,28,16,569	2,35,75,623
Basic & Diluted Earnings per Share (After extra-ordinary Item)	0.31	0.57

d. Current and Deferred Taxation:

- (a) The Subsidiary Company IFIN Commodities Limited has provided Current Tax Rs. NIL (Previous Year Rs. Nil) and Deferred Tax Rs. 22,005 /- (Previous Year Rs. (18,188/-) as per provisions of Income Tax Act, 1961
- (b) The Subsidiary Company IFIN Credit Limited has provided Current Tax Rs. NIL (Previous Year – Rs. Nil) as per provisions of Income Tax Act, 1961 and Deferred Tax during the year the tax effect on timing difference has not been recognized
- (c) The Subsidiary Company IFIN Securities Finance Limited has provided for Minimum Alternative Tax (MAT) amounting to Rs.22,50,000/- (Previous Year Rs.65,25,000) as per provisions of Sec 115JB of the Income Tax Act, 1961 and Deferred Tax The company's



carried forward losses results in Deferred Tax Asset which has not been recognized in these accounts as a matter of prudence.

e. During the year the tax effect on timing difference has resulted in Deferred Tax Liability and as a matter of prudence the company has recongnized the same in the books. The Parent Company IFCI Financial Services Limited has recognized Rs. 26,37,029.

f. Managerial Remuneration:

(Amount in Rupees)

Particulars	2017-18	2016-17
To Whole Time Director		
(a) Salary and Allowances	2,87,509	28,50,367
To Managing Director T(On deputation from IFCI Limited)		
(a) Salary and Allowances	32,79,762	30,09,440
(b) Contribution to PF and other funds	1,81,656	1,75,806
Total	37,48,927	60,35,613

g. Related Party Disclosure as per AS 18:

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

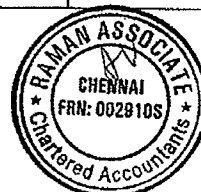


d) Transaction with Related Parties:

(Amount in Rupees)

Sl. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2017-18	2016-17	2017-18	2016-17
1	Rent Paid to IFCI Ltd.	1,14,76,559	1,33,73,222	-	-
2	Rent received from IFIN Commodities Ltd.	26,94,345	26,27,949	-	-
3	Brokerage Received from IFCI Ltd	39,35,381	44,58,980	-	-
4	Portfolio Management Services fees received	-	-	-	-
5	Depository Services Fees received from IFCI Limited	8,61,310	9,70,984	-	-
6	Reimbursement of Expenses to IFCI Limited.	43,011	1,31,975	-	-
7	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
8	Managerial Remuneration	-	-	37,91,938	61,05,826
9	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
10	Loan Availed from IFIN Securities Finance Limited	-	-	-	-
11	Loan Repaid to IFIN Securities Finance Limited	-	-	-	-
12	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
13	Interest Paid to IFIN Securities Finance Ltd	-	-	-	-
14	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	30,01,00,000	-	-
15	Equity contribution made in IFIN Commodity Limited	5,00,00,000	5,00,00,000	-	-
16	Brokerage received from IFCI Factors Ltd	22,803	7,170	-	-

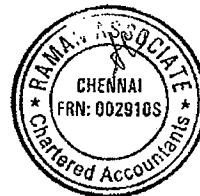
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17	Reimbursement of Expenses from IFIN Securities Finance Limited	1,25,00,000	1,25,00,000	-	-
18	Amount Due from IFIN Securities Finance Limited	35,62,500	-	-	-
19	Reimbursement of Expenses from IFIN Credit Limited	14,40,000	14,40,000	-	-
20	Amount Due from IFIN Credit Limited	12,95,383	9,95,950	-	-
21	Amount Due from IFIN Commodities Limited	4,13,634	(66,546)	-	-
21	Insurance of IFIN Commodities Ltd Paid by IFCI Financial Services Ltd.	-	-	-	-
22	Amount Payable by IFIN Commodities to IFCI Financial Services Ltd	-	-	-	-
23	Loan availed from IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-
24	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-
25	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-
26	Loan availed from IFCI Factors Ltd by IFIN Securities Finance Ltd	-	-	-	-
27	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Ltd	-	-	-	-
28	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	-	-	-

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h. Employee Benefits

Provisions for employee benefits under revised AS 15:

- (a) Defined Contribution plan: Provident and other statutory funds. The amount recognized as an expense during the year is Rs . 93,66,128/- (Previous Year – Rs. 74,63,317 /-) towards Provident fund.
- (b) Defined Benefit plan-Liability on account of encashment of leave to employees is paid within one year from the end of the financial year.
- (c) The Company has constituted The Employees Group Gratuity Fund under the Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India. The scheme provides for Lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each year of completed service or part thereof in excess of 6 months. Vesting occurs on completion of 5 years of service.

i. Employee Benefits

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

Particulars	IFIN - Year 2017-18	ICOM - Year 2017-18
Policy No	605000538	605000514
Date of Valuation	31/03/2018	31/03/2018
Membership Date		
Number of Members	155	27
Average age	39.04	34.96
Average Monthly Salary	20007.33	14126.51
Average past Service	6.25	4.93
Valuation Method	Projected unit credit method	Projected unit credit method
Results of Valuation		
Present value of Past Service Benefit	89,08,516	7,00,267
Service cost	12,29,137	1,37,228
Fund with LIC	78,18,766	6,43,283
Accrued Gratuity	1,23,94,726	10,77,563
Actuarial Assumptions		
Mortality Rate	LIC (2006-08) ultimate	LIC (2006-08) ultimate
Discount rate	7.50 % p.a.	7.50 % p.a.
Salary escalation rate	5%	5%
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
Total Amount Payable	24,25,804	2,04,935

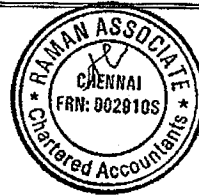
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- j. Balances of Sundry Debtors, Advances recoverable are subject to confirmation from the respective parties. In the opinion of the management the same are good and recoverable, except for an amount of Rs. 11,64,59,994 /- which is provided for.
- k. Company had initiated the process of identifying the vendors under Micro, Small & Medium Enterprises Development Act, 2006. The Company is yet to receive intimation from the vendors stating their status under Micro, Small & Medium Enterprises Development Act, 2006. In view of this, the company has not made any provision and disclosure required by this Act.
- l. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.
- m. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

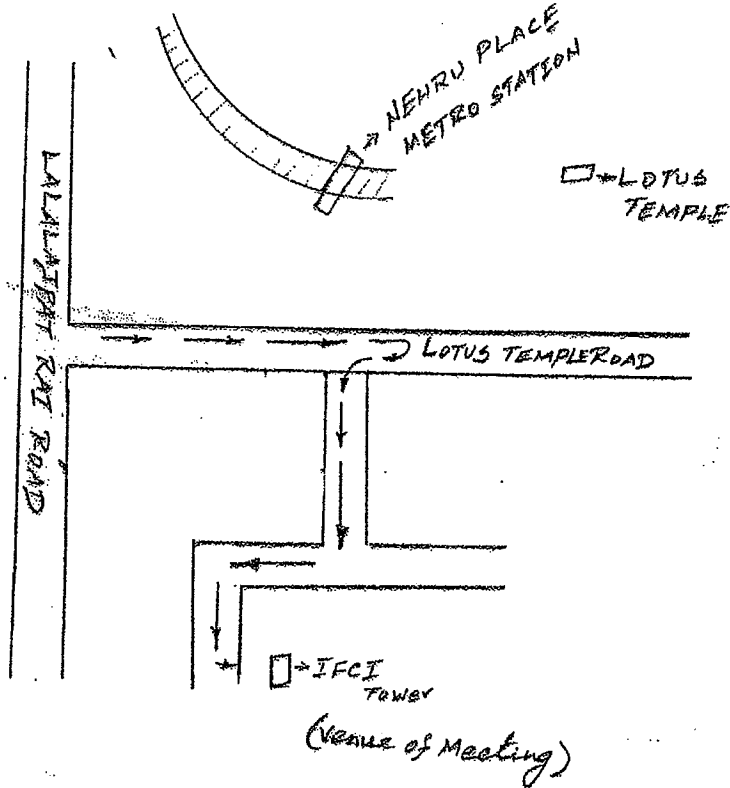
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**ROUTE MAP FOR THE VENUE OF 23rd ANNUAL GENERAL MEETING OF
IFCI FINANCIAL SERVICES LIMITED**

ROUTE MAP

GREATER
KAILASH R BLOCK
DISTRICT PARK



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