



IFCI FINANCIAL SERVICES LIMITED

Annual Report 2014 - 15

IFCI FINANCIAL SERVICES LIMITED

Board of Directors*:

Shri Malay Mukherjee
Shri Achal Kumar Gupta
Shri M P Rege
Shri M V Muthu
Shri Lalit Kumar Patangia
Shri V Ramanan
Shri Rajesh Kumar Gupta
Smt. S Usha, Managing Director

*As on 24.07.2015

Company Secretary

Shri Ashwin Kumar R

Chief Financial Officer

Shri A.V. Pushparaj

Statutory Auditors (2014-15)

Kalyanasundaram & co.,
FRN 01676S
Chartered accountants
B.Kalyanasundaram
M.no: 011453
Partner

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

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NOTICE

NOTICE is hereby given that the 20th 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 Friday, August 28, 2015 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, 2015, together with Board of Directors' Report and the Auditors Report thereon;
2. To appoint a director in place of Shri Achal Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To fix the remuneration of the Auditors of the Company

"RESOLVED that pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) be paid a fee of Rs. 5,00,000/- (Five lakh Rupees only) in respect of the audit of the Accounts of the company for the year 2015-16, Rs. 60,000/- (Sixty thousand only) in respect of the Limited review for every quarter and Rs. 75,000/- (Seventy five thousand only) for consolidation purpose, plus out of pocket expenses in connection with the audit work and such other certification fees as payable from time to time."

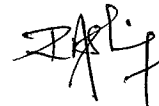
AS SPECIAL BUSINESS

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

APPOINTMENT OF SHRI RAJESH KUMAR GUPTA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT Shri Rajesh Kumar Gupta (DIN: 07188093), who was appointed as an additional director by the Board of Directors and who ceases to hold office under section 161(1) of the Companies Act, 2013 and the rules made there under, on the date of this Annual General Meeting, be and is hereby appointed as a director liable to retirement by rotation."

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



Ashwin Kumar R

Place: Chennai

Date: July 24, 2015

Company Secretary
ASHWIN KUMAR. R
COMPANY SECRETARY
MEM No: A23845
F2, LAXMI FLATS, 8th STREET,
T.G.NAGAR, NANGANALLUR,
CHENNAI-61.

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special business is annexed hereto.
2. **A MEMBER ENTITLED TO VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. CORPORATE MEMBERS ARE REQUESTED TO SEND CERTIFIED COPY OF BOARD RESOLUTION, PURSUANT TO SECTION 89 OF THE COMPANIES ACT, 2013, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE MEETING.**
3. Members should bring the attendance slip duly filled in for attending the meeting.
4. The relevant documents referred to in the accompanying Notice and the Statement under Section 102(1) will be available for inspection of the members at the registered office of the Company on all working days during business hours, upto the date of ensuing Annual General Meeting.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT,

2013:

ITEM NO.4:

Shri Rajesh Kumar Gupta was nominated as director by IFCI Ltd under Article 90(2) of Articles of Association of the Company to hold office of directorship till withdrawal of his nomination. Subsequently, he was appointed as an Additional Director at the meeting of Board of directors held on July 24, 2015

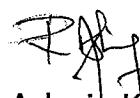
Shri R K Gupta is a seasoned banker with over 22 years of experience in banking and financial services industry including experience of over 11 years in risk management function. His skills in diverse areas include Credit and risk policy formulation; Credit Appraisal particularly for SMEs and Infrastructure finance, Credit Administration; Credit Risk Analysis; Risk Modeling; Credit Rating; Capital Adequacy; Project Evaluation; Private Equity Investments; Venture Capital Financing; Structured Finance; SME Industry Research; Advisory and Dissemination; Mobilizing Resources; Liquidity Risk management, Market Risk Management; Asset-Liability Management; Business Development; BFSI Risk Management Consulting and Managing Client Relationships, etc. Currently, Shri R K Gupta is heading the Chennai Regional Office of IFCI Ltd., as General Manager and is director of IFIN Securities Finance Limited, IFIN Commodities Limited and IFIN Credit Limited. Shri R K Gupta who is 47 years old has completed B.E (Mechanical) and CAIIB.

Shri Rajesh Kumar Gupta will hold the office of directorship only until the conclusion of this AGM under Section 161 of the Companies Act, 2013. In this regard, the Company shall receive request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The Board recommends resolution under Item No.4 to be passed as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company, except Shri Rajesh Kumar Gupta.

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



Ashwin Kumar R

Place: Chennai

Date: July 24, 2015

Company Secretary
ASHWIN KUMAR. R
COMPANY SECRETARY
MEM No: A23845
F2, LAXMI FLATS, 8th STREET,
T.G.NAGAR, NANGANALLUR,
CHENNAI-61.

IFCI FINANCIAL SERVICES LIMITED

CIN: U74899DL1995GOI064034

Registered Office: IFCI Towers, 61, Nehru Place, New Delhi - 110019

ATTENDANCE SLIP

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

Name of the attending Member (in Block Letters) : _____

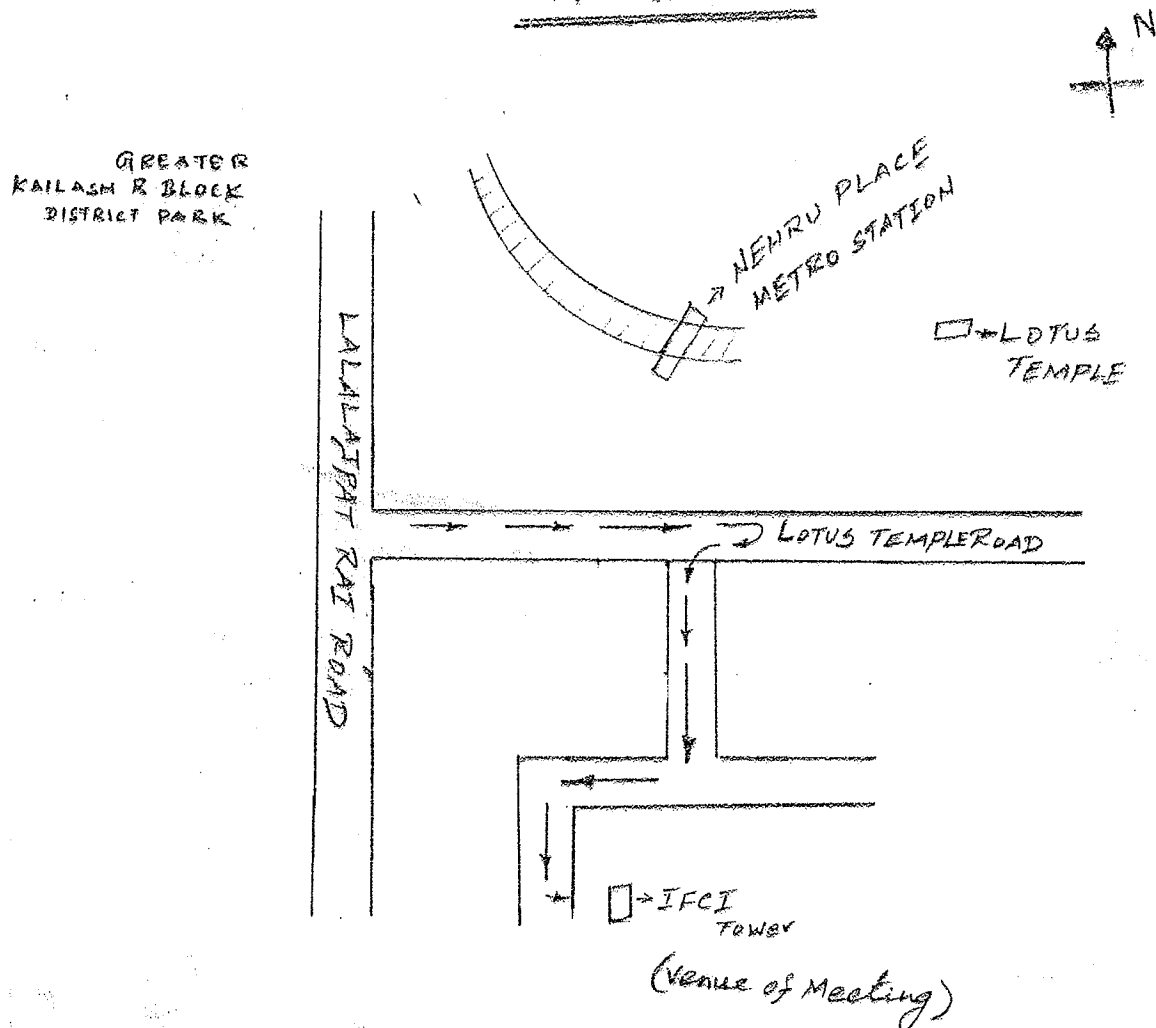
Member's Folio/Account Number : _____

Number of Shares held : _____

I hereby record my presence at the 20th Annual General Meeting of the Company held on Friday, August 28, 2015 at 02:00 p.m. at 17th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019.

Member's/Proxy's Signature

ROUTE MAP



IFCI FINANCIAL SERVICES LIMITED

CIN: U74899DL1995GOI064034

Registered Office: IFCI Towers, 61, Nehru Place, New Delhi – 110019

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 Towers, 61, Nehru Place, New Delhi – 110019
Email: ashwinkumar@ifinltd.in, **Telephone**: 044 2830 6600

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 20th Annual General Meeting of the Company, to be held on Friday, August 28, 2015 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, 2015, together with Board of Directors' Report and the Auditors Report thereon.
2. Appoint a director in place of Shri Achal Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. Fix the remuneration of the Auditors of the Company.

SPECIAL BUSINESS

4. Appointment of Shri Rajesh Kumar Gupta as a Director of the Company

Signed this _____ day of _____ 2015.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

DIRECTORS' REPORT

To

The Members of

IFCI Financial Services Limited

The Board of Directors of your Company hereby present the Twentieth Annual Report of IFCI Financial Services Limited together with the Audited Financial Statement for the financial year ended on March 31, 2015.

1. FINANCIAL RESULTS

Amount in Rs.lakh

Particulars	Standalone		Consolidated	
	2015	2014	2015	2014
Operating Results:				
Income from Operations	1908.06	1526.80	3046.84	2524.25
Other Income	315.53	385.36	387.17	447.60
Gross Income	2223.59	1912.16	3434.01	2971.85
Gross Expenditure	2061.63	2060.84	2441.25	2363.12
Profit/ (Loss) before Exceptional item, Interest, Depreciation and Tax	161.96	(148.68)	992.76	608.73
Less: Interest	19.31	21.01	450.82	335.26
Profit/(Loss) before Exceptional Item, Depreciation and Tax	142.65	(169.69)	541.94	273.47
Less: Depreciation	118.95	135.13	120.70	139.59
Profit before Exceptional item and tax	23.70	(304.82)	421.24	133.88
Add: Reversal of provisions for Diminution in the value of securities held as stock-in-trade	5.47	(9.35)	19.44	19.52
Less: Provision for Doubtful Debts and Advances/bad debts written off	107.10	314.56	322.42	609.57
Less: Exceptional item	(32.40)	-	(32.40)	-
Profit before Tax	(45.53)	(628.73)	150.66	(456.17)
Less: Current year tax MAT	-	-	103.58	147.43
Less: MAT Credit entitlement	-	-	-	(.05)
Less: Deferred Tax Charges (Net)	(19.82)	48.72	(19.82)	49.05
Profit after tax	(25.71)	(677.45)	66.90	(652.60)

2. FINANCIAL PERFORMANCE

Broking income has increased from Rs.1056 lakh in the previous year to Rs.1392 lakh during the current year due to positive sentiments in capital market and consequently higher participation by the retail investors.

Income from distribution of 3rd party products has increased from Rs.136 lakh to Rs.209 lakh during the current year due to active participation in the market and mobilising IFCI Bonds.

Syndication fee income has come down from Rs.19 lakh to Rs.1 lakh during the current year. Other operating income mainly comprises of wind mill income and delayed payment interest.

Other income comprises of interest earned on fixed deposits kept with banks, rental income from ICOM, profit on sale of Investments etc.

During the year, there has been decrease in employee cost from Rs.1063 lakh to Rs.921 lakh due to reduction of man-power.

Other expenses include payment of broking commission of Rs.343 lakh (last year Rs.204 lakh), commission paid in respect of 3rd party products of Rs.140 lakh (Rs.91 lakh), rent paid of Rs.273 lakh (Rs.292 lakh) besides other expenses.

Increase in provision for doubtful debts during the current year is mainly in respect of diminution in value of client collateral stocks as on 31.3.2015.

3. OPERATIONAL PERFORMANCES

3.1 STOCK BROKING

The Company's stock broking operations have witnessed growth during the Financial Year 2014-15. Your Company is on the right path to add to its clientele base significantly. The net brokerage income of the company increased from Rs.1056 lakh in the previous year to Rs.1392 lakh.

3.2 INSURANCE COMMISSION

Insurance Commission earned during the year is Rs. 1.03 Lakh for the year 2014- 15 (previous year Rs. 1.00 lakh).

3.3 BROKERAGE FROM SELLING OF MUTUAL FUNDS

During the year, your company has earned an income of Rs. 19.67 lakh from selling of mutual fund units as compared to Rs. 15.22 lakh in the previous year.

3.4 DISTRIBUTION OF IPO'S & BONDS

During the year, your company has earned an income of Rs. 160.27 lakh from distribution of IPO's & Bonds as compared to Rs. 55.07 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 2014-15 was Rs. 66.42 lakh (previous year Rs. 76.60 lakh).

3.6 NON FUND BASED ACTIVITY- MERCHANT BANKING AND INVESTMENT BANKING

During the year the Company has earned fees of Rs.2.60 lakh (Previous year Rs. 21.44 lakh).

3.7 INCOME FROM WINDMILL

During the year company has earned an income from sale of electricity of Rs. 48.10 lakh (Previous year Rs. 60.33)

4. BUSINESS ENVIRONMENT

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

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

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

Investors in India continue to be optimistic about the country's stock market performance for 2015. Investors believe that the best equity opportunities in 2015 and over the next 10 years will be in India, with rest of Asia in second place.

5. OUTLOOK

IFIN shall adopt the following strategy in order to maintain its growth and profitability for FY 2015-16.

- 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.

6. SUBSIDIARIES

6.1 IFIN SECURTIES FINANCE LIMITED

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

6.2 IFIN COMMODITIES LIMITED

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

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

6.3 IFIN CREDIT LIMITED

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

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

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

8. DIVIDEND

No dividend is being recommended by the Directors for the year ended March 31, 2015.

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, 2015.

10. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

(a) As at March 31, 2015, the Board consisted of 8 (Eight) Directors. The Company has a Chairman and one Managing Director, four directors are independent Directors and two IFCI Nominees. 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 2014-15 are as follows:

Shri Suneet Shukla resigned from position of Managing Director/director with effect from 21.04.2014. Smt. Usha who was already a director of the Company was appointed as Managing Director with effect from 21.04.2014. Shri V. Ramanan and Shri Lalit Patangia were inducted on the Board on July 25, 2014 as independent director. The matter for appointment of Shri M.P. Rege and Shri M.V. Muthu as independent director for purpose of Section 149 (1) of the Companies Act, 2013 was taken up at the meeting of the Board of directors held on July 25, 2014. The appointment of all the independent directors mentioned herein above was approved at the annual general meeting of shareholders held on September 30, 2014.

(c) Shri A. V. Pushparaj was appointed as Chief Financial Officer of the Company w.e.f. September 1, 2014. Shri Ashwin Kumar R is the Company Secretary of the Company.

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

102 nd Board Meeting	April 11, 2014
103 rd Board Meeting	July 25, 2014
104 th Board Meeting	September 1, 2014
105 th Board Meeting	November 7, 2014
106 th Board Meeting	January 22, 2015

(e) 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, 2015
		No. of Meetings during 2014-2015		Other Director-ships (Including Private Limited Companies)
		Held*	Attended	
1.	Shri Malay Mukherjee	5	5	6
2.	Shri Achal Kumar Gupta	5	5	9
3.	Shri Manoj P Rege	5	4	1
4.	Shri M. V. Muthu	5	4	2
5.	Shri V. Ramanan [@]	4	4	7
6.	Shri Lalit Patangia [@]	3	2	-
7.	Shri O Ramesh Babu	5	5	4
8.	Smt. S Usha [@]	5	5	3
9.	Shri Suneet Shukla [@]	1	1	-

* No. of Board Meetings held during the tenure of directors in the financial year 2014-2015.

[@] Please refer clause 11(b) of this report regarding changes in Directors during the financial year 2014-15.

11. COMMITTEES OF THE BOARD

11.1 AUDIT COMMITTEE:

(A) COMPOSITION

The Audit Committee of the Company presently consists of two Non-Executive Independent Directors and one nominee of IFCI. The Chairman of the Committee is an independent director. The composition of the Audit committee and attendance of directors at the meetings is shown below:-

Sl. No.	Name of Director	Designation	No. of Meetings during the tenure of respective directors in FY 2014-2015	
			Held	Attended
1	Shri Lalit Kumar Patangia*	Chairman (Independent, Non-executive)	2	1
2	Shri M. V. Muthu	Member (Non-Independent, Non-executive)	4	3
3	Shri Achal Kumar Gupta	Member (Non-executive)	4	4
4	Shri M.P. Rege*	Member (Non-executive)	2	2

*The Board at its meeting held on September 1, 2014 re-constituted the Audit Committee by appointing Shri Lalit Kumar Patangia in place of Shri M.P. Rege.

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 2014-15, the Audit Committee of Directors of the Company met 4 times. The dates of the meetings were 11.04.2014, 25.07.2014, 07.11.2014 and 22.01.2015.

(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 REMUNERATION COMMITTEE:

(A) COMPOSITION

The Nomination and Remuneration Committee of the Company presently consists of two Independent Directors and one director nominated by IFCI Ltd. The composition of the Nomination and Remuneration Committee and attendance of directors at the meetings is shown below:-

S No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2014-2015	
			Held	Attended
1.	Shri M. P. Rege	Chairman (Independent, Non-executive)	4	4

S No.	Name of Director	Category	No. of Meetings during the tenure of respective directors in FY 2014-2015	
			Held	Attended
2.	Shri M. V. Muthu	Member (Independent, Non-executive)	4	3
3.	Shri Achal Kumar Gupta	Member (Non-executive)	4	4

(B) THE NUMBER OF MEETINGS HELD AND DATES:

During the financial year 2014-15, the Remuneration Committee which was re-christined as Nomination & Remuneration Committee for the purpose of Section 178 of the Companies Act, 2013 of Directors of the Company met four times. The date of the meeting is 11.04.2014, 25.07.2014, 01.09.2014 and 22.01.2015.

(C) TERMS OF REFERENCE:

The terms of reference of the 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, 2015.
- Performing such other duties and responsibilities as may required under the Companies Act, 2015 and Board of directors from time to time.

11.3 OTHER COMMITTEES:

The Company also has committees such as Management Committee, Share Allotment Committee, Investment Committee, etc:

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

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent

so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

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

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

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

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

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

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

16. AUDITORS

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

Comptroller and Auditor General of India (C&AG) vide letter dated July 9, 2015 have appointed M/s. Kalyanasundaram & Co, Chartered Accountants, Chennai as the Statutory Auditors of the Company for the financial year 2015-16. 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:

Company has received 'No review report' on the accounts for the year ended 31st March, 2015 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956. Copy is attached in **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. The Audit Committee granted

omnibus approval for the transactions and the same was reviewed by the Audit Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the Financial year 2014-15 which were in conflict with the interest of the Company.

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

20. DEPOSITS

During the financial year 2014-15, 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

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report are as follows:

- At the meeting of the Board of Directors held on 22.04.2015, it was decided to continue with the process of merger of IFIN Commodities Limited and IFIN Credit Limited, which are subsidiaries of IFCI Financial Services Limited.

- IFIN Securities Finance Limited which is wholly owned subsidiary of the Company has made provision of Rs. 696.57 lakh in the profit and loss a/c for the quarter ended June 30, 2015. This will also reflect in the Consolidated financial results of the Company for the quarter ended June 30, 2015.
- Ministry of Finance, Government of India, vide its letter dated April 7, 2015 informed IFCI Limited that the Government of India has acquired 6,00,00,000 Preference shares of Rs. 10/- each of the Company from certain Scheduled Commercial Banks and has consequently increased its holding from present 47.93% to 51.04% of the Paid - up share capital of the Company. As a result, IFCI Limited became a "Government Company" w.e.f. April 7, 2015 as per the provisions of Section 2(45) of the Companies Act, 2013. IFIN being a subsidiary of IFCI Limited, it has also become a "Government Company" as per the provisions of Section 2(45) on the same day. Subsequently, a new Corporate Identification Number (CIN) has been issued by the Registrar of Companies to the Company which is U74899DL1995GOI064034.

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 & Co as Internal Auditors to conduct the internal audit functions and the activities of the Company.

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

The Company has adopted Whistle Blower Policy/ Vigil Mechanism for its director(s) and employee(s) to report to the management their concerns about unethical

behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

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

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 denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

26. ANTI SEXUAL HARASSMENT POLICY

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

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

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

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

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

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

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

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

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

29. PERSONNEL

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

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

30. ACKNOWLEDGEMENT

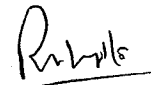
The Board of Directors express their gratitude for the co-operation, guidance and support received from the IFCI Limited, Clients of the Company, Reserve Bank of India, Commercial Banks, Regulators, Statutory Authorities, Securities and Exchange Board of India, National Stock Exchange, Bombay Stock Exchange,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

By Order of the Board

IFCI Financial Services Limited



S USHA
Managing Director
(DIN 03567757)



Rajesh Kumar Gupta
Director
(DIN 07188093)

Place: Chennai

Date: 24.07.2015

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	4,15,63,993	28,60,080	(40,89,730)
6.	Total assets	70,87,48,774	10,75,44,258	2,20,91,899
7.	Total Liabilities	70,87,48,774	10,75,44,258	2,20,91,899
8.	Investments	3,01,939	Nil	Nil
9.	Turnover	9,88,72,380	2,03,76,750	17,92,075
10.	Profit before taxation	1,88,27,996	2,21,442	2,46,605
11.	Provision for taxation	1,02,03,622	89,792	65,233
12.	Profit after taxation	86,24,374	1,31,650	1,81,372
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

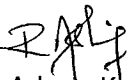
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

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

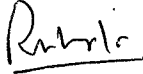
1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For IFCI Financial Services Limited


A V Pushparaj
Chief Financial Officer


Ashwin Kumar R
Company Secretary


S USHA
Managing Director
(DIN 03567757)


Rajesh Kumar Gupta
Director
(DIN 07188093)

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

As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Security and commodity contracts brokerage	6612	62.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% 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	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance 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 compan y	%of Shares Pledged / encumbere d to total shares	No. of Shares	% of total Shares of the compan y	%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	-	1	0.00	-	-
3	Shri Dileep Kumar Jain (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
4	Shri Biranchi N Nayak (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
5	Shri V. Satyavenkata Rao (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
6	Shri Pawan Kumar (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
7	Smt Rashmi Sachdev (Nominee of IFCI Limited)	1	0.00	-	1	0.00	-	-
	Total	3,93,63,809	94.78	-	3,93,63,809	94.78	-	-

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

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

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

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

E) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		S. Usha (MD)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,63,514	21,63,514
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,03,331	5,03,331
	(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...	-	-
5	Others, please specify	-	-
	Total (A)	26,66,845	26,66,845
	Ceiling as per the Act (as per Schedule V of the Companies Act, 2013)		42 Lakhs

B. Remuneration to other directors (Amount in Rs)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri M V Muthu	Shri M P Rege	Shri V Ramanan	Shri Lalit Patangia	
1	Independent Directors					
	Fee for attending board committee meetings	105000	105000	60000	43500	313500
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					313500
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri M V Muthu	Shri M P Rege	Shri V Ramanan	Shri Lalit Patangia	
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	105000	105000	60000	43500	313500
	Total Managerial Remuneration*					Nil
	Overall Ceiling as per the Act					(@1% of profits calculated under Section 198 of the Companies Act, 2013)

*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	-	7,70,970	7,66,301	15,37,271
	(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 31.03.2015.

For IFCI FINANCIAL SERVICES LTD

S. Venka
Managing Director

For IFCI FINANCIAL SERVICES LTD

R. Venka
Director

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.



Annexure IV

संख्या / No. : एमएसी-II/सीए-2/6-2/1/138

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD - II, NEW DELHI

दिनांक / DATE 8.7.2015

सेवा में,

प्रबन्ध निदेशक,
आई.एफ.सी.आई. फाइनेन्सअल सर्विसिस लिमिटेड,
कान्टीनेन्टल चैम्बर्स, तीसरा तल,
142, महात्मा गाँधी रोड, जुन्गमबाककम,
चेन्नई-600 034

विषय- कंपनी अधिनियम 2013 की धारा 143 (6)(b) के साथ धारा 129 (4) के अधीन 31 मार्च 2015 को समाप्त वर्ष के लिए आई.एफ.सी.आई. फाइनेन्सअल सर्विसिस लिमिटेड, के कॉन्सोलिडेटेड फाइनेन्सअल स्टेटमेंट पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

सहोदया,

मैं कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के साथ धारा 129 (4) के अधीन 31 मार्च 2015 को समाप्त हुए वर्ष के लिए आई.एफ.सी.आई. फाइनेन्सअल सर्विसिस लिमिटेड, के कॉन्सोलिडेटेड फाइनेन्सअल स्टेटमेंट पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीया,

(हस्ताक्षर)
(सुपरी देव)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
नई दिल्ली

संलग्नक- अधोपदि

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4th & 5th Floor, Annexe Building, CAG Office, 10, Bahadur Shah Zafar Marg, New Delhi - 110002.
Tel. : 011-23239438 Fax : 011-23239433 E-mail : mabnewdelhi2@cag.gov.in

**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 2015.**

The preparation of consolidated financial statements of IFCI Financial Services Limited, for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 June, 2015.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the consolidated financial statements of IFCI Financial Services Limited for the year ended 31 March 2015 and as such have no comments to make under section 143(6)(b) read with section 129 (4) of the Act.

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


(Suparna Deb)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: Delhi

Date: 08.07.2015



संख्या / No.: रज.सं. बी.प्र./सी.सी.टी./6-1/A/CS/2015/16/9
 भारतीय लेखा तथा लेखापरीक्षा विभाग
 कार्यालय प्रधान निदेशक बाणिज्यिक लेखापरीक्षा
 एवं एवं सार्वजनिक लेखा परीक्षा बोर्ड-II
 नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD-U, NEW DELHI

दिनांक / DATE: 24/6/2015

સેવા જન,

प्रबन्ध निदेशक,
आई.एफ.सी. आई. फाइनेन्सजल सर्विसिस लिमिटेड,
कान्टीनेन्टल पैलेस, तीसरा तल,
142, महानगर गाँधी रोड, नुजामदाक्कम,
चेन्नई-600 034

विषय- कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2015 को समाप्त वर्ष के लिए आई.एफ.सी.आई. फाइनेन्सअन सर्विसिस लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

नहोदय,

मैं कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2015 को समाप्त हुए वर्ष के लिए आई.एफ.सी.आई. फाइनेन्सअल सर्विसिस लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेजित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

श्वदीया,

(सुपर्णा देख)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं मदेन सदस्य लेखा परीक्षा बोर्ड-॥
नई दिल्ली

संलग्नक- यथोपरि

348

4th & 5th Floor, Annexe Building, CAG Office, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel. : 011-23239438 Fax: 011-23239433 E-mail : mabnewdelhi2@cag.gov.in

**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 2015.**

The preparation of financial statements of IFCI Financial Services Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 May, 2015.

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 2015 and as such have no comments to make under section 143(6)(b) of the Act.

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


(Suparna Deb)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi

Place: Delhi
Date: 24.06.2015

Annexure V

FORM NO. AOC -2

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

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

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

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

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

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

For IFCI FINANCIAL SERVICES LTD

For IFCI FINANCIAL SERVICES LTD

S. V. R.
Managing Director

R. V. R.
Director



INDEPENDENT AUDITORS ' REPORT (REVISED)

TO

The members of IFCI Financial services limited

Report on financial statements

Auditors' Report dated April 30, 2015 is being revised to include the reporting on directions / sub – directions issued by the C&AG under section 143(5) of the Companies Act, 2013

We have audited the accompanying financial statements of IFCI financial services limited ("the company"), which comprises the balance sheet as at 31st March 2015, 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.

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, 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, 2015;
- b. In the case of the statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 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.
 - c) As per the information and explanations given to us, the company has branch offices only for marketing purposes. The report and returns of branches are dealt with in our report.
 - d) 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.
 - e) 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.
 - f) In our opinion, there is no such observation which may have adverse effect on the functioning of the company.
 - g) On the basis of written representation received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
 - i) The company has adequate internal financial control system in place and the operating effectiveness of such controls.
 - j) 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 does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As per directions/sub directions issued by the C&AG of India under section 143(5) of the Companies Act 2013 vide letter no. MAB-II/CAD-I/6-2/2014-15/120 dated April 30, 2015, we report that:

Directions

1. The company has not been selected for disinvestment; hence this clause is not applicable.
2. Cases of waiver/write off of debts/loan/interest are given hereunder:
 1. A sum of Rs.2.57 lacs has been waived on account of DP AMC during the FY 2014-15 in 415 cases pertaining to mostly dormant and inactive clients.
 2. A sum of Rs.24.39 lacs has been written off during the FY 2014-15 in 5680 cases. Out of which Rs.7.34 lacs in 2 cases has been written off on account of OTS and Rs.17.05 lacs has been written off in 5678 cases pertaining to mostly dormant and inactive accounts.
3. As this company is not dealing with any inventory, this clause regarding maintenance of records is not applicable. No assets have been received as gift from government or other authorities by the company.
4. Detail of age wise analysis of pending legal/arbitration cases as follows:

Time limit	No of cases	Amount (in lakhs)
Up to two years	6	312.47 /-
Upto three years	4	38.98 /-
More than three years	1	5 /-

Sub directions:

1. The company has a small piece of land at Mannur district in Thirunelveli, Tamil nadu, measuring 2.16 Acre on which a windmill of 800KW is erected. The company is having clear title deed for this land. Except this land, the company has no other land.



KALYANASUNDARAM & Co.,
CHARTERED ACCOUNTANTS

2. a) Confirmation of Bank balances are available, Trade receivable and trade payable consist of no of clients and the procedure followed by the company is to send statement of account with a request to confirm or point out discrepancy, if any, within 8 days every month end/quarter end as per SEBI compliance.
b) The company has not given any loan or advance.
3. The company has no deposits/ advances with Customs / Excise / Sales tax (VAT) and other authorities.
4. Necessary independent verification has been made of informations/inputs furnished to Actuary, viz no of employees, average salary, retirement age, and assumption made by actuary regarding discount rate, future cost increase, mortality rate, etc., for arriving at the provision for liability of retirement medical benefits etc.,
5. There is no investment in CGS/SGS/Bonds/Debentures.

Place: Chennai
Dated: 29.05.15

For KALYANASUNDARAM & CO
Chartered accountants
FRN : 001676S

B.KALYANASUNDARAM
M.NO: 11453

B. KALYANASUNDARAM
M. No. 11453 - Partner
KALYANASUNDARAM & CO
Chartered Accountants
18, (Old No. 22), 2nd Cross Street, Lake Area, Nungambakkam,
Chennai - 600 034.

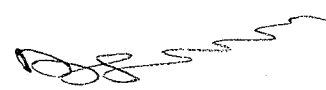


ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFCI FINANCIAL SERVICES LIMITED FOR THE YEAR ENDED MARCH 31, 2015

- 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 on comparing with book.
- ii) The Company does not have any inventory. Therefore, the provisions of clause 3(ii) (a), (b) & (c) of the Order, are not applicable.
- iii) As informed to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, provisions of clause 4(iii) (a) to (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Fixed Assets, purchase of securities, sale of securities and services. During the course of our audit, we have not observed any major weaknesses in internal controls system.
- 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 4(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 Act 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.
- c) There is no amount required to be transferred to investor education and protection fund.
- viii) As on 31st March 2015, the company has no accumulated loss. The company has not incurred cash loss during the year, but there was cash loss during the immediately preceding financial year.
- ix) The company has not availed any loans from banks/financial institutions.
- x) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) According to the information and explanations given to us, the company has not availed any term loans.
- xii) 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.

Place: Chennai
Dated: 29.05.15

For KALYANASUNDARAM & CO
Chartered accountants
FRN : 001676S


B. KALYANASUNDARAM
M.NO: 11453

IFCI Financial Services Limited
Balance Sheet as at 31st March 2015

(Amount in Rs)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	415,337,090	415,337,090
(b) Reserves and surplus	3	296,490,407	299,061,994
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Deferred tax liabilities (Net)		2,890,061	4,872,383
(b) Other Long term liabilities	4	7,169,459	6,553,211
(c) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		125,700,958	244,922,512
(c) Other current liabilities	5	27,580,418	24,537,747
(d) Short-term provisions	6	2,978,951	981,932
TOTAL		878,147,344	996,266,869
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	7		
(i) Tangible assets		19,305,776	27,177,391
(ii) Intangible assets		2,262,087	6,140,303
(b) Non-current investments	8	385,223,063	385,223,063
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	9	39,360,260	85,869,195
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments	10	17,689,062	19,031,314
(b) Trade receivables	11	107,744,654	154,907,534
(c) Cash and Bank balances	12	228,237,981	205,080,523
(d) Short term loans and advances	13	65,003,365	89,726,476
(e) Other current assets	14	13,321,096	23,111,070
TOTAL		878,147,344	996,266,869

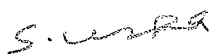
The Notes 1 to 14 form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date

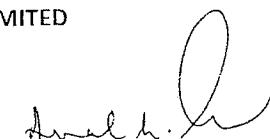
FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

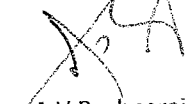
For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 001676S


B. KALYANASUNDARAM
Partner, M.No. 11453


S. Usha
Managing Director


Ashwin Kumar R
Company Secretary


Achal Kumar Gupta
Director


A V Pushparaj
Chief Financial Officer

Place : Chennai
Date: 22/04/2015

IFCI Financial Services Limited
Profit and loss statement for the year ended 31st March 2015

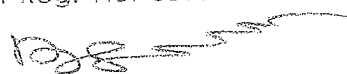
(Amount in Rs)

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I. Revenue from operations	15	167,462,315	129,619,815
II. Other Operating Income	16	23,343,817	23,060,185
III. Other Income	17	31,553,452	38,535,963
IV. Total Revenue (I + II + III)		222,359,584	191,215,963
V. Expenses:			
Employee benefits expense	18	92,094,224	106,257,291
Finance costs	19	1,930,730	2,100,850
Depreciation and amortization expense	7	11,895,557	13,512,580
Other expenses	20	114,069,085	99,827,011
Bad Debts Written off		-	-
Total expenses (V)		219,989,596	221,697,732
VI. Profit before bad & doubtful debts and tax (IV - V)		2,369,988	(30,481,769)
VII. Provision for bad & Doubtful debts	21	10,164,164	32,390,902
Exceptional Items -Interest received		(3,240,337)	
VIII. Profit before extraordinary items and tax (VI - VII)		(4,553,839)	(62,872,671)
IX. Extraordinary Items			
X. Profit before tax (VI -VII)		(4,553,839)	(62,872,671)
XI. Tax expense:			
- Income Tax			
- Current Tax - MAT provided			
- Current Tax - MAT Credit Entitlement			
- Income Tax for Earlier Year			
- Deferred Tax Reversal (Net)		(1,982,252)	4,872,383
XII Profit (Loss) after tax (VIII -IX)		(2,571,587)	(67,745,054)
XIII Earnings per equity share:			
(1) Basic		(0.06)	(1.63)
(2) Diluted		(0.06)	(1.63)

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

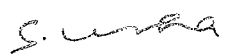
FOR AND ON BEHALF OF THE BOARD OF
IFCI FINANCIAL SERVICES LIMITED

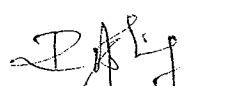
For KALYANASUNDARAM & Co.,
Chartered Accountants
Firm Reg. No. 001676S

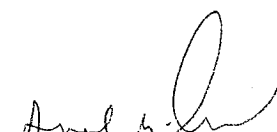


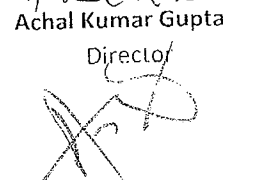
B. KALYANASUNDARAM
Partner M.No. 11453

Place : Chennai
Date: 22/04/2015


S. Usha
Managing Director


Ashwin Kumar R
Company Secretary


Achal Kumar Gupta
Director


A V Pushparaj
Chief Financial Officer

IFCI FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT AS ON 31ST MARCH 2015

(Amount in Rs)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(4,553,839)		(62,872,671)
Adjustments for:				
Depreciation / Amortisation on Fixed Assets	11,895,557		13,512,580	
Provision for Doubtful Debts	-		-	
Bad Debts Written Off	-		2,222,935	
Dividend Received (considered separately under Investment Activities)	(223,774)		(559,564)	
Finance Cost (considered separately under Finance Activities)	1,930,730		2,100,850	
Interest income	(17,404,852)		(17,700,014)	
Profit/(Loss) on Fixed Asset		(3,802,339)	(29,668)	(452,881)
A Operation Profit before Working Capital Changes		(8,356,178)		(63,325,552)
Adjustments for:				
(Increase) / Decrease in Current Investments	1,342,251		2,411,438	
(Increase) / Decrease in Trade Receivables	47,162,879		93,307,411	
(Increase) / Decrease in Loans & Advances	71,232,045		(52,626,653)	
(Increase) / Decrease in Other current Assets	9,789,973		(4,247,028)	
Increase / (Decrease) in Current Liabilities	(116,178,883)		34,525,431	
Increase / (Decrease) in Provisions	1,997,019		(1,183,530)	
Increase / (Decrease) in Non - Current Liabilities	616,181	15,961,465	(8,155,500)	64,031,569
Cash Generated from Operation before tax		7,605,287		706,017
Direct taxes paid		-		-
Net cash from Operating Activities		7,605,287		706,017
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(145,727)		(1,700,625)
Decrease in Capital advance				-
(Increase) / Decrease in Fixed Deposits		(18,276,797)		(1,332,781)
Dividend Received		223,774		559,564
Interest received		17,404,852		17,700,014
investment in subsidiaries				-
Sale of Fixed Assets				79,670
Net Cash used in / raised from Investing Activities		(793,898)		9,305,842
C CASH FLOW FROM FINANCING ACTIVITIES				
Short term Borrowing(net)				-
Finance Cost		(1,930,730)		(2,100,850)
Repayment of Loans		-		-
		(1,930,730)		(2,100,850)
Net Changes in Cash & Cash Equivalent (a+b+c)		4,880,659		7,911,010
Opening Cash and Cash Equivalent		45,988,818		38,077,808
Closing Cash and Cash Equivalent		50,869,478		45,988,818
Increase / (Decrease) in Cash & Cash Equivalent		4,880,660		7,911,010

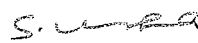
The above cash flow statement has been prepared under the "indirect method" set out in Accounting Standard-3 on Cash Flow Statement issued as per Company's Accounting Standard Rules, 2006.
This is the Cash Flow referred to our report of even date

For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 0016765

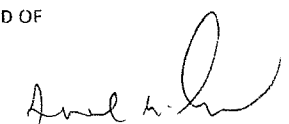

B. KALYANASUNDARAM
Partner M.No. 11453

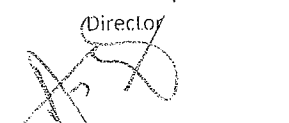
Place : Chennai
Date : 22/04/2015

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


S. Usha
Managing Director


Ashwin Kumar R
Company Secretary


Achal Kumar Gupta
Director


A V Pushparaj
Chief Financial Officer

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

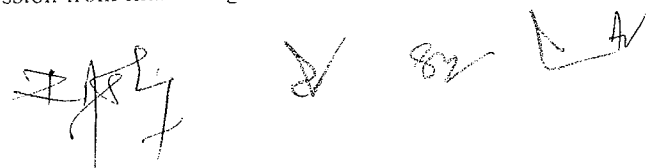
- Depository Services incomes are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.

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.

Fee Income from Portfolio Management and advisory services

- Fee income from Portfolio Management and advisory services is recognized on accrual basis.

Dividend Income

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

Income from sale of electricity

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

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.

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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 has been amortized at the rate of 40% following WDV method.

The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortized as per the terms of the agreement on straight line basis.
- Depreciation on the fixed assets is provided on the written down value method at the rates and in the manner prescribed under Schedule II of the Companies Act, 2013.

VI. Impairment of Assets:

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

VII. Employee Benefits:

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

Defined contribution plan -

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

Defined Benefit Plan -Gratuity

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

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▪ **Compensated Absence-Leave Salary**

The policy provides for an employee to be 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 basic pay along with January month salary of the immediate next calendar year. The expenses on this account 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 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.

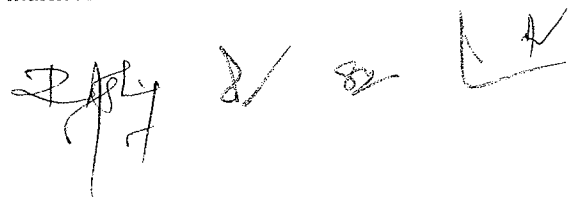
Contingent liabilities are disclosed without making a provision in books when there is an obligation that may, but probably will not require outflow of resources.

Contingent assets are not recognized/ disclosed financial statements.

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.

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II. Loans and advances include a sum of Rs. 59.23 lacs remitted to Bombay Stock Exchange (BSE). The remittance was made on account of trading in securities by certain clients resulting in sharp fall in market value and consequently advised by the above exchange to remit to them under SEBI guidelines. The company has sent legal notices to BSE in November 2013 for recovery of above dues. The recovery of the above said loans and advances are subject to outcome of the decision of appropriate authority. In the opinion of the management, the above amounts are good and recoverable.

III. Contingent Liabilities not provided for:

(a) Bank guarantees aggregating to Rs.17,50,00,000 (Previous Year – Rs.15,00,00,000/-) to National Stock Exchange of India Limited, Rs.3,00,00,000/- (Previous Year – 2,00,00,000/-) to Bombay Stock Exchange and Rs.1,00,00,000/- (Previous Year – 1,00,00,000) to MCX Stock Exchange Limited as on 31st March 2015 for meeting margin requirements.

(b) The Company has pledged fixed deposits aggregating to Rs.12,75,00,000 /- (Previous Year -- Rs.15, 90, 91,706/-) with banks for obtaining the above bank guarantees.

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

(d) Other Contingent liabilities – The Clients has lodged two cases against the company which is pending as follows.

Forum before which the cases are pending	No. of cases	Amount (Rs. In Lakhs)
NSE Arbitrator Tribunal, Chennai*	1	6.00
Additional City Civil & Sessions Judge, Bangalore**	1	127.45

(e) The Company has entered into an agreement to sell electricity to TNEB @ Rs.3.39 per unit. The rate however is on a conditional basis subject to the outcome of the appeal petition of the TNEB before the honorable ATE and, excess tariff, if any, paid will be adjusted by TNEB against the subsequent bills raised by the Company.

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IV. 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)

V. Managerial Remuneration:

Particulars	2014-15	2013-14
To Whole Time Director		
(a) Salary and Allowances	-	15,83,788
(b) Contribution to PF and other funds	-	1,19,032
To Managing Director (On deputation from IFCI Limited)		
(a) Salary and Allowances	24,95,283	18,53,417
(b) Contribution to PF and other funds	1,71,562	59,140
(c) Gratuity	-	49,126
Total	26,66,845	36,64,503

VI. 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 31-03-2015	As on 31-03-2014
Net Loss for the year available for the equity share holders (Before extra-ordinary Item)	(25,71,586)	(6,77,45,054)
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year -- Basic & Diluted.	4,15,33,709	4,15,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	(0.06)	(1.63)
Net Loss for the year available for the equity share holders (After extra-ordinary Item)	(25,71,586)	(6,77,45,054)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	(0.06)	(1.63)

VII. 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 31-03-2015 (Rs.)	As on 31-03-2014 (Rs.)
Deferred Tax Liability -- Fixed Assets (accumulated depreciation)	28,90,061	48,72,383

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

Nature of Service	2014-15	2013-14
Statutory Audit Fee	5,00,000	5,00,000
Consolidation Fee	75,000	75,000
For quarterly reporting and Consolidating financial statements	2,40,000	1,80,000
Tax Audit	40,000	27,000
Other services	100,000	15,000
Total	9,55,000	7,97,000

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

Rs (in lakhs)

	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
External -Segment Revenue	1,684.18	1.00	66.42	181.54	29.05	-	48.10	2,010.30
	(1,350.02)	(21.44)	(76.60)	(70.30)	(63.58)	-	(60.34)	(1,642.28)
Inter Segment Revenue	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total Revenue	1,684.18	1.00	66.42	181.54	29.05	-	48.10	2,010.30
	(1,350.02)	(21.44)	(76.60)	(70.30)	(63.58)	-	(60.34)	(1,642.28)
Segment Result	1,270.53	1.00	64.29	41.84	29.05	-	48.10	1,454.81
	(1,087.37)	(21.44)	(73.49)	(- 21.12)	(63.58)	-	(60.34)	(1,285.00)
Unallocated Corporate Expenses net of Income	-	-	-	-	-	-	-	(1,706.80)

	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,087.82)
Operating Profit	-	-	-	-	-	-	-	(251.99)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(802.72)
Interest Income	206.45	-	-	-	-	-	-	206.45
	(197.83)	-	-	-	-	-	-	(177.00)
Net Profit before Tax	-	-	-	-	-	-	-	(45.54)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(625.72)
Tax Expenses	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Net Profit after Tax	-	-	-	-	-	-	-	(45.54)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(625.72)
Segment Assets	4,337.90	278.32	183.06	-	27.93	3.06	161.78	4,992.06
	(4,875.70)	(8.98)	(47.33)	(5.44)	(1.11)	(3.06)	(263.67)	(5,205.29)
Unallocated Assets	3,789.42	-	-	-	-	-	-	3,789.42
	(5,134.24)	-	-	-	-	-	-	(5,134.24)
Total Assets	8,127.32	278.32	183.06	-	27.93	3.06	161.78	8,781.47
	(10,009.95)	(8.98)	(47.33)	(5.44)	(1.11)	(3.06)	(263.67)	(10,339.53)
	Brokerage	Merchant Banking	Depository	Mutual Funds	Insurance income	PMS	Windmill	Total
Segment Liabilities	1,444.53	-	0.53	-	-	-	-	1,445.06
	(2,139.02)	(0.73)	(24.43)	-	-	-	-	(2,164.19)
Unallocated Liabilities	7,336.42	-	-	-	-	-	-	7,336.42
	(8,175.34)	-	-	-	-	-	-	(8,175.34)
Total Liabilities	8,780.94	-	0.53	-	-	-	-	8,781.47
	(10,314.37)	(0.73)	(24.43)	-	-	-	-	(10,339.53)
Capital Expenditure	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	-
Depreciation	-	-	-	-	-	-	-	118.96
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(135.13)

Non-cash expenses other than Depreciation	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

X. 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.56,09,399 /-(Previous Year – Rs. 62,42,779).

(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. The expenses recognized in the profit and loss account is Rs.52,25,066 /- (previous year Rs.24,70,730)

(c) The Company has constituted The Employees Group Gratuity Fund under the Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India. The scheme provides for Lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each year of completed service or part thereof in excess of 6 months subject to maximum of Rs 10,00,000. Vesting occurs on completion of 5 years of service.

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

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	2014-15	2013-14
Fair value of plan assets at the end of the year	Not Available	Not Available
Present value of the defined benefit obligations at the end of the period	48,88,596	Not Available
Liability recognized in the balance sheet	3,00,000	3,00,000

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Gratuity cost for the year ended March 31 2015

(Amount in Rs)

Particulars	Year 2014.15
Policy No	605000538
Date of Valuation	01/04/2015
Membership Date	
Number of Members	185
Average age	35.81
Average Monthly Salary	15,666.41
Average past Service	3.74
Valuation Method	Projected unit credit method
Results of Valuation	
Present value of Past Service Benefit	48,88,596
Service cost	10,25,171
Fund with lic	58,49,732
Accrued Gratuity	73,97,016
Actuarial Assumptions	
Mortality Rate	LIC (1994-96) ultimate
Discount rate	8%
Salary escalation rate	5%
Withdrawal rate	1% to 3% depending on age
Total Amount Payable	64,035
Date of Valuation	01/04/2015

XI. 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) SHCIL
e) MPCON
- (d) Key Management Personnel and relatives of such personnel:
Mr. Suneet Sukla : Managing Director (till 20.04.2014)
(On deputation from holding company IFCI limited)

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
		2014-15	2013-14	2014-15	2013-14
1	Rent Paid to IFCI Ltd.	1,378,436.00	1,41,65,795	-	-
2	Rent received from IFIN Commodities Ltd.	3,515,124	53,06,628	-	-
3	Brokerage Received from IFCI Ltd	90,69,477	35,13,958	-	-
4	Portfolio Management Services fees received	-	-	-	-
5	Depository Services	25,86,770	27,36,870	-	-
6	Reimbursement of Expenses to IFCI Limited.	31,05,678	1,47,00,162	-	-
7	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
8	Managerial Remuneration	-	-	26,66,845	36,64,503
9	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
10	Loan Availed from IFIN Securities Finance Limited	46,200,000	17,10,00,000	-	-
11	Loan Repaid	46,200,000	17,10,00,000	-	-
12	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
13	Interest Paid	64,466	4,65,176	-	-
14	Equity contribution made in IFIN Securities Finance Limited	-	-	-	-
15	Equity contribution made in IFIN Commodity Limited	-	-	-	-
16	Brokerage received from IFCI Factors Ltd	160,265	194,643	-	-
17	Reimbursement of Expenses from IFIN Securities Finance Limited	1,00,00,000	99,98,995	-	-
18	Amount Due to IFIN Securities Finance Limited	-	22,95,117	-	-
19	Reimbursement of Expenses from IFIN Credit Limited	1,440,000	14,40,000	-	-
20	Amount Due from IFIN Credit Limited	8,50,216	16,76,232	-	-
21	Insurance of IFIN Commodities Limited paid by		1,55,947		

	IFCI Financial Services Limited				
22	Payable by IFIN Commodities Limited	-	1,55,947	-	-

XII. 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.

XIII. Balances of Sundry Debtors confirmed on a regular basis from the respective parties. In the opinion of the management, the balances are considered as good and recoverable except debtors for an amount of Rs.13,49,24,578.(previous year Rs.12, 66,53,094) which includes provision of Rs.1,30,72,996/- towards Depository Services provided to M/s IFCI Limited.

XIV. 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.

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

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



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IFCI FINANCIAL SERVICES LIMITED
Note no. 2 Share Capital
(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	41,53,37,090
Subscribed & Paid up				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Subscribed but not fully Paid up				
Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	41,533,709	415,337,090	41,533,709	415,337,090

Particulars	Equity Shares March 2015		Equity Shares March 2014	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	41,533,709	415,337,090	41,533,709	415,337,090
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,533,709	415,337,090	41,533,709	415,337,090

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

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	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
Note No. 3 Reserves and Surplus
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
A. Securities Premium Account		
Opening Balance	13,750,000	451,643,790
Add : Securities premium credited on Share issue	437,893,790	
Closing Balance	451,643,790	451,643,790
B. Other Reserves (Specify the nature and purpose of each reserve)		
i)Amalgamation Reserve:		
Opening Balance	9,763,970	9,763,970
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,763,970	9,763,970
ii) General Reserve:		
Opening Balance	9,179,620	9,179,620
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	9,179,620	9,179,620
C. Surplus:		
Opening balance	(171,525,386)	(103,780,332)
(+) Net Profit/(Net Loss) For the current year	(2,571,587)	(67,745,054)
(+) Transfer from Reserves	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(174,096,973)	(171,525,386)
Total	296,490,407	299,061,994

Note No. 4 Other Long Term Liabilities
(Amount in Rs.)

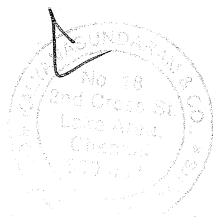
Particulars	As at 31st March 2015	As at 31st March 2014
(a)Security Deposit and Sundry deposits	7,169,459	6,553,211
Total	7,169,459	6,553,211

IFCI FINANCIAL SERVICES LIMITED
Note No. 5 Other Current Liabilities
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Other payables		
Creditors for expenses	6,047,448	3,602,836
Statutory dues	19,675,243	19,729,441
Other liabilities	1,857,727	1,205,470
Total	27,580,418	24,537,747

Note No. 6 Short Term Provisions
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Provision for employee benefits		
Salary & Reimbursements	-	-
Contribution to PF and Statutory funds	-	-
Gratuity	300,000	300,000
Leave Encashment	2,678,951	681,932
Total	2,978,951	981,932



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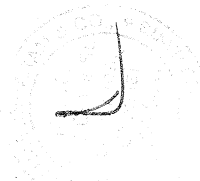
IFCI FINANCIAL SERVICES LIMITED

Note: 7 Fixed Assets

(Amount in Rs.)

Fixed Assets	Gross Block						Accumulated Depreciation					Net Block	
	Balance as at 1st April 2014	Additions	Disposals	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2015	Balance as at 31 March 2014	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
a	Tangible Assets												
	Land	272,500	-	-	-	272,500	-	-	-	-	272,500	272,500	
	Plant and Equipment	44,568,782	-	-	-	44,568,782	30,174,231	1,832,426	-	-	32,006,657	12,562,125	
	Furniture and Fixtures	5,483,821	33,743	-	-	5,517,564	3,403,684	544,122	-	-	3,947,806	1,569,758	
	Vehicles	22,150	-	-	-	22,150	19,204	763	-	-	19,967	2,183	
	Office equipment	11,645,615	70,098	-	-	11,715,713	6,226,846	2,450,188	-	-	8,677,034	3,038,679	
	computer hardware	38,367,689	41,886	-	-	38,409,575	33,359,201	3,189,842	-	-	36,549,044	1,860,531	
	Total	100,360,557	145,727	-	-	100,506,284	73,183,166	8,017,341	-	-	81,200,508	19,305,776	
b	Intangible Assets												
	Computer software	32,435,609	-	-	-	32,435,609	26,295,306	3,878,215	-	-	30,173,522	2,262,087	
	licenses and franchise	-	-	-	-	-	-	-	-	-	-	-	
	Others - Non compete fees	10,000,000	-	-	-	10,000,000	10,000,000	-	-	-	10,000,000	-	
	Total	42,435,609	-	-	-	42,435,609	36,295,306	3,878,215	-	-	40,173,522	2,262,087	
c	Capital Work In Progress												
	-	-	-	-	-	-	-	-	-	-	-	-	
c	Intangible assets under Development												
	Total	142,796,166	145,727	-	-	142,941,893	109,478,473	11,895,557	-	-	121,374,030	21,567,863	
	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	142,796,166	145,727	-	-	142,941,893	109,478,473	11,895,557	-	-	121,374,030	21,567,863	
	Previous Year	141,287,430	1,700,625	191,889	-	142,796,166	96,107,780	13,512,580	-	141,887	109,478,473	33,317,693	
												45,179,650	

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IFCI FINANCIAL SERVICES LIMITED

Note 8 Non Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
Other Investments (Refer B below)		
(b) Investment in Equity instruments	385,223,063	385,223,063
Total	385,223,063	385,223,063
Less : Provision for dimunition in the value of Investments	-	-
Total	385,223,063	385,223,063

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	385,223,063	385,223,063

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IFCI FINANCIAL SERVICES LIMITED
Note 9 Long Term Loans and Advances
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	1,513,710	1,513,710
Doubtful	-	-
Less: Provision for doubtful advances	-	-
	1,513,710	1,513,710
b. Security Deposits		
Secured, considered good	-	-
Unsecured, considered good *	31,532,074	77,544,398
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
	-	-
* Includes Rs. 7,58,85,000 held with various stock exchanges/clearing member for F&O segment.	-	-
	31,532,074	77,544,398
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	6,314,476	6,811,087
Advance Tax (net of provisions)	-	-
Doubtful	-	-
	6,314,476	6,811,087
	39,360,260	85,869,195

IFCI FINANCIAL SERVICES LIMITED
Note 10 Current Investments
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Investment in Equity instruments	34,772,801	36,661,737
(b) Investments in preference shares	-	-
Total (A)	34,772,801	36,661,737
Less : Provision for dimunition in the value of Investments	17,083,739	17,630,423
Total	17,689,062	19,031,314

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments	17,689,062	19,031,314
Aggregate amount of unquoted investments	-	-

Note 11 Trade receivable
(Amount in Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	77,786,885	32,346,521
Unsecured, considered good	10,237,647	82,234,563
Unsecured, considered doubtful	1,005,068	79,539,579
	89,029,600	194,120,663
Less: Provision for doubtful debts	1,005,068	79,539,579
	88,024,532	114,581,084
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	19,420,679	39,555,768
Unsecured, considered good	299,443	770,682
Unsecured, considered doubtful	133,919,510	47,113,515
	153,639,632	87,439,965
Less: Provision for doubtful debts*	133,919,510	47,113,515
* Includes Rs. 1,30,72,996 receivables	19,720,122	40,326,450
Total	107,744,654	154,907,534

IFCI FINANCIAL SERVICES LIMITED
Note 12 Cash and bank balances
(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
a. Balances with banks				
In Current Accounts with Banks	-	50,867,684	-	45,958,087
Fixed Deposit	-	177,368,503	-	159,091,706
(Bank deposits with more than 12 months maturity)	69,540,117		-	
b. Cheques, drafts on hand	-	-	-	-
c. Cash on hand	-	1,794	-	30,730
		228,237,981		205,080,523

Note 13 Short term loans and advances
(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
a. Loans and advances to related parties				
Secured, considered good	-		-	
Unsecured, considered good	908,635		-	
Doubtful	-		1,849,225	
		908,635		1,849,225
b. Others				
Other Loans and Advances	27,099,083		50,230,511	
Advance Tax (net of provisions)	29,455,465		25,264,812	
Sundry Deposits	3,628,068		9,753,069	
Prepaid Expenses	3,912,114		2,628,859	
Secured, considered good		64,094,730		87,877,251
		64,094,730		87,877,251
		65,003,365		89,726,476

Note 14 Other current assets

Particulars	As at 31st March 2015	As at 31st March 2014
Interest accrued on Deposits	13,321,096	23,036,466
Interest Receivable	-	74,604
	13,321,096	23,111,070

IFCI FINANCIAL SERVICES LIMITED
Note 15 Revenue from Operations
(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Operating revenues:		
Brokerage On Stock Broking	139,202,916	105,640,398
Commission On Mutual Fund	1,967,086	1,522,439
Insurance Commission	102,985	99,602
Loan Syndication Fee	100,000	1,864,000
Fees for Merchant Banking	160,000	280,000
Depository Income	6,642,342	7,660,098
Commision From IPO / Bonds	16,027,387	5,507,671
Commision On Fixed deposits	2,802,144	6,258,670
Account Opening Charges	233,681	227,373
Dividend income	223,774	559,564
Total	167,462,315	129,619,815

Note 16 Other Operating Income
(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Sale of Power / Electricity	4,809,830	6,033,574
Delayed Payment Interest	18,533,987	16,376,611
others [consultance fee recd]	-	650,000
Total	23,343,817	23,060,185

Note 17 Other Income
(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Rental Income	3,515,124	7,026,963
Miscellaneous Income	10,223,500	12,227,901
Interest Income	17,404,852	17,700,014
Profit on Sale of Investments	409,976	1,581,085
Total	31,553,452	38,535,963

IFCI FINANCIAL SERVICES LIMITED
Note 18 Employee Benefits expense
(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
(a) Salaries and incentives	83,150,467	92,141,260
(b) Contributions to - Provident fund & Employee State Insurance	5,609,399	6,242,779
Gratuity fund contributions	114,832	1,726,596
(c) Staff welfare expenses	3,219,526	6,146,656
Total	92,094,224	106,257,291

Note 19 Finance Costs
(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Interest expenses	86,364	484,036
Bank Financial Charges	1,844,366	1,616,814
Total	1,930,730	2,100,850

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IFCI FINANCIAL SERVICES LIMITED
SCHEDULE: 20 OTHER EXPENSES

(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Fees To Clearing Member	1,744,955	1,614,787
Information Technology Exp	197,934	738,887
Data Feed Charges	1,493,837	1,659,994
Depository Participant Expenses	212,996	311,278
Broking Stamp Expenses	9,365	9,263
Turnover Based Fees - Sebi	674,539	48,985
Professional & Consultancy Charges	36,217,120	20,385,716
Transaction Charges	1,205,787	928,281
Vsat Charges	19,101	20,674
Advertisement	195,111	9,107
Audit Fees	695,000	950,864
Electricity Charges	4,477,762	4,379,270
Insurance Expenses	1,093,114	1,390,056
Commission Paid	13,970,823	9,141,985
Miscellaneous Expenses	2,557,516	2,238,167
Postage & Telegram	1,288,141	1,317,840
Printing & Stationery	1,554,175	1,482,289
Rent	27,315,764	29,241,513
Rates & Taxes	543,835	931,753
Repairs & Maintenance	1,065,868	3,919,447
Sitting Fees	333,000	246,000
Membership Fee And Subscription	4,693,176	2,190,173
Telephone Expenses	6,652,157	7,399,252
Training Expenses	111,063	163,773
Travelling & Conveyance Expenses	1,634,027	3,633,039
Office Maintenance	3,842,277	4,558,254
Business Development Expenses	270,642	294,931
Contbn to sale of assets	-	621,432
TOTAL	114,069,085	99,827,011

IFCI FINANCIAL SERVICES LIMITED

Note: 21 Provision for Bad & Doubtful debts

(Amount in Rs)

Particulars	For the year ended 31st March 2015	For the Year ended 31st March 2014
Diminution in the value of shares (Net)	-	934,585
Bad Debts Written off	2,439,364	2,222,935
Reversal of Mar 14 Dimn provn	(546,685)	
Provision for Doubtful Debts and Adv	8,271,485	29,233,382
	10,164,164	32,390,902



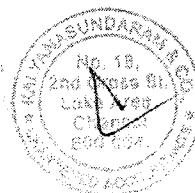
Independent Auditors' Report
To the members of IFCI Financial Services Limited (Revised)

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, 2015, 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.

While conducting the 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 thereunder.

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.

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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

- (i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group, as at March 31, 2015;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the consolidated profits 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.

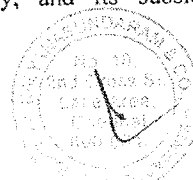




Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the 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 the relevant assertion contained in the audit reports on standalone financial statement of the Holding Company and each Subsidiary Company which are incorporated in India, none of the directors of any such company is disqualified as at March 31, 2015 from being appointed as a director in terms of sub section 2 of Section 164 of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i There were no pending litigations which would impact the consolidated financial position of the Group, excepting the following remarks in the case of subsidiary M/s IFIN Securities Finance Limited:

"The pending litigations with M/S Zylog group
would impact company's financial position".
 - ii The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.





3. As per directions/sub directions issued by the C&AG of India under section 143(5) of the Companies Act 2013 vide letter no. MAB-II/CAD-I/6-2/2014-15/120 dated April 30, 2015, we report that:

Directions

1. The company has not been selected for disinvestment; hence this clause is not applicable.
2. Cases of waiver/write off of debts/loan/interest are given hereunder:
 - a. In IFCI Financial Services Limited a sum of Rs.2.57 lacs has been waived on account of DP AMC during the FY 2014-15 in 415 cases pertaining to mostly dormant and inactive clients.
 - b. In IFCI Financial Services Limited a sum of Rs.24.39 lacs has been written off during the FY 2014-15 in 5680 cases. Out of which Rs.7.34 lacs in 2 cases has been written off on account of OTS and Rs.17.05 lacs has been written off in 5678 cases pertaining to mostly dormant and inactive accounts.
 - c. In IFIN Securities Finance Limited a sum of Rs.89.11 lacs has been written off during the FY 2014-15 in 2 cases on account of OTS.
3. As this company is not dealing with any inventory, this clause regarding maintenance of records is not applicable. No assets have been received as gift from government or other authorities by the company.
4. Detail of age wise analysis of pending legal/arbitration cases as follows:

Time limit	No of cases	Amount (in lakhs)
Up to 1 year	6	10.24
1 to 2 years	10	1699.6
2 to 3 years	17	639.57

Sub directions:

1. The company has a small piece of land at Mannur district in Thirunelveli, Tamil nadu, measuring 2.16 Acre on which a windmill of 800KW is erected. The company is having clear title deed for this land. Except this land, the company has no other land.
2. a) Confirmation of Bank balances are available, Trade receivable and trade payable consist of no of clients and the procedure followed by the company is to send statement of account with a request to confirm or point out discrepancy, if any, within 8 days every month end/quarter end as per SEBI compliance.
b) The company has given loans and advances for which third party confirmations is available for amounts related to deposit with Exchanges on account of Margin Money and Loan Against Shares/ Margin funding.





KALYANASUNDARAM & Co.,
CHARTERED ACCOUNTANTS

3. The company has no deposits/ advances with Customs / Excise / Sales tax (VAT) and other authorities.
4. Necessary independent verification has been made of information's/inputs furnished to Actuary, viz no of employees, average salary, retirement age, and assumption made by actuary regarding discount rate, future cost increase, mortality rate, etc., for arriving at the provision for liability of retirement medical benefits etc.,
5. There is no investment in CGS/SGS/Bonds/Debentures.

Date: 08.06.2015
Place: Chennai



For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 001676S

B. KALYANASUNDARAM
Partner, M.No. 11453



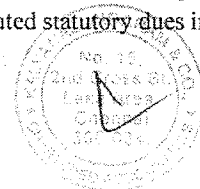
Annexure to the independent Auditors' report to the members of IFCI Finance limited for the year ended March 31, 2015.

As stated in Para 1 of 'Other legal and regulatory requirements' in our Auditors' report of even date, the following statement is based on the comments in the auditors' reports on the standalone financial statements of the holding company and subsidiary companies incorporated in India.

- (i) (a) The holding company and its subsidiary companies incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The holding company and its subsidiary companies incorporated in India have a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The holding company and its subsidiary companies incorporated in India are Service companies. Accordingly it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable.
- (iii) As per the information and explanations given to us, IFIN Securities Finance Limited has given loan to the holding company IFCI Financial Services Limited during the year.

The loan has been repaid by IFCI Financial Services Limited during the year itself with interest.

- (iv) In their opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the holding company and its subsidiary companies incorporated in India and the nature of their business with regard to purchase of fixed assets, purchase of securities, sale of securities and services. During the course of our audit, we have not observed any major weakness in internal controls system.
- (v) The holding company and its subsidiary companies incorporated in India have not accepted any deposits during the year.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for any of the services rendered by the holding company and its subsidiary companies incorporated in India.
- (vii) (a) According to the information and explanations given to us and the records produced before us for verification, the group is regular in depositing undisputed statutory dues including





provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of exercise, value added tax, cess and other statutory dues with appropriate authorities.

(b) According to the information and explanations given to us, the group has no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of exercise, value added tax, cess which have not been deposited on account of any dispute.

(c) The group has no amount required to be transferred to investor education and protection fund.

- (viii) As on 31st March 2015, the holding company IFCI Financial Services Limited, has accumulated losses at the end of the financial year which does not exceed 50% of its net worth.

The holding company has not incurred cash loss on standalone basis during the year but has incurred cash loss in the immediately preceding financial year.

The subsidiary company M/S IFIN Credit Limited has accumulated losses at the end of the financial year and in the immediately preceding financial year on standalone basis which is less than 50% of its net worth.

M/S IFIN Credit Limited has not incurred cash loss during the financial year nor in the earlier financial year.

The other subsidiary companies in the group do not have either accumulated losses or incurred cash loss at the end of the financial year or in the immediately preceding financial year on standalone basis.

- (ix) According to the information and explanations given to us, only the subsidiary company in the group viz. M/S IFIN Securities Finance Limited has availed revolving line credit from financial institutions. The subsidiary company has not defaulted in repayment of their respective dues to the financial institutions.

Neither the holding company nor the other subsidiary companies in the group have any loan from bank or financial institutions.

- (x) According to the information and explanations given to us, none of the companies in the group have given any guarantee for loan taken by others from bank or financial institutions.





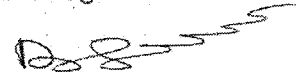
KALYANASUNDARAM & Co.,
CHARTERED ACCOUNTANTS

- (xi) According to the information and explanations given to us, none of the companies in the group have availed any term loans.
- (xii) According to the information and explanations given to us, no fraud on or by any of the companies in the group have been noticed or reported during the course of our audit.

Date: 08.06.2015
Place: Chennai



For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 0016765


B. KALYANASUNDARAM
Partner, M.No. 11453

IFCI Financial Services Limited
Consolidated Balance Sheet as at 31st March 2015

(Amount in Rs)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	415,337,090	415,337,090
(b) Reserves and surplus	3	324,330,120	317,964,311
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Deferred tax liabilities (Net)		2,923,123	5,031,486
(b) Other Long term liabilities	4	7,169,459	6,553,211
(c) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings	5	313,000,000	329,833,777
(b) Trade payables		156,252,175	275,845,468
(c) Other current liabilities	6	58,672,640	46,337,461
(d) Short-term provisions	7	51,126,997	38,960,835
TOTAL		1,328,811,604	1,435,863,639
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		19,642,029	27,653,058
(ii) Intangible assets		2,575,372	6,488,395
(iii) Goodwill		2,253,857	2,253,857
(b) Non-current investments	9	-	-
(c) Deferred tax assets (net)		-	126,041
(c) Long-term loans and advances	10	388,443,154	169,911,295
(d) Other non-current assets		-	-
2 Current assets			
(a) Current investments	11	13,365,577	21,379,898
(b) Trade receivables	12	108,104,989	154,935,028
(c) Cash and Bank balances	13	314,099,766	291,854,884
(d) Short-term loans and advances	14	462,384,678	734,142,382
(e) Other current assets	15	17,942,182	27,118,801
TOTAL		1,328,811,604	1,435,863,639

The Notes 1 to 15 form an integral part of consolidated Balance Sheet

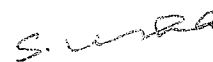
This is the consolidated Balance Sheet referred to in our Report of even date

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

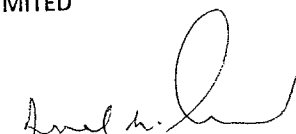
For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 001676S



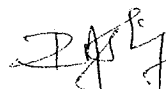
B. KALYANASUNDARAM
Partner, M.No. 11453



S. Usha
Managing Director



Achal Kumar Gupta
Director



Ashwin Kumar R
Company Secretary



A V Pushparaj
Chief Financial Officer

Place: Chennai
Date: 22/04/2015

IFCI Financial Services Limited
Consolidated Statement of Profit and loss for the Year ended 31st March 2015

(Amount in Rs)

Particulars	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
I. Revenue from operations	16	281,339,911	245,350,242
II. Other Operating Income	17	23,343,817	7,074,324
III. Other Income	18	38,717,061	44,759,997
IV. Total Revenue (I + II + III)		343,400,789	297,184,563
V. Expenses:			
Employee benefits expense	19	106,370,820	123,180,038
Finance costs	20	45,082,002	33,526,456
Depreciation and amortization expense	8	12,069,782	13,959,327
Other expenses	21	137,755,450	113,131,704
Bad Debts Written off		8,911,192	-
Total expenses (V)		310,189,246	283,797,525
VI. Profit before bad & doubtful debts and tax (IV - V)		33,211,543	13,387,038
VII. Provision for bad & Doubtful debts	22	21,385,675	59,003,950
Exceptional Items -Interest received		(3,240,337)	-
VIII. Profit before extraordinary items and tax (VI - VII)		15,066,205	(45,616,912)
IX. Extraordinary Items			
XI. Profit before tax (VI -VII)		15,066,205	(45,616,912)
XII. Tax expense:			
- Current Tax		10,358,647	14,743,278
- Current Tax - MAT Credit Entitlement		-	(5,132)
- Deferred Tax Charge (Net)		(1,982,252)	4,905,445
XIII. Profit (Loss) after tax (VIII -IX)		6,689,810	(65,260,503)
XIV. Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
XV. Profit/(loss) from Discontinuing operations (after tax)		-	-
XVI. Profit (Loss) for the period (XII + XV)		6,689,810	(65,260,503)

The notes 1 & 16 to 22 form an integral part of consolidated Statement of profit and loss

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

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

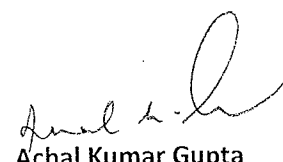
For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 001676S



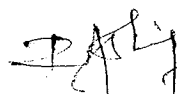
B. KALYANASUNDARAM
Partner, M.No. 11453



S. Usha
Managing Director



Achal Kumar Gupta
Director



Ashwin Kumar R
Company Secretary



A V Pushparaj
Chief Financial Officer

Place: Chennai

Date: 22/04/2015


IFCI FINANCIAL SERVICES LIMITED(CONSOLIDATED FINANCIAL STATEMENT)
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH 2015

(Amount in Rs)

Particulars	CONSOLIDATED			
		YEAR ENDED 31.03.2015		YEAR ENDED 31.03.2014
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and exceptional items as per Adjustments for:		15,066,205		(45,616,913)
Depreciation / Amortisation on Fixed Assets	12,069,782		13,959,327	
Provision for Doubtful Debts	(2,113,928)		29,498,374	
Diminution in Value of Stock	(1,397,178)		(1,936,710)	
Bad Debts Written Off	(546,685)		2,222,935	
Dividend Received (considered separately under Investment Activities)	(310,164)		(818,409)	
Finance Cost (considered separately under Finance Activities)	45,082,002		33,526,456	
Interest income	(21,973,820)		(23,617,104)	
Profit/(Loss) on Fixed Asset	-	30,810,009	(29,668)	52,805,201
Operation Profit before Working Capital Changes		45,876,214		7,188,288
Adjustments for:				
(Increase) / Decrease in Current Investments	8,014,321		11,360,391	
(Increase) / Decrease in Trade Receivables	46,830,040		66,178,154	
(Increase) / Decrease in Short term Loans & Advances	271,757,704		25,620,789	
(Increase) / Decrease in Other Current Assets	9,176,618		(6,738,722)	
(Increase) / Decrease in Long term loans & Advances	(218,531,859)		(71,640,993)	
Increase / (Decrease) in other Liabilities	12,335,179		(11,298,387)	
Increase / (Decrease) in Short term Borrowings	(17,858,710)		(50,784,110)	
Increase / (Decrease) in Trade payable	(119,593,289)		29,743,587	
Increase / (Decrease) in Provisions	12,166,162		36,426,194	
Increase / (Decrease) in Non - Current Liabilities	616,248		(8,155,500)	
		4,912,413		20,711,403
Cash Generated from Operation before tax		50,788,628		27,899,692
Direct taxes paid		(5,600,000)		(2,000,000)
Net cash from Operating Activities		45,188,628		25,899,692
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(145,727)		(1,747,320)
(Increase) / Decrease in Non Current Investment				
(Increase) / Decrease in Fixed Deposits		(18,300,704)		(8,289,459)
Dividend Received		310,164		818,409
Interest received		21,973,820		23,617,104
Sale of Fixed Assets				79,670
Net Cash used in / raised from Investing Activities		3,837,553		14,478,404
C CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Received				
Short term Borrowing(net)				
Finance Cost		(45,082,002)		(33,526,456)
		(45,082,002)		(33,526,456)
Net Changes in Cash & Cash Equivalent (a+b+c)		3,944,178		6,851,640
Opening Cash and Cash Equivalent		67,320,025		60,468,385
Closing Cash and Cash Equivalent		71,264,203		67,320,025
Increase / (Decrease) in Cash & Cash Equivalent		3,944,178		6,851,640

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 accounting standard rules 2006
This is the cash flow referred to our report of even date

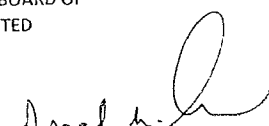
For KALYANASUNDARAM & CO.,
Chartered Accountants
Firm Reg. No. 0016763


B. KALYANASUNDARAM
Partner, M.No. 11453

Place : Chennai
Date: 22/04/2015

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


S. Usha
Managing Director


Achal Kumar Gupta
Director


R. Ashwin Kumar
Company Secretary


A V Pushparaj
Chief Financial Officer

IFCI Financial Services Limited (Consolidated)

Note No.1

A. Significant Accounting Policies & Notes to Accounts for the year ended March, 31 2015

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.

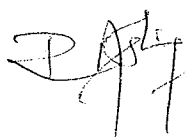
II. Use of Estimates:

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.

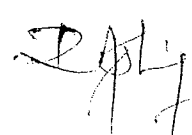

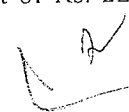
IFCI Financial Services Ltd's (the parent company or the holding company) shareholding in the following companies as on 31st March 2015 and 31st March 2014 are as under:



Name of the subsidiary	Country Date on which became a subsidiary		As on 31st March 2015		As on 31st March 2014	
			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/-.
 - (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

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 realised.

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

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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.

Fee Income from Portfolio Management and advisory services

Fee income from Portfolio Management and advisory services is recognized on accrual basis.

Income from sale of electricity

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

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.

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VII. Investments:

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

VIII. Fixed Assets and Depreciation:

Fixed assets are stated at historical cost less accumulated depreciation.

Intangible Assets:

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

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

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

IX. Impairment of Assets:

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

X. Employee Benefits:

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

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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

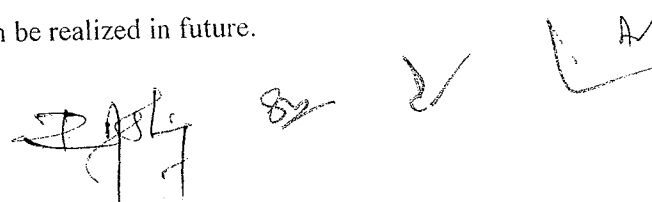
- The Company's liability towards Gratuity is a Defined Benefit Plan. The liability towards Gratuity is determined using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through 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 basic pay along with January month salary of the immediate next calendar year. The expenses on account thus arising are recognized in the profit and loss account.

XI. Borrowing Cost:

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

XII. Taxation:

Income Tax expense comprises current tax as determined in accordance with the income tax laws and deferred tax charge or credit reflecting the tax effect of the timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liability / assets are recognized applying the tax rates that have been enacted 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.

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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.

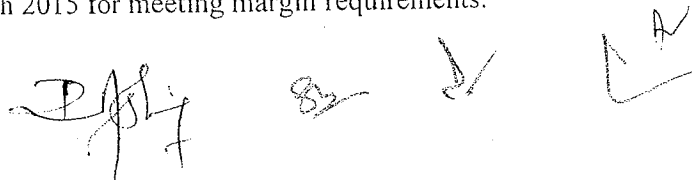
The subsidiary company IFIN Securities Finance Limited is a Non Banking Finance Company, registered u/s 45-IA of Reserve Bank of India Act, is primarily engaged in the business of margin funding, providing loan against shares & property, Promoter funding, etc.

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

- II. The holding company IFCI Financial Services Limited in its Board meeting held on 11th November 2013 has passed a resolution and approved for merger of its subsidiary IFIN Credit limited with another subsidiary IFIN Commodities Limited as part of its strategies towards business consolidation. Accordingly the company in its Board meeting dated 23rd January 2014 has approved the merger with IFIN Commodities Limited. Thereafter in view of the impending stake sale process of IFCI Financial Services Ltd initiated by IFCI Ltd, the board at its meeting held on 18th January 2014 decided to put on hold the merger process for the time being. As stake sale has not materialized during FY 2014-15, the proposal is again taken to the board at its meeting to be held on 22.04.2015 for board's approval.

III. Contingent Liabilities not provided for:

Bank guarantees aggregating to Rs.17,50,00,000 (Previous Year – Rs.15,00,00,000/-) to National Stock Exchange of India Limited, Rs.3,00,00,000/- (Previous Year – 2,00,00,000/-) to Bombay Stock Exchange and Rs.4,00,00,000/- (Previous Year – 3,00,00,000) to MCX Stock Exchange Limited as on 31st March 2015 for meeting margin requirements.

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The Company has pledged fixed deposits aggregating to Rs. 12,75,00,000/- (Previous Year – Rs. 20, 48, 14,859/-) with banks for obtaining the above bank guarantees.

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

Other Contingent liabilities in respect of claims against the company:

(Rupees in lakhs)

Forum before which the case is pending	No. of cases	Amount
NSE Arbitrator Tribunal, Chennai	1	6.00
Additional City Civil & Sessions Judge, Bangalore	1	127.45
Civil Court - Multi commodity Exchange of India Limited	8	465.33
Consumer court	1	10.25

The Company has entered into an agreement to sell electricity to TNEB @ Rs.3.39 per unit. The rate however is on a conditional basis subject to the outcome of the appeal petition of the TNEB before the honorable ATE and, excess tariff, if any, paid will be adjusted by TNEB against the subsequent bills raised by the Company.

IV. Estimated amount of contracts remaining to be executed

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

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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:

(Amounts in Rupees)

Particulars	As on 31-03-2015	As on 31-03-2014
Net Profit for the year available for the equity share holders (Before extra-ordinary Item)	66,89,810	(6,52,60,504)
Nominal value per equity share	10	10
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	4,15,33,709	4,15,33,709
Basic & Diluted Earnings per Share (Before extra-ordinary Item)	0.16	(1.57)
Net Profit for the year available for the equity share holders (After extra-ordinary Item)	66,89,810	(6,52,60,504)
Basic & Diluted Earnings per Share (After extra-ordinary Item)	0.16	(1.57)

VI. Current and Deferred Taxation:

- The Subsidiary Company IFIN Commodities Limited has provided Rs. 89,792/- (Previous Year – Rs. 7,70,000) as per provisions of Income Tax Act, 1961
- The Subsidiary Company IFIN Securities Finance Limited (Formerly known as Narayan Sriram Investments Private Limited) has provided Rs.1,02,03,622 (Previous Year Rs. 1,38,96,046) as per provisions of Income Tax Act, 1961.
- In the IFIN Credit Ltd. the provision for current tax has been made as per provisions of Income Tax Act 1961.
- During the year the tax effect on timing difference has resulted in Deferred Tax Liability and as a matter of prudence the company has recognized the same in the books. The Parent Company IFCI Financial Services Limited has recognized Rs. 28,90,061 and the Subsidiary Company IFIN Commodities Limited has not recognized the effect on timing difference.

VII. Managerial Remuneration:

(Amount in Rupees)

Particulars	2014-15	2013-14
To Whole Time Director		
(a) Salary and Allowances	20,53,590	43,33,972
(b) Contribution to PF and other funds	1,53,620	2,76,112
To Managing Director (On deputation from IFCI Limited)		
(a) Salary and Allowances	24,95,282	18,53,417
(b) Contribution to PF and other funds	1,71,562	59,140
(c) Gratuity	-	49,126
Total	48,74,054	65,71,767

VIII. 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) SHCIL
e) MPCON
- d) Key Management Personnel and relatives of such personnel:
- Mr. Suneet Sukla : Managing Director (till 20.04.2014)
(On deputation from holding company IFCI Limited)
- Mrs. S. Usha : Managing Director (since 21.04.2014)
(On deputation from holding company IFCI Limited)
- Mr. P.N. Swaminathan : Whole Time Director (till 11.04.2014)
- Mr. A. Ramachandran : COO & Whole Time Director (since 25.07.2014)
(On deputation from holding company IFCI Limited)

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e) Transaction with Related Parties:

(Amount in Rupees)

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2014-15	2013-14	2014-15	2013-14
1	Rent Paid to IFCI Ltd.	13,78,436	1,41,65,795	-	-
2	Rent received from IFIN Commodities Ltd.	35,15,124	53,06,628	-	-
3	Brokerage Received from IFCI Ltd	90,69,477	35,13,958	-	-
4	Portfolio Management Services fees received	-	-	-	-
5	Depository Services	25,86,770	27,36,870	-	-
6	Reimbursement of Expenses to IFCI Limited.	4,94,879	1,47,00,162	-	-
7	Reimbursement of Exp received from IFIN Commodities Limited	-	-	-	-
8	Managerial Remuneration	4825719	-	-	-
9	Consultancy Fee received from IFIN Commodities Limited	-	-	-	-
10	Loan Availed from IFIN Securities Finance Limited	4,62,00,000	17,10,00,000	-	-
11	Loan Repaid to IFIN Securities Finance Limited	4,62,00,000	17,10,00,000	-	-
12	Corporate Guarantee Issued to IFIN Commodities Ltd	5,00,00,000	5,00,00,000	-	-
13	Interest Paid to IFIN Securities Finance Ltd	64,466	4,65,176	-	-
14	Equity contribution made in IFIN Securities Finance Limited	30,01,00,000	-	-	-
15	Equity contribution made in IFIN Commodity Limited	5,00,00,000	-	-	-
16	Brokerage received from IFCI Factors Ltd	1,60,265	194,643	-	-
17	Reimbursement of Expenses from IFIN Securities Finance Limited	1,00,00,000	99,98,995	-	-
18	Amount Due to IFIN Securities Finance Limited	-	22,95,117	-	-

19	Reimbursement of Expenses from IFIN Credit Limited	14,40,000	14,40,000	-	-
20	Amount Due from IFIN Credit Limited	8,50,216	16,76,232	-	-
21	Insurance of IFIN Commodities Ltd Paid by IFCI Financial Services Ltd.	-	1,55,947	-	-
22	Amount Payable by IFIN Commodities to IFCI Financial Services Ltd	-	1,55,947	-	-
23	Loan availed from IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	4,00,00,000	26,20,00,000	-	-
24	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	4,00,00,000	22,20,00,000	-	-
25	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	6,90,411	2,00,49,548	-	-
26	Loan availed from IFCI Factors Ltd by IFIN Securities Finance Ltd	-	10,00,00,000	-	-
27	Loan repaid to IFCI Venture Capital Ltd by IFIN Securities Ltd	-	10,00,00,000	-	-
28	Interest paid to IFCI Venture Capital Ltd by IFIN Securities Finance Ltd	-	26,63,013	-	-

IX. Employee Benefits

Provisions for employee benefits under revised AS 15:

- (a) Defined Contribution plan: The amount recognized as an expense during the year is Rs.63, 83,812/- (Previous Year – Rs. 73, 78,589/-) 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. The expenses recognized in the profit and loss account is Rs.53,87,298/- (previous year Rs. 28,87,327)
- (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.

X. Employee Benefits

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

(Amount in Rs.)

Particulars	Year 2014.15
Policy No	605000514
Date of Valuation	01/04/2015
Membership Date	
Number of Members	219
Average age	68.13
Average Monthly Salary	26338.41
Average past Service	6.68
Valuation Method	Projected unit credit method
Results of Valuation	
Present value of Past Service Benefit	52,14,943
Service cost	11,37,563
Fund with lic	62,88,976
Accrued Gratuity	79,79,744
Actuarial Assumptions	
Mortality Rate	LIC (1994-96) ultimate
Discount rate	8%
Salary escalation rate	5%
Withdrawal rate	1% to 3% depending on age
Total Amount Payable	64,540
Date of Valuation	01/04/2015

- XI. Balances of Sundry Debtors, Advances recoverable are subject to confirmation from the respective parties. In the opinion of the management the same are good and recoverable, except for an amount of Rs.13,54,07,172/- which is provided for.
- XII. 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.

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

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IFCI FINANCIAL SERVICES LIMITED(CONSOLIDATED FINANCIAL STATEMENT)

Note no. 2 Share Capital

(Amount in Rs)

Share Capital	As at 31st March 2015		As at 31st March 2014	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.10/- each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Issued				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Subscribed & Paid up				
Equity Shares of Rs.10/- each	41,533,709	415,337,090	41,533,709	415,337,090
Total	41,533,709	415,337,090	41,533,709	415,337,090

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	41,533,709	415,337,090	41,533,709	415,337,090
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	41,533,709	415,337,090	41,533,709	415,337,090

(Amount in Rs)

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	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 March 31st 2015	As at March 31st 2014
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. Securities Premium Account		
Opening Balance	451,643,790	451,643,790
Add : Securities premium credited on Share issue	-	-
Closing Balance	451,643,790	451,643,790
d. Revaluation Reserve		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
e. Other Reserves (Specify the nature and purpose of each reserve)		
i) Amalgamation Reserve:		
Opening Balance	1,745,305	1,745,305
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	1,745,305	1,745,305
ii) General Reserve:		
Opening Balance	9,501,851	9,179,620
(+) Current Year Transfer	-	322,231
(-) Written Back in Current Year	-	-
Closing Balance	9,501,851	9,501,851
f. Surplus:		
Opening balance	(144,926,635)	(79,343,900)
(+) Net Profit/(Net Loss) For the current year	6,365,809	(65,260,504)
(+) Transfer from Reserves	-	-
(-) Transfer to Reserves	-	322,231
Closing Balance	(138,560,826)	(144,926,635)
Total	324,330,120	317,964,311

IFCI FINANCIAL SERVICES LIMITED(CONSOLIDATED FINANCIAL STATEMENT)

Note No. 4 Other Long Term Liabilities

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Trade Payables	-	-
(b) Security Deposit and Sundry deposits	7,169,459	6,553,211
Total	7,169,459	6,553,211

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 5 Short Term Borrowings

(Amount in Rs)

<u>Short Term Borrowings</u>	As at 31st March 2015	As at 31st March 2014
<u>Secured</u>		
(a) Loans repayable on demand	-	-
(b) Loans and advances from related parties (Secured By Books Debts)	240,000,000	-
(c) Deposits	-	-
<u>Unsecured</u>		
(a) Loans repayable on demand	-	-
(b) Loans and advances from related parties	-	39,833,776
(c) Deposits	-	-
(d) Other loans and advances from Financial Institutions	73,000,000	290,000,001
	313,000,000	329,833,777

Note No. 6 Other Current Liabilities

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
Short Term Borrowings		
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease	-	-
(c) Interest accrued but not due on borrowings	1,463,836	-
(d) Loans and advances from related parties	-	-
(e) Income received in advance	1,492,082	-
(f) Other payables		
Creditors for expenses	12,968,852	5,254,657
Statutory dues	20,102,937	20,767,365
Other liabilities	22,644,933	20,315,439
Total	58,672,640	46,337,461

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note No. 7 Short Term Provisions

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Provision for employee benefits		
Salary & Reimbursements		
Contribution to PF and Statutory funds	-	-
Gratuity	310,000	321,222
Leave Encashment	2,855,068	760,160
Provision for Bonus	77,000	116,889
(b) Others		
Provision for Sub-Standard Assets	-	23,183,079
Provision for doubtful debts	46,402,206	10,385,413
Provision for Standard Assets	1,482,723	1,697,565
Others	-	2,496,507
Total	51,126,997	38,960,835

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note: 8 Fixed Assets

	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at 1st April 2014	Additions	Disposals	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2015	Balance as at 31 March 2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed Assets										
Tangible Assets										
Land	272,500	-	-	272,500	-	-	-	-	-	272,500
Plant and Equipment	44,568,782	-	-	44,568,782	30,174,231	1,832,426	-	-	32,006,657	12,562,125
Furniture and Fixtures	6,201,535	33,743	-	6,235,278	4,050,645	556,928	-	-	4,607,573	1,627,705
Vehicles	22,150	-	-	22,150	19,204	763	-	-	19,967	2,183
Office equipment	11,854,390	70,098	-	11,924,488	6,297,060	2,470,256	-	-	8,767,316	3,157,172
computer hardware	39,581,962	41,886	-	39,623,848	34,307,120	3,296,384	-	-	37,603,504	2,020,344
Total	102,501,319	145,727	-	102,647,046	74,848,260	8,156,757	-	-	83,005,017	27,653,059
Intangible Assets										
Computer software	33,989,337	-	-	33,989,337	27,500,941	3,913,024	-	-	31,413,965	2,575,372
Intangible Membership Card	3,200,000	-	-	3,200,000	3,200,000	-	-	-	3,200,000	-
Licenses and franchise	-	-	-	-	-	-	-	-	-	-
Others - Non compete fees	10,000,000	-	-	10,000,000	10,000,000	-	-	-	10,000,000	-
Total	47,189,337	-	-	47,189,337	40,700,941	3,913,024	-	-	44,613,965	2,575,372
Capital Work In Progress										
	-	-	-	-	-	-	-	-	-	-
Total	149,690,656	145,727	-	149,836,383	115,549,202	12,069,781	-	-	127,618,983	22,217,401
Intangible assets under Development										
	-	-	-	-	-	-	-	-	-	-
Total	149,690,656	145,727	-	149,836,383	115,549,202	12,069,781	-	-	127,618,983	22,217,401
Total	149,690,656	145,727	-	149,836,383	115,549,202	12,069,781	-	-	127,618,983	34,141,455

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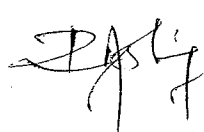


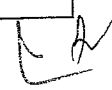
IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 9 Non Current Investments

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Investment in Equity instruments	-	-
(g) Other non-current investments (specify nature)		
Total (A)	-	-
Less : Provision for dimunition in the value of Investments	-	-
Total	-	-

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	-	-

Handwritten signatures and initials:





IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)
Note 10 Long Term Loans and Advances (Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Capital Advances	-	
Secured, considered good	-	
Unsecured, considered good	1,513,710	1,513,710
Doubtful	-	
Less: Provision for doubtful advances	-	
	1,513,710	1,513,710
b. Security Deposits		
Secured, considered good	350,000	350,000
Unsecured, considered good *	68,882,074	116,875,287
Doubtful	-	
Less: Provision for doubtful deposits	-	
* Includes Rs. 7,58,85,000 held with various stock exchanges/clearing member for F&O segment.	-	
	69,232,074	117,225,287
c. Loans and advances to related parties		
Secured, considered good	311,382,894	
Unsecured, considered good	-	-
Doubtful	-	
Less: Provision for doubtful loans and advances	-	
	311,382,894	-
d. Other loans and advances (specify nature)		
Other Loans & Advances	6,314,476	51,172,298
Advance Tax (net of provisions)	-	-
Doubtful	-	-
	6,314,476	51,172,298
	388,443,154	169,911,295

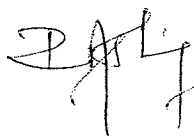



IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 11 Current Investments

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Investment in Equity instruments	30,512,800	40,470,984
Total (A)	30,512,800	40,470,984
Less : Provision for dimunition in the value of Investments	17,147,223	19,091,086
Total	13,365,577	21,379,898

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate amount of quoted investments	13,365,577	21,379,898

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)
Note 12 Trade receivable
(Amount in Rs)

Trade Receivables	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	77,786,885	32,346,521
Unsecured, considered good	10,597,982	82,262,059
Unsecured, considered doubtful	1,487,662	79,686,143
	89,872,529	194,294,723
Less: Provision for doubtful debts	1,487,662	79,686,143
	88,384,867	114,608,580
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	19,420,679	39,555,767
Unsecured, considered good	299,443	770,681
Unsecured, considered doubtful	136,700,792	49,730,828
	156,420,914	90,057,276
Less: Provision for doubtful debts*	136,700,792	49,730,828
* Includes Rs. 1,53,03,165 receivables from IFCI Limited	19,720,122	40,326,448
	-	
Total	108,104,989	154,935,028

IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 13 Cash and bank balances

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Balances with banks		
In Current Accounts with Banks	71,259,910	67,287,415
Margin money	-	-
Fixed Deposit	222,835,563	224,534,859
Cash equivalents and Bank Deposits	-	-
Bank deposits with more than 12 months maturity	20,000,000	-
b. Cheques, drafts on hand	-	-
c. Cash on hand	4,293	32,610
	314,099,766	291,854,884

Note 14 Short term loans and advances

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
a. Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	908,635	-
Doubtful	-	17,046
Less: Provision for doubtful loans	-	-
	908,635	17,046
b. Others		
Other Loans and Advances	-	-
Secured, considered good	314,316,161	647,234,197
Unsecured, considered good	-	-
Doubtful	113,657,576	-
Advance Tax (net of provisions)	25,942,157	(2,248,666)
Sundry Deposits	3,628,068	1,097,189
Prepaid Expenses	3,932,081	165,365
Secured, considered good	-	87,877,251
	461,476,043	734,125,336
	462,384,678	734,142,382

Note 15 Other current assets

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
Interest accrued on Deposits	17,711,033	27,044,197
Other assets	231,149	74,604
	17,942,182	27,118,801

IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)
Note 16 Revenue from Operations
(Amount in Rs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Operating revenues:		
Brokerage On Stock Broking	154,959,698	132,417,707
Commission On Mutual Fund	1,967,086	1,522,439
Insurance Commission	102,985	99,602
Loan Syndication Fee	100,000	1,864,000
Fees for Merchant Banking	160,000	280,000
Depository/Other Operating Income	6,693,342	7,660,098
Commission From IPO / Bonds	16,027,387	5,507,671
Commission On Fixed deposits	2,802,144	6,258,670
Account Opening Charges	233,681	227,373
Dividend income	310,164	818,409
Processing Fees	4,225,000	4,817,500
Interest Receipt from Loans	93,758,424	83,876,773
Total	281,339,911	245,350,242

Note 17 Other Operating Income
(Amount in Rs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Sale of Power / Electricity	4,809,830	6,033,574
Delayed Payment Interest	-	-
Consultance Fee Received	18,533,987	1,040,750
Total	23,343,817	7,074,324

Note 18 Other Income
(Amount in Rs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Rental Income	3,515,124	1,720,335
Miscellaneous Income	10,335,733	17,376,555
Interest Income	21,973,820	23,617,104
Profit on Sale of Investments	2,892,384	2,046,003
Total	38,717,061	44,759,997

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IFCI FINANCIAL SERVICES LIMITED (CONSOLIDATED FINANCIAL STATEMENT)

Note 19 Employee Benefits expenses

(Amount in Rs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
(a) Salaries and incentives	96,387,694	106,700,687
(b) Contributions to -	-	-
Provident fund & Employee State Insurance	6,383,812	7,378,589
Gratuity fund contributions	155,334	1,901,596
Employee State Insurance	107,867	-
(c) Staff welfare expenses	3,336,113	7,199,166
Total	106,370,820	123,180,038

Note 20 Finance Cost

(Amount in Rs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Interest expenses	43,040,833	-
Bank Financial Charges	2,041,169	33,526,456
Total	45,082,002	33,526,456

IFCI FINANCIAL SERVICES LIMITED(CONSOLIDATED FINANCIAL STATEMENT)

Note No. 21 Other Expenses

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
Particulars	Rs.	Rs.
Fees To Clearing Member	1,744,955	1,614,787
Information Technology Exp	197,934	738,887
Data Feed Charges	1,493,837	1,659,994
Depository Participant Expenses	212,996	311,278
Broking Stamp Expenses	9,365	9,263
Turnover Based Fees - Sebi	674,539	48,985
Professional & Consultancy Charges	42,406,088	26,627,831
Transaction Charges	1,205,787	928,281
Vsat Charges	19,101	20,674
Advertisement	216,195	12,107
Audit Fees	1,327,500	1,599,948
Electricity Charges	5,034,502	4,379,270
Insurance Expenses	1,307,054	1,261,264
Commission Paid	16,613,689	11,545,687
Miscellaneous Expenses	2,594,044	2,238,167
Postage & Telegram	1,698,112	1,317,840
Printing & Stationery	1,842,690	1,482,289
Bank Charges	8,406	-
Rent	32,586,888	29,241,513
Rates & Taxes	623,702	1,578,688
Repairs & Maintenance	1,065,868	3,919,447
Sitting Fees	553,000	246,000
Membership Fee And Subscription	4,768,793	2,190,173
Telephone Expenses	7,219,385	7,399,252
Training Expenses	114,313	163,773
Travelling & Conveyance Expenses	5,246,043	3,784,893
Office Maintenance	5,611,150	5,699,017
Business Development Expenses	270,642	294,931
Contbh to inv prot fund	4,394	621,432
Penal Charges	32,012	-
Meeting Expenses	393,145	-
Loss on sale of assets	-	2,196,032
Staff Welfare	138,494	-
Annual Maintenance Charges	462,077	-
Arbitration fees Charges	10,000	-
Processing Charges	48,750	-
TOTAL	137,755,450	113,131,704

IFCI FINANCIAL SERVICES LIMITED(CONSOLIDATED FINANCIAL STATEMENT)

Note: 22 Provision for Bad & Doubtful

(Amount in Rs)

Particulars	As at 31st March 2015	As at 31st March 2014
Particulars	Rs.	Rs.
Diminution in the value of Securities held as stock in trade	(1,397,178)	(1,936,710)
Bad Debts Written off	2,439,364	2,222,935
Requirement	(546,685)	(15,166)
Provision for Doubtful Debts and	(2,113,928)	34,784,821
Provision for Standard Assets as per	(214,842)	
Provision for substandard Asset	23,218,944	23,948,070
	21,385,675	59,003,950

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