



IFIN SECURITIES FINANCE LIMITED

ANNUAL REPORT 2017-18

IFIN SECURITIES FINANCE LIMITED

Board of Directors

Shri Biswajit Banerjee	-	Nominee Director
Shri. V.Ramanan	-	Independent Director
Shri Sreekumaran V. Nair	-	Nominee Director
Shri Karra Visweswar Rao	-	Managing Director [w.e.f. May 8, 2018]
Shri Ramkumar Srinivasan	-	Director

** As on the date of this Report*

Company Secretary

Shri Sabareeswar T

Chief Financial Officer

Shri A.V. Pushparaj

Statutory Auditors

M/s. Jagannathan & Sarabeswaran

FRN 001204S

Chartered accountants

G.R.Ravi

M.no: 025669

Partner

Registered Office

Continental Chambers, 3rd Floor

142, Mahatma Gandhi Road

Nungambakkam, Chennai - 600 034

Ph: 044 2830 6600

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IFIN SECURITIES FINANCE LIMITED

(Formerly Known as Narayan Sriram Investments Pvt Ltd)

(A Subsidiary of IFCI Financial Services Limited)

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the shareholders of M/s. IFIN SECURITIES FINANCE LIMITED will be held at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Monday, September 24, 2018 at 12:00 P.M. to transact the following business:

AS ORDINARY BUSINESS

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

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

By Order of the Board
For IFIN Securities Finance Limited

Place: Chennai
Date: August 30, 2018




Sabareeswar T
Company Secretary

SABAREESWAR T
COMPANY SECRETARY
MEM No: A42462
PHRA-29, PRAKRUTHY HEIGHTS
VAZHAYILA, TRIVANDRUM,
KERALA-695564

Notes:

1. 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. Proxy forms should be submitted to the Company 48 hours before the commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members should bring the attendance slip duly filled in for attending the meeting.
4. All documents referred to in the accompanying notice and explanatory statement shall be open for inspection at the Registered Office of the Company during the business hours except on holidays, upto and including the date of the Annual General Meeting of the Company.
5. Details of Director(s) seeking appointment/ re-appointment at the Annual General Meeting of the Company are provided in **Annexure-A** of this notice.

Annexure – A

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

Name of the Director	Shri Ramkumar Srinivasan
Date of Birth	Jun 12, 1970
Date of Appointment	June 15, 2017
Expertise in Specific functional area	Financial Services and Banking
Qualification	BA (CS) & CMA
Experience	20 plus years of functional experience in stock, currency and commodity broking, retail and investment banking
Directorships in other Companies	1. IFIN Credit Limited
Number of Board Meetings attended during the Year	8
Chairman/ Membership of the Committee across all Companies	Member of Audit Committee 1. IFIN Securities Finance Limited Member of Credit Committee 1. IFIN Securities Finance Limited
Shareholding in the Company	1
Relationship with other Directors	Nil

IFIN Securities Finance Limited

CIN: U65991TN1989GOI017792

**Registered Office: Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road,
Nungambakkam, Chennai – 600034**

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 **29th Annual General Meeting** of the Company held on **Monday, September 24, 2018 at 12:00 P.M.** at **Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034.**

Member's/Proxy's Signature

**FORM NO MGT-11
PROXY FORM**

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

CIN	U65991TN1989GOI017792
Name of the Company	IFIN Securities Finance Limited
Registered Office	Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034
Email	cs@ifinltd.in
Telephone	044 2830 6613

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 **29th Annual General Meeting** of the Company, to be held on **Monday, September 24, 2018 at 12:00 P.M.** at **Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034** and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS:

Ordinary Business

1. Receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2018, together with the Board of Directors' Report and Auditors' Report thereon.
2. Appoint a director in place of Shri Ramkumar Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013

Signed this _____ day of _____ 2018.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix Revenue
Stamp

BOARD'S REPORT

To

The Members of

IFIN Securities Finance Limited

The Board of Directors of your Company presents the Twenty Ninth Annual Report of IFIN Securities Finance Limited (ISFL) together with the Audited Financial Statement, for the year ended on 31st March 2018.

1. Financial Performance

Particulars	(Rs. in lakh)	
	YE 31.3.2018	YE 31.3.2017
Revenue from operations	497.09	712.29
Other income	18.89	3.40
Total income	515.98	715.69
Employee cost	120.57	49.81
Finance cost	18.61	130.84
Depreciation and Amortization Expense	0.03	1.34
Other expenses	79.06	221.34
Total expenses	218.27	403.33
Profit Before Tax, Provision, Prior Period Items	297.71	312.36
Provisions and loan losses	198.99	2.37
Prior period income	(7.91)	(11.90)
Profit/ (loss) before tax	106.63	321.90
Tax	53.91	65.25
PAT	52.72	256.65
Book size	3078.12	4,149.10
Own funds	3399.85	3347.13
Borrowings	10.00	715.00

2. Business Outlook and Performance

The market is expected to continue to grow and mature leading to differentiation of products and services. The Company is cautiously optimistic in its outlook for the year 2018-19. The company has its focus set on the promoters of mid-size corporates who are ideal clients for the company's products, company whereby the can improve the yield on its assets as the market segment is still largely untapped by other players. Also the company is keen to use the branch network of IFCI Financial Services Ltd., to foray aggressively into retail base. This will help in granularity and diversification of the risk pattern while simultaneously improving the yield.

The outstanding loans stood at Rs.2991 lakh as on March 31, 2018 as against the sanctioned amount of Rs.3430 lakh. The outstanding principal represents 87.20% of the loans sanctioned. ISFL has earned income of Rs.515.98 lakh during the year and made a profit of Rs. 106.63 lakh.

Interest income during the year has decreased from Rs.687.11 lakh during 2016-17 to Rs.480.17 lakh during 2017-18.

Revenue from operations includes processing fee of Rs. 16.93 lakh (previous year: Rs. 25.18 lakh).

Other income for the year ended 31.03.2018 includes profit on sale of investments of Rs. 15.42 lakh as against Rs. 3.30 lakh in the previous year.

Out of the total expenditure of Rs. 218.27 lakh, Rs.125 lakh is by way of sharing of expenses with IFIN as ISFL has been utilizing common infrastructure and man-power of IFIN.

Loan of Rs.1000 lakh sanctioned by ABFL is secured by way of Comfort Letter from IFCI besides hypothecation of book debts to the extent of 1.33 times.

3. Dividend

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

4. Transfer To Reserves

An amount of Rs. 10.55 lakh is transferred from surplus in the Statement of Profit and Loss Account to Statutory Reserve.

5. Directors and Key Managerial Personnel

Changes in Directors and KMP during the year

- Shri Siril Nitesh had resigned from the office of COO & Whole Time Director with effect from May 24, 2017.
- Shri Rajesh Kumar Gupta had resigned from the office of Director of the Company with effect from June 14, 2017.
- Smt. S. Usha, Director, who retired by rotation at the 28th Annual General Meeting held on September 29, 2017, was reappointed as the Director of the Company.
- Shri Ramkumar Srinivasan appointed as Additional Director on June 15, 2017 was regularized as Director of the Company at the 28th Annual General Meeting held on September 29, 2017.
- Shri Sreekumaran V Nair was appointed as the Nominee Director of the Company with effect from June 15, 2017.
- Shri Sabareeswar T was appointed as the Company Secretary with effect from February 12, 2018 in place of Smt Ramya S who had resigned on November 22, 2017.

The Company has received declaration made by Shri V.Ramanan and Shri Jayaraman Chandrasekaran under section 149(6) of the Companies Act, 2013.

As at March 31, 2018, the Board consisted of 6 (six) Directors comprising of two Independent Directors, two Nominee Directors, one Director and a Managing Director. The Management of the Company is headed by the Managing Director who operates under the supervision and control of the Board.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meeting and the number of the Directorship in other companies in respect of each Director who was on Board as on 31.03.2018 is as given below:-

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on 31 st March, 2018
		No. of Meetings during the tenure of respective directors in FY 2017 - 18		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Shri Biswajit Banerjee	11	10	2
2.	Shri Sreekumaran V Nair	9	8	4
3.	Shri V Ramanan	11	11	10
4.	Shri Jayaraman Chandrasekaran*	11	11	2
5.	Smt. S Usha**	11	10	3
6.	Shri Ramkumar Srinivasan	9	8	1

Notes:

* The tenure of Shri Jayaraman Chandrasekaran, Independent Director has expired on April 1, 2018

** Smt S Usha, Managing Director retired from the services of the Company with effect from April 27, 2018.

!! Shri Karra Visweswar Rao was appointed as the Managing Director of the Company with effect from May 8, 2018

During the Financial Year 2017-18, Eleven (11) Board Meetings were held on 04.05.2017, 15.06.2017, 27.06.2017, 14.07.2017, 03.08.2017, 07.09.2017, 13.10.2017, 06.11.2017, 15.12.2017, 12.01.2018 and 31.01.2018.

6. Committee of Board of Directors

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013. The composition of the committee as on March 31, 2018 is as follows:

S. No.	Name of the Director	Designation / Category	No. of Meetings during the tenure of respective directors in FY 2017-18	
			Held	Attended
1.	Shri V Ramanan	Chairman (Independent, Non-executive)	6	6
2.	Shri Jayaraman Chandrasekaran	Member (Independent, Non-executive)	6	6
3.	Smt. S. Usha	Member (Non-Independent, Non-executive)	6	5

The Committee met six times during the year on 04.05.2017, 03.08.2017, 07.09.2017, 13.10.2017, 06.11.2017 and 31.01.2018 and the necessary quorum was present for all the meetings.

Terms of reference in brief:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.
9. Overseeing the vigil mechanism / Whistle Blower policy of the Company
10. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
11. Such other matters as may be prescribed by the Board from time to time.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013. The composition of the committee as on March 31, 2018 is as follows:

S. No.	Name of the Director	Designation Category	No. of Meetings during the tenure of respective directors in FY 2017-18	
			Held	Attended
1.	Shri V.Ramanan	Chairman (Independent, Non-executive)	4	4
2.	Shri Jayaraman Chandrasekaran	Member (Independent, Non-executive)	4	4
3.	Smt. S. Usha	Member (Non-Independent, Non-executive)	4	4

The Committee met four times during the year on 04.05.2017, 15.06.2017, 15.12.2017 and 12.01.2018 and the necessary quorum was present for all the meetings.

Terms of reference in brief:

1. Identifying persons who are qualified to become directors and who may be appointed in Senior Management as per the criteria laid down and recommending to the Board their appointment and removal.
"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. The Committee shall evaluate performance of every Director.
3. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.
4. The Committee shall also formulate and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees.
5. Such other terms and reference mentioned under Companies Act, 2013 and as amended from time to time
6. Other functions and duties specified by Board of Directors from time to time.

Other Committees:

The Company has also formed the following committees:

- Credit Committee
- Internal Complaints Committee Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- Risk Management Committee
- Asset Liability Committee (ALCO) Committee

7. Extract of Annual Return as provided under sub-section (3) of Section 92

An extract of Annual Return as provided under sub-section (3) of section 92 in Form MGT-9 as on March 31, 2018 is attached as **Annexure-I**. The copy of the Annual Return is also available at the website of the Company. The link is provided below:

URL:	http://_____
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8. Directors' Responsibility Statement

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

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

9. 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.

10. Policy on Directors' appointment and remuneration and other details

The Company has in place a Nomination and Remuneration Policy for 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.

Salient Features:

The salient features of the policy include the following:

- The objectives of the policy
- Framework of the policy
- Eligibility criteria for recommending a candidate to be appointed on the Board of Directors such as the education qualification, relevant experience and expertise, disqualifications, ascertainment of 'fit and proper criteria', criteria of independence of Independent Directors
- Board level remuneration structure
- Monitoring and evaluation and
- Board Diversity

The copy of the policy has been made available at the website of the Company. The link is provided below:

URL:	http://www.ifinltd.in/privacy_policy/ISFLNRCPolicy.pdf
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11. Auditors

M/s. Jagannathan & Sarabeswaran, Chartered Accountant, Chennai were appointed by the Comptroller & Auditor General of India (C&AG) as the Statutory Auditors of the Company for the FY 2017-18. C&AG shall appoint the Statutory Auditors for the Financial Year 2018-19.

12. Explanations/comments on the report of Comptroller & Auditor General of India

The Comptroller and Auditor General of India pursuant to Section 143(6)(b) of the Companies Act, 2013 have offered its comments vide its letter PDCA/ CHENNAI/ CA-II/ 2-142/ 2018-19/ 136 dated July 10, 2018 and its was decided not to conduct the supplementary audit under section 143(6)(a) of the Financial Statements of the Company for the year ended 31 March, 2018. The report is enclosed as **Annexure- III**.

13. The RBI Norms and Accounting Standards

Your Company complies with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs and in the preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures.

14. Disclosure requirements as per RBI regulations for NBFCs

The Company during the whole of the Financial Year ended March 31, 2018, as well as till this date in the current financial year, has not accepted/hold public deposits, as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. The company will not accept public deposits in future without obtaining prior written permission of Reserve Bank of India.

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

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

16. Related Party Transactions

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

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

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

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

During the Financial Year 2017-18, the Company did not accept any deposits within the meaning of provisions of chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with rules thereunder.

18. Material changes and commitments

There were no material changes and commitments affecting the financial position of the Company between the end of Financial Year (March 31, 2018) and the date of this report.

19. 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 electronic equipments. As regards absorption of technology, your Company has installed computer systems, software packages and other office equipments to increase its organizational efficiency, maximize productivity and to gain competitive advantage.

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

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

20. Risk Management

The Company has formulated and put in place Risk Management policy. The policy encompasses identification, assessment, measurement, monitoring and mitigation of credit risks.

21. 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. KPMG as single Advisor-cum-Implementation Partner (Advisor), for implementation of Internal Financial Control framework in the Company. The Company had appointed M/s I V & Associates, Chartered Accountants as Internal Auditors for the FY 2017-18 to conduct internal audit of the functions and the activities of the Company.

The findings and recommendations of the Internal Auditors were reviewed by the Board of Directors on a periodical basis and necessary corrective actions were duly undertaken.

22. Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9) and Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors had approved the policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the company. This policy inter-alia provides a direct access to the Chairman of the Audit Committee.

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

23. 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.

No complaint has been received by the internal Complaints Committee/ by the Company during the year.

24. Board Evaluation

The Nomination and Remuneration Committee of Board of Directors have reviewed the performance of Board and its committees taking into consideration the contributions made by the Directors/members of the Committee at their meeting held on April 26, 2018.

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 at their meeting held on April 26, 2018.

25. 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.

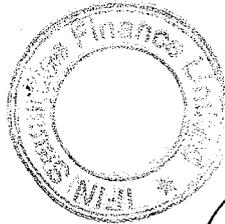
26. Details of employees under Section 197 read with Sub rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The company has no employee in respect of whom the information required under Section 197 read with Sub 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.

27. Acknowledgement

The Board of Directors express their gratitude for the co-operation, guidance and support received from M/s. IFCI Limited, IFCI Financial Services Limited, bankers, RBI, Stock Exchanges, Clients, Statutory Authorities, employees and other stakeholders of the Company.



**By Order of the Board
For IFIN Securities Finance Limited**


Karra Visweswar Rao
Managing Director
(DIN: 08111685)


Ramkumar Srinivasan
Director
(DIN: 01175498)

Place: Chennai
Date: August 7, 2018

KARRA VISWESWAR RAO
DIN: 08111685
C/O K.Neelakantham, New Street,
Near Balaji Pentho, Brahmapur Sadar,
Berhampur City, Ganjam, Orissa-760002

(DIN: 01175498)
BT 2 Metropolis III Floor,
11/14, Bhadrathidasan Colony Main Rd,
K.K.Nagar, Next to RTO Office,
Chennai. 600 076

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

**As on financial year ended on 31.03.2018
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65991TN1989GOI017792
2.	Registration Date	27/07/1989
3.	Name of the Company	IFIN Securities Finance Limited
4.	Category/Sub-category of the Company	Company Limited by shares/Union Government Company
5.	Address of the Registered office & contact details	Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 Email: cs@ifinltd.in, Telephone: 044 2830 6613
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Other financial service activities, except insurance and pension funding activities	649	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. 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 110019	L74899DL1993GOI053677	Ultimate Holding Company	NIL*	Section 2 (87) & Section 2 (46)
2.	IFCI Financial Services Limited Continental Chambers, 142, 3rd Floor, MG Road, Nungambakkam, Chennai – 600 034	U74899DL1995GOI064034	Holding Company	100%	Section 2 (87) & Section 2 (46)

*Direct holding is NIL

**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 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual*/ HUF	NIL	6	6	0.01	NIL	6	6	0.01	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	NIL	30,00,994	30,00,994	99.99	NIL	30,00,994	30,00,994	99.99	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
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									
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):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	NIL	30,01,000	30,01,000	100	NIL	30,01,000	30,01,000	100	NIL

*Beneficial interest are held by IFCI Financial Services Limited

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	IFCI Financial Services Limited (Holding Company)	30,00,994	99.99	NIL	30,00,994	99.99	NIL	NIL
2.	Smt. Chandra Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
3.	Shri Ram Kumar Srinivasan (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
4.	Shri K Kasthurirengan (Nominee of IFCI)	1	0.00	NIL	1	0.00	NIL	NIL

	Financial Services Limited)							
5.	Smt S Usha (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
6.	Smt Rajesh Kumar Gupta (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
7.	Smt V. S. Nair (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL

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

S. No.	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	30,01,000	100	30,01,000	100
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.):	No change	No change	No change	No change
3.	At the end of the year	30,01,000	100	30,01,000	100

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

S. No.	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	NIL	NIL	NIL	NIL
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):	NIL	NIL	NIL	NIL
3.	At the end of the year	NIL	NIL	NIL	NIL

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	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 a. Shri Rajesh Kumar Gupta b. Smt S Usha	1 1	0.00 0.00	1 1	0.00 0.00
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.)	Nil	Nil	Nil	Nil
3	At the end of the year a. Shri Ram Kumar Srinivasan b. Smt S Usha c. Shri Sreekumaran V Nair	1 1 1	0.00 0.00 0.00	1 1 1	0.00 0.00 0.00

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,15,00,000			7,15,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	7,15,00,000			7,15,00,000
Change in Indebtedness during the financial year				
* Addition	1,90,00,000			1,90,00,000
* Reduction	8,95,00,000			8,95,00,000
Net Change	(7,05,00,000)			(7,05,00,000)
Indebtedness at the end of the financial year				
i) Principal Amount	10,00,000			10,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	10,00,000			10,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

in Rs.

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager**	Total Amount
		Shri M.Siril Nitesh, [COO & WTD]*	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,84,342	2,84,342
	(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)	2,84,342	2,84,342
	Ceiling as per the Act(as per Schedule V of the Companies Act, 2013)		N.A
*Shri Siril Nitesh had resigned from the office of COO & Whole Time Director with effect from May 24, 2017.			
**The above employee has not served for the full financial year and hence the break-up details are not given.			

B. Remuneration to other directors

in Rs.

S. No	Particulars of Remuneration	Name of Directors		Total Amount
		Name of Directors		
1	Independent Directors	Shri Jayaraman Chandrasekaran	Shri V.Ramanan	
	Fee for attending board/ committee meetings	1,70,000	1,70,000	3,40,000
	Commission		-	-
	Others, please specify		-	-
	Total (1)			
2	Other Non-Executive Directors		-	-
	Fee for attending board committee meetings		-	-
	Commission		-	-
	Others, please specify		-	-
	Total (2)		-	-
	Total (B)=(1+2)			
	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

in Rs.

S. No.	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	-	3,16,793	Nil	
	(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	-	-	-	-

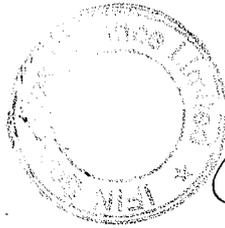
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	Nil	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board

For IFIN Securities Finance Limited



[Signature]

Karra Visweswar Rao

Director

(DIN: 08111685)

[Signature]

Ramkumar Srinivasan

Director

(DIN: 01175498)

Place: Chennai

Date: August 7, 2018

KARRA VISWESWAR RAO
DIN: 08111685
C/O K.Neelakantham, New Street,
Near Balaji Pentho, Brahmapur Sadar,
Berhampur City, Ganjam, Orissa-760002

(DIN: 01175498)
BT 2 Metropolis III Floor,
11/14, Bharathidasan Colony Main Rd,
K.K.Nagar, Next to RTO Office,
Chennai-600 078

Nomination and Remuneration Policy

1. Background:

- a) 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.
- b) 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 criterion to evaluate the performance of every Director and the overall Board of the Company.
- c) 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.
- d) 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

- a) 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.
- b) References have also been made to the Guidelines of Reserve Bank of India (RBI) Corporate Governance Norms for NBFCs and as amended from time to time.=
- c) Any other Law, Statute as may be applicable for the time being in Force.

3. Objective

- To identify suitable persons, interview them if necessary, and recommend them as suitable candidates to fill up vacancies on the Board and Senior Management.
- 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.
- The Policy also intends to add professionalism and objectivity in the process of deciding Board membership.
- To lay down criteria for the evaluation of the Board

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

a) 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

b) 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.

c) 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.

d) 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.

e) Fit and Proper Criteria.

- The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director on the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'.
- The Committee shall undertake such Due Diligence exercise at the time of appointment as well as the time of renewal of the Directorships of the incumbent.

- The indicative criteria for determining the 'fit and proper' criteria forms part of the Policy and is placed at **Annexure-I**.

THE DIRECTORS SHOULD SUBMIT AN ANNUAL DECLARATION (AS ON 31ST MARCH) OF ANY CHANGE IN INFORMATION ALREADY SUBMITTED, IF NO CHANGE THEN A NO CHANGE DECLARATION SHOULD BE SUBMITTED.

THE BOARD MUST ENSURE THAT IN PUBLIC INTEREST THE NOMINATED/ELECTED DIRECTOR EXECUTES THE DEED OF COVENANTS IN THE FORMAT PRESCRIBED AT ANNEXURE II.

f) 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) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (c) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - (d) 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;
 - (e) 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;
 - (f) 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
 - (g) 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

1) Board Level Remuneration Structure

a) 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.

b) 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.

2) In case of Key Managerial Personnel and other Employees —

- a) 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.

'Fit and Proper' Criteria for directors of NBFCs

Reserve Bank had issued a Directive in June 2004 to banks on undertaking due diligence on the persons before appointing them on the Boards of banks based on the 'Report of the Consultative Group of directors of Banks / Financial Institutions'. Specific 'fit and proper' criteria to be fulfilled by the directors were also advised.

2. The importance of due diligence of directors to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. needs no emphasis for any financial institution. It is proposed to follow the same guidelines mutatis mutandis in case of NBFCs also. While the Reserve Bank does carry out due diligence on directors before issuing Certificate of Registration to an NBFC, it is necessary that NBFCs put in place an internal supervisory process on a continuing basis. Further, in order to streamline and bring in uniformity in the process of due diligence, while appointing directors, NBFCs are advised to ensure that the procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:

- (a) NBFCs should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. NBFCs should obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given at Annex- 2.
- (b) The process of due diligence should be undertaken by the NBFCs at the time of appointment / renewal of appointment.
- (c) The boards of the NBFCs should constitute Nomination Committees to scrutinize the declarations.
- (d) Based on the information provided in the signed declaration, Nomination Committees should decide on the acceptance or otherwise of the directors, where considered necessary.

(e) NBFCs should obtain annually as on 31st March a simple declaration from the directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.

(f) The Board of the NBFC must ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format given in Annex-3.

Name of NBFC: _____

Declaration and Undertaking by Director (with enclosures as appropriate as on _____)

I. Personal details of director

- a. Full name
- b. Date of Birth
- c. Educational Qualifications
- d. Relevant Background and Experience
- e. Permanent Address
- f. Present Address
- g. E-mail Address / Telephone Number
- h. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle
- i. Relevant knowledge and experience
- j. Any other information relevant to Directorship of the NBFC

II Relevant Relationships of director

- a. List of Relatives if any who are connected with the NBFC (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- b. List of entities if any in which he/she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)
- c. List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2007
- d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)
- e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC

- f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank.

III Records of professional achievements

- a. Relevant professional achievements

IV. Proceedings, if any, against the director

- a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.
- b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations
- c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director
- d. Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?
- e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?
- f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars
- g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.

(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc

and not on merit, if the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.)

- V. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

Place :

Signature

Date :

- VI. Remarks of Chairman of Nomination Committee/Board of Directors of NBFC

Place :

Signature

Date:

Form of Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this _____ day of _____ Two thousand _____ **BETWEEN** _____, having its registered office at _____ (hereinafter called the 'NBFC') of the one part and Mr / Ms _____ of _____ (hereinafter called the "Director") of the other part.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the NBFC (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the NBFC.

B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS :

1. The director acknowledges that his / her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.

2. The director covenants with the NBFC that :

(i) The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the NBFC and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(ii) The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the NBFC a list of his / her relatives as defined in the

Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.

(iv) The director shall in carrying on his / her duties as director of the NBFC:

- (a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
- (b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the NBFC;
- (c) shall keep himself / herself informed about the business, activities and financial status of the NBFC to the extent disclosed to him / her;
- (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the NBFC;
- (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC;
- (f) shall bring independent judgment to bear on all matters affecting the NBFC brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
- (g) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
- (h) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;

(v) The director shall have :

- (a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose;
- (b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and
- (c) duty to acquire proper understanding of the business of the NBFC.

(vi) The director shall :

- (a) not evade responsibility in regard to matters entrusted to him / her by the Board;
- (b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board;

and

- (c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the NBFC in his / her capacity as director of the NBFC only for the purposes of performance of his / her duties as a director and not for any other purpose.

3. The NBFC covenants with the director that:

- (i) the NBFC shall apprise the director about:

- (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
- (b) control systems and procedures;
- (c) voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
- (d) qualification requirements and provide copies of Memorandum and Articles of Association;
- (e) corporate policies and procedures;
- (f) insider dealing restrictions;
- (g) constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
- (h) appointments of Senior Executives and their authority;
- (i) remuneration policy,
- (j) deliberations of committees of the Board, and
- (k) communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.

(ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;

(iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following :

- (a) all relevant information for taking informed decisions in respect of matters brought before the Board;
- (b) NBFC's strategic and business plans and forecasts;
- (c) organisational structure of the NBFC and delegation of authority;

- (d) corporate and management controls and systems including procedures;
- (e) economic features and marketing environment;
- (f) information and updates as appropriate on NBFC's products;
- (g) information and updates on major expenditure;
- (h) periodic reviews of performance of the NBFC; and
- (i) report periodically about implementation of strategic initiatives and plans;

(iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and

(v) advise the director about the levels of authority delegated in matters placed before the Board.

4. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The NBFC shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the NBFC.

7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.

8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the NBFC.

9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

For the NBFC

By

Name:

Title:

In the presence of:

1.

Director

Name:

2.



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

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

10.07.2018

No. PDCA/CHENNAI/CA-II/2-142/2018-19/136

The Chairman,
IFIN Securities Finance Limited,
Continental Chambers, Third Floor,
142, Mahathma Gandhi Road,
Nungambakkam, Chennai-34.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143 (6)(b) of the Companies Act, 2013 on the financial statements of IFIN Securities Finance Limited, Chennai for the year ended 31 March 2018.

I forward herewith comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the financial statements of IFIN Securities Finance Limited, Chennai for the year ended 31 March 2018.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

(R. AMBALAVANAN)

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

Encl: Audit Certificate.

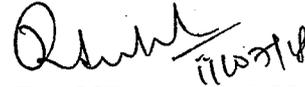
इंडियन आईल भवन, स्तर - 2, 139, महात्मा गाँधी मार्ग, चेन्नै 600 034
Indian Oil Bhavan, Level - 2, 139, Mahatma Gandhi Road, Chennai - 600 034

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

The preparation of financial statements of IFIN Securities Finance Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 April 2018

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

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



(R. AMBALAVANAN)

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

Place: Chennai

Date: 10 July 2018

Form No. AOC - 2

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

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

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

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

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

There were no contracts or arrangements or transactions which were material in nature

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

By Order of the Board

For IFIN Securities Finance Limited



Karra Visweswar Rao

Ramkumar Srinivasan

Place: Chennai

Managing Director

Director

Date: August 7, 2018

(DIN: 08111685)
KARRA VISWESWAR RAO
DIN: 08111685
C/O K.Neelakantham, New Street,
Near Balaji Pentho, Brahmapur Sadar,
Berhampur City, Ganjam, Orissa-760002

(DIN: 01175498)
(DIN: 01175498)
BT 2 Metropolis III Floor,
11/14, Bharathidasan Colony Main Rd,
K.K.Nagar, Next to RTO Office,
Chennai-600 078

Independent Auditors' Report
To The Members Of Ifin Securities Finance Limited

We have audited the accompanying financial statements of Ifin Securities Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 Company's internal financial controls system over financial reporting and the financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at 31st March, 2018, and its Profit and its cash flows for the year ended on that date.

AS

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A', a statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable.

1A. As required by Section 143(5) of the Act, we give in Annexure 'B', a statement of matters specified by the Comptroller and Auditor-General of India for the Company.

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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The Dept. of Company Affairs has clarified vide notification No. GSR 463(E) dated 5th June 2015 that the provisions of sub-sec (2) of section 164 of the Companies Act, 2013 regarding obtaining written representations from the directors are not applicable to a government Company.
- (f) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigation which would impact its financial position.
 - ii. The Company did not have material foreseeable losses on long term contracts and derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jagannathan & Sarabeswaran


G.R. Ravi
(Partner)
Chartered Accountants
Firm Reg. No. 012045
M.No. 25669

Place : Chennai

Date: 26th Apr '18

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 Under Report on other Legal and regulatory requirements)

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that fixed assets have been physically verified by the management in accordance with a regular programme of verification at reasonable intervals and no material discrepancies were noticed on such verification. According to information and explanations given to us the company does not own any immoveable property.
2. The company does not have any inventory and reporting under clause (ii) of the CARO 2016 Order is not applicable.
3. According to the information and explanations given to us, the Company has granted unsecured loans to a company covered in the Register maintained under section 189 of the Companies Act 2013, which has been repaid during the year itself and in respect of which the terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guaranty or security to any party covered under Sections 185 and 186 of the Companies Act, 2013.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence the question of reporting on compliance of Sec 73 to 76 of the Act does not arise.
6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 Order is not applicable.
7. (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident fund, Income tax, Service tax, and other dues. However we notice some delay in payment of service tax /Gst dues. There are no undisputed statutory dues which were outstanding for more than six months as at 31st March 2018 from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax, service tax or cess which have not been deposited on account of any dispute.
8. The company has not defaulted in the repayment of loans to any financial institution. The company has not taken any loan from banks or raised any moneys through debentures.
9. The company has not raised any moneys by way of initial / further public offer. In our opinion and according to information and explanations given us, the term loans have been applied by the company during the year for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
11. The Dept. of Company Affairs has clarified vide notification No. GSR 463(E) dated 5th June'2015 that the provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration are not applicable to a government Company.

ASR

JAGANNATHAN & SARABESWARAN
CHARTERED ACCOUNTANTS

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions involving directors or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For Jagannathan & Sarabeswaran


(G.R. Ravi)
Partner
Chartered Accountants
Firm Reg. No. 01204 S
M.No. 25669

Place: Chennai
Date: 26th Apr '18

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1A Under Report on other Legal and regulatory requirements)

General Directions under Section 143(5) of the Companies Act, 2013, for conducting audit of annual accounts for the year 2017-18

1. Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.
 - According to information and explanations given to us the company does not own any immovable property.
 - According to explanations given to us, there is no leasehold land in the books of the company.
2. Whether there are any cases of waiver/write off of debts/loans/interest, etc., if yes, the reasons therefor and the amount involved.
 - During the Financial Year 2017-2018 there was write-off of debts/loans/interest. Amounts written off – Shree Dhoot Trading and Agencies Limited Rs.1,01,46,018 and Nippon Investment and Finance Private Limited Rs.94,88,925. Unrealised interest amounting to Rs.14,76,773 in relation to these Npa accounts was also derecognised.
 - The aforesaid loans were secured against Equity Shares of Videocon India Ltd which were fully liquidated on 29th June '17 to adjust for margin shortfalls. The loan accounts became unsecured and cheques issued by the party towards outstandings are being dishonoured. Legal cases have been filed for the cheques dishonoured. Personal guarantee given by Mr.Venugopal Dhoot has been invoked. Accounts classified as Substandard in Sept'17 and 100% provision made. As a matter of prudence amount fully written off on 31st March 2018.
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.
 - The company is a Non Banking Financial Company registered with Reserve Bank of India.
 - It does not hold any inventory.

To the best of our information and according to the explanations given to us there are no assets received during the year as gifts/grants from Government or other authorities.

For Jagannathan and Sarabeswaran


(G.R. Ravi)
Partner
Chartered Accountants
M No. 025669
Firm Regn No. 001204S

Place: Chennai
Date: 26th Apr '18

IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
Balance Sheet as at 31st March 2018

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	300,100,000	300,100,000
(b) Reserves and surplus	3	39,884,922	34,612,799
2 Non-current liabilities			
(a) Long-term borrowings	4	-	-
3 Current liabilities			
(a) Short-term borrowings	5	1,000,000	71,500,000
(b) Trade payables		-	-
(c) Other current liabilities	6	8,672,109	6,045,290
(d) Short-term provisions	7	1,333,286	7,472,614
TOTAL		350,990,317	419,730,703
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	8		
(i) Tangible Assets		4,662	8,026
(ii) Intangible assets		1	1
(b) Long-term loans and advances	9	205,238,060	157,563,634
2 Current assets			
(a) Current investments	10	41,113,749	172,699
(b) Trade receivables		-	-
(c) Cash and cash equivalents	11	2,059,527	4,640,012
(d) Short-term loans and advances	12	102,574,318	257,346,331
(e) Other current assets	13	-	-
TOTAL		350,990,317	419,730,703

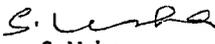
Notes on accounts

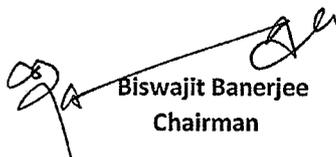
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The Notes 2 to 13 form an integral part of Balance Sheet

For and on behalf of the Board of Directors

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


S. Usha
Managing Director


Biswajit Banerjee
Chairman

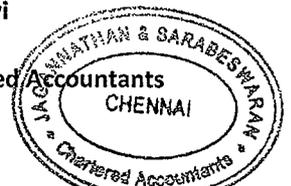
For Jagannathan & Sarabeswaran

Place : Chennai
Date : 26th April '18


Sabareeswar T
Company Secretary


A.V. Pushparaj
Chief Financial Officer


G.R. Ravi
Partner
Chartered Accountants



IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
Statement of Profit and loss for the Year ended 31st March 2018

(Amount in Rs.)

Particulars	Note No.	Y.E 31st March 2018	Y.E 31st March 2017
I. Revenue from operations	14	49,709,342	71,229,253
II. Other income	15	1,888,777	340,044
III. Total Revenue (I + II)		51,598,119	71,569,297
IV. Expenses:			
Employee benefits expenses	16	12,056,650	4,981,335
Finance cost		1,861,227	13,083,912
Depreciation and amortization expense		3,364	134,013
Other expenses	17	7,906,061	22,133,747
Total expenses		21,827,302	40,333,007
V. Profit before Tax , Provision , Prior period Items		29,770,817	31,236,290
Provisions and loan losses	18	19,898,642	236,757
VI. Prior period (Income) /Expenses		(791,045)	(1,190,278)
VII. Profit /(Loss) before tax (V - VI)		10,663,220	32,189,811
VIII. Tax expense:			
Current Tax		2,250,000	6,525,000
Income Tax relating to earlier years		3,141,097	-
IX. Profit (Loss) after tax		5,272,123	25,664,811
XII. Earnings per equity share:			
Basic & Diluted		1.76	8.55

Notes on accounts

1

The Notes 14 - 18 form an integral part of Statement of Profit and Loss

For and on behalf of the Board of Directors

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

S. Usha

S. Usha

Managing Director

Biswajit Banerjee

Biswajit Banerjee

Chairman

For Jagannathan & Sarabeswaran

Place : Chennai

Date : 26th April '18

Sabareeswar T

Sabareeswar T

Company Secretary

A.V. Pushparaj

A.V. Pushparaj

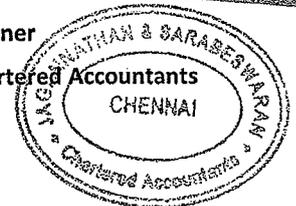
Chief Financial Officer

G.R. Ravi

G.R. Ravi

Partner

Chartered Accountants



IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per P&L a/c		10,663,220		32,189,811
Adjustments for:				
Depreciation / Amortisation on Fixed Assets	3,364		134,013	
Provision for standard assets	(232,501)		210,076	
Provision for diminution in value of current investments	496,199		26,681	
Bad debts written off	19,634,943		-	
Operation Profit before Working Capital Changes		19,902,005		370,770
		30,565,225		32,560,581
Adjustments for changes in working capital				
(Increase) / Decrease in Other Current Assets				
(Increase) / Decrease in Long term Loans & Advances	(47,674,426)		(8,576,011)	
(Increase) / Decrease in Other Current Assets	-		2,082,115	
(Increase) / Decrease in Short Term Loans and Advances	138,040,876		10,538,231	
Increase / (Decrease) in Other Current Liabilities	2,626,819		(1,332,934)	
Increase / (Decrease) in Short Term Provisions	(4,410,948)		58,610	
		88,582,321		2,770,011
Cash Generated from Operation before tax		119,147,546		35,330,592
Direct taxes payments/(refunds)		9,790,782		(454,828)
Net cash from Operating Activities		109,356,764		35,785,420
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets				
(Purchase) / Sale of Investment		(41,437,249)		-
Net Cash used in / raised from Investing Activities		(41,437,249)		-
C CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Short Term Borrowings	(70,500,000)		(22,000,000)	
Increase / (Decrease) in Long Term Borrowings	-	(70,500,000)	(10,000,000)	(32,000,000)
Net Changes in Cash & Cash Equivalent (A+B+C)		(2,580,485)		3,785,420
Opening Cash and Cash Equivalent		4,640,012		854,592
Closing Cash and Cash Equivalent		2,059,527		4,640,012
Increase / Decrease in Cash & Cash Equivalent		(2,580,485)		3,785,420

For and on behalf of the Board of Directors

S. Usha
S. Usha
Managing Director

Biswajit Banerjee
Biswajit Banerjee
Chairman

A.V. Pushparaj
A.V. Pushparaj
Chief Financial Officer

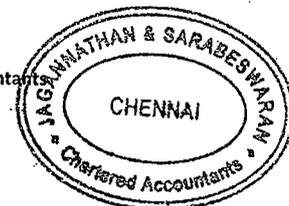
Place : Chennai
Date : 26th April '18

Sabareeswar T
Sabareeswar T
Company Secretary

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

For Jagannathan & Sarabeswaran

G.R. Ravi
G.R. Ravi
Partner
Chartered Accountants



(Formerly known as Narayan Sriram Investments Private Limited)

Note 2 Share Capital

(Amount In Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.100/- each	59,75,500	59,75,50,000	59,75,500	59,75,50,000
Preference Shares	24,500	24,50,000	24,500	24,50,000
Total	60,00,000	60,00,00,000	60,00,000	60,00,00,000
Issued				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Total	30,01,000	30,01,00,000	30,01,000	30,01,00,000

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000

30,01,0000 Equity Shares (Previous year - 3001000 equity shares) are held by IFCI Financial Services Limited, the holding company and its nominees.

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited and its nominees	3,00,994	99.99	3,00,994	99.99

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IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)

Note 3 Reserves and Surplus

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
a. Capital Reserves		
Opening Balance		
(+) Current Year Transfer	251,000	251,000
(-) Written Back in Current Year	-	-
Closing Balance	251,000	251,000
b. Capital Redemption Reserve		
Opening Balance		
(+) Current Year Transfer	450,000	450,000
(-) Written Back in Current Year	-	-
Closing Balance	450,000	450,000
c. Statutory Reserve		
Opening Balance		
Add: Amount transferred from surplus in the Statement of Profit and Loss	8,370,506	3,235,506
	1,054,500	5,135,000
	9,425,006	8,370,506
i) Amalgamation Reserve:		
Opening Balance		-
ii) General Reserve:		
Opening Balance		
(+) Current Year Transfer	2,516,200	2,516,200
(-) Written Back in Current Year	-	-
Closing Balance	2,516,200	2,516,200
d. Surplus:		
Opening balance		
(+) Net Profit/(Net Loss) For the current year	23,025,093	2,495,282
(-) Transfer to Statutory Reserves as per Section 45 IC of RBI Act, 1934	5,272,123	25,664,811
Closing Balance	1,054,500	5,135,000
	27,242,716	23,025,093
Total	39,884,922	34,612,799

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IFIN SECURITIES FINANCE LIMITED

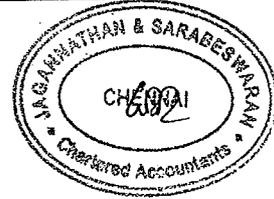
(Formerly known as Narayan Sriram Investments Private Limited)

Note 4 Long Term Borrowings

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured		
(a) Loans repayable on demand	-	-
(b) Loans and advances from related parties	-	-
(c) Deposits	-	-
(d) Other loans and advances from others	-	-
Total	-	-

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(Formerly known as Narayan Sriram Investments Private Limited)

Note 5 Short Term Borrowings

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Secured		
(a) Loans and advances from related parties	-	-
(b) From Others	10,00,000	7,15,00,000
	10,00,000	7,15,00,000
Un secured		
(a) Loans and advances from related parties	-	-
(b) Others	-	-
Total	10,00,000	7,15,00,000

Note 6 Other Current Liabilities

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Statutory remittances	2,37,040	4,88,012
(g) Creditors for expenses	41,39,678	4,27,091
(h) Other liabilities	42,95,391	51,30,187
Total	86,72,109	60,45,290

Note 7 Short term Provisions

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Provision for employee benefits		
Leave Encashment	99,796	63,965
Bonus	14,000	11,664
(b) Others		
Provision for Income tax	-	59,44,995
Provision for Standard Assets	12,19,490	14,51,990
Total	13,33,286	74,72,614

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IFIN SECURITIES FINANCE LIMITED
 (Formerly known as Narayan Sriram Investments Private Limited)

Note 9 Long term Loans and advances

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
	a. Other loans and advances			
Secured, considered good	20,52,38,060		15,75,63,634	
Unsecured, considered good				
Doubtful				
Less: Provision for doubtful loans and advances				
		20,52,38,060		15,75,63,634
Total		20,52,38,060		15,75,63,634

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IFIN SECURITIES FINANCE LIMITED

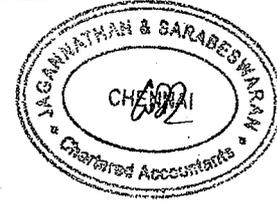
(Formerly known as Narayan Sriram Investments Private Limited)

Note 10 Current Investments

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Investment in Equity instruments	27,32,747	2,37,515
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	3,89,42,017	-
Total (A)	4,16,74,764	2,37,515
Less : Provision for diminution in the value of Investments	5,61,015	64,816
Total	4,11,13,749	1,72,699

Particulars	As at 31st March 2018	As at 31st March 2017
Aggregate amount of quoted investments (Market value)	4,11,13,749	1,72,699
Aggregate amount of unquoted investments	-	-



IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)

Note 11 Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017	
a. Balances with banks				
In Current Accounts with Scheduled Banks	20,54,241		46,23,676	
b. Cheques, drafts on hand	-	20,54,241	-	46,23,676
c. Cash on hand		5,286		16,336
Total		20,59,527		46,40,012

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IFIN SECURITIES FINANCE LIMITED
(Formerly known as Narayan Sriram Investments Private Limited)

Note 12 Short-term Loans and Advances

(Amount in Rs.)

Particulars	As at 31st Mar 2018		As at 31st March 2017	
a. Loans and advances				
Advances to Related parties	-		15,411	
Other Loans & Advances	36,174		39,850	
b. Others				
Secured, considered good	9,96,34,338		25,72,91,070	
Unsecured considered good	-		-	
Unsecured, considered doubtful	-		-	
Less: Provision for Doubtful debts	-	9,96,70,512		25,73,46,331
Balances with Govt Authorities	29,03,806	29,03,806	-	-
		10,25,74,318		25,73,46,331
Total		10,25,74,318		25,73,46,331

Note 13 Other current assets

Particulars	As at 31st Mar 2018		As at 31st March 2017	
Other Receivable	-	-	20,82,115	
Less: Write off	-	-	20,82,115	
Total		-		-

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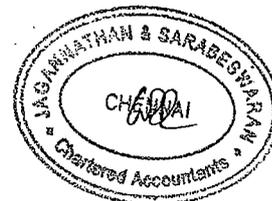
IFIN SECURITIES FINANCE LIMITED**(Formerly known as Narayan Sriram Investments Private Limited)****Note 14 Revenue from Operations****(Amount in Rs.)**

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Receipt from Loans	4,80,16,842	6,87,11,753
Processing Fees	16,92,500	25,17,500
Total	4,97,09,342	7,12,29,253

Note 15 Other Income

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Dividend income	8,310	10,010
Interest on IT Refund	3,38,450	-
Profit on Sale of Investments (Net)	15,42,017	3,30,034
Total	18,88,777	3,40,044

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IFIN SECURITIES FINANCE LIMITED

Note 16 Employee Benefits Expense

(Amount in Rs.)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Salaries and incentives	1,18,63,740	47,75,552
Contribution to Provident fund	1,56,692	1,12,125
Staff Welfare	36,218	93,658
Total	1,20,56,650	49,81,335

Note 17 Other Expenses

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Rent	21,00,000	24,67,125
Telephone expenses	9,49,334	7,47,053
Electricity Charges	5,00,000	7,98,573
Management Charges	-	48,30,493
Professional Charges	8,89,789	5,13,416
Office Maintenance	20,81,026	25,45,609
Tour, travel & Conveyance	1,38,793	48,94,541
Rates And Taxes	70,917	28,090
Information technology Expenses	3,01,765	3,02,996
Meeting Expenses	30,473	99,393
Sitting Fees	3,56,500	2,36,025
Commission paid / Processing fee	3,54,000	3,66,829
Insurance Charges	33,187	-
Service tax Expenses / GST Expenses	54,950	19,35,651
Court fee - Suit filing	-	20,82,115
Miscellaneous expenses	45,327	2,85,838
Total	79,06,061	2,21,33,747

Note 18 Provisions and loan losses

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Provision for Diminution in the value of shares	4,96,200	26,681
Provision for Standard Assets	(2,32,501)	2,10,076
Write off of Loan	1,96,34,943	-
Total	1,98,98,642	2,36,757

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IFIN Securities Finance Limited

(Formerly known as Narayan Sriram Investments Private Limited)

Note: 1

A. Significant Accounting Policies:

I. Method of Accounting:

The financial accounts have been prepared on accrual basis in accordance with Generally Accepted Accounting Principles in compliance with all material aspects which encompasses 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 financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the 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:

Interest Income

- Interest earned on Loans are accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

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 shareholder's right to receive payment is established.

IV. Fixed Assets and Depreciation:

- Fixed assets are stated at historical cost less accumulated depreciation. Depreciation on the fixed assets is provided on the written down value method in the manner prescribed under Schedule II of the Companies Act, 2013.

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▪ **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 statement of profit and loss. In case of any computer software, the same is identified as Intangible assets and is amortized based on useful life.

V. 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 statement of Profit and Loss 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.

VI. Loans:

Advances are Classified as Standard, Sub-Standard, Doubtful and loss as per the Non-banking Financial companies Prudential Norms (Reserve Bank) Directions, issued from time to time.

VII. Provisioning/Write-off of assets:

Non performing Loans are written off/provided for, as per management estimates, subject to the minimum provision required as per Non-Banking Financial Companies systemically important non deposit taking company (Reserve Bank) Directions, 2016.

VIII. 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 is long-term investments and provision for diminution in the value of long term investments is 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.

IX. Employee benefits:

(a) Defined contribution plan:

The Company's Provident Fund Scheme and other statutory funds are defined contribution plan and company's contribution paid/payable is recognized as expense in Statement of Profit & Loss during the period in which the employee renders the related service.

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(b) Defined benefit plan:

The Company's obligation towards Gratuity is a defined benefit plan and is being regulated as per provision of Gratuity Act, 1972. Gratuity obligation if any is determined based on Actuarial Valuation.

▪ **Compensated Absence-Leave Salary**

The company employees are entitled to 24 days of earned leave per year, out of this 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary. (calculated on the gross pay) This balance is allowed to be accumulated. The expenses arising therefrom are recognized in the statement of profit and loss.

X. 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 realised in future.

XI. Provision , Contingent Liabilities and Contingent Assets:

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

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

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

B. Notes forming part of the Accounts

I. Nature of business:

The company is primarily engaged in the business of margin funding, providing loan against shares & property, promoter funding etc.

II. The name of the company was changed to IFIN Securities Finance Limited vide Certificate of Registration dated 26th August 2013 from erstwhile name of Narayan Sriram Investments Private Limited.

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III. Loans Borrowed:

Loans Borrowed as on 31st March 2018 amounted to Rs.10,00,000 and the details of security offered thereon are as under :

(Amount in Rs.)

Loan Availed from	Loan Amount	Security
Aditya Birla Finance Ltd	10,00,000	Receivables of the Company along with a Comfort letter from IFCI Limited

IV. Contingent liabilities:

- i) Estimated amount of contracts remaining to be executed on Capital account and not provided for NIL (NIL).
- ii) Other Contingent liabilities NIL (NIL).

V. Managerial Remuneration:

(Amount in Rs.)

Particulars	2017-18	2016-17
To Whole Time Director		
(a) Salary, Allowances, Contribution to PF and other funds	2,87,509	28,50,367
Total	2,87,509	28,50,367

VI. Remuneration to auditor:

Nature of Service	2017-18	2016-17
Statutory Audit Fee	2,00,000	2,00,000
For quarterly reporting	79,500	79,500
Tax Audit and Other Fees	10,000	10,000
Service tax / GST	52,110	*72,425
Total	3,41,610	3,61,925

*Includes Rs.29,000/- paid to previous auditors.

VII. Employee Benefits:

- (a) The Company is making contribution to Provident fund which is a defined contribution plan and the amount charged to Statement of Profit & Loss is Rs.1,56,692/-(Rs.1,12,125/-)
- (b) The provisions of the Gratuity Act, 1972 are not applicable to the Company during the current financial year.
- (c) Leave encashment as per policy allowed by the Company during the financial year and the amount charged to Statement of profit & Loss is Rs.1,13,776/- (Rs.1,08,201/-)

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VIII. The Company shares certain costs/service charges on a mutually agreed basis with the holding company . Basis of sharing common expenses has undergone a change during the year due to which certain heads of expenditure are not comparable with the previous year .

IX. The company is primarily engaged the business of financing. As such there are no separate reportable segments as per Accounting standard 17.

X. 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.

Particulars	As on 31-03-2018	As on 31-03-2017
Net Profit / (loss)for the year available for the equity share holders (Before & after extra-ordinary Item)	52,72,123	2,56,64,811
Nominal value per equity share	100	100
Weighted Average No. of outstanding equity shares during the year – Basic & Diluted.	30,01,000	30,01,000
Basic & Diluted Earnings per Share (Before & after extra-ordinary Item)	1.76	8.55

XI. Current and Deferred Taxation:

- (a) The Company has provided for Minimum Alternative Tax (MAT) amounting to Rs.22,50,000/- (Rs.65,25,000) as per provisions of Sec 115JB of the Income Tax Act, 1961.
- (b) The company's carried forward losses results in Deferred Tax Asset which has not been recognized in these accounts as a matter of prudence.

XII. Related Party Disclosure as per AS 18:

- (a) Ultimate Holding Company : IFCI Limited
- (b) Holding Company : IFCI Financial Services Ltd
- (c) Fellow Subsidiaries :
- a) IFIN Commodities Limited
 - b) IFIN Credit Limited
 - c) IFCI Factors Limited
 - d) IFCI Venture Capital Funds Limited
 - e) IFCI Infrastructure Development Ltd
 - f) MPCON Limited
 - g) Stock Holding Corporation of india Limited

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Note: Fellow Subsidiaries (c) to (g) given above are subsidiaries of ultimate Holding Company, IFCI Limited.

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

Mr. Siril Nitesh Meti : COO & Whole Time Director
Till 24th May 2017.
Mrs. S.Usha : Managing Director

Relatives of Key Management Personnel: Nil

(e) Transaction with Related Parties:

(Amount in Rs.)

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies		Key Managerial Personnel	
		2017-18	2016-17	2017-18	2016-17
1	Managerial Remuneration	-	-	2,87,509	28,50,367
2	Loan Disbursed to IFCI Financial Services Ltd	-	5,00,00,000	-	-
3	Loan Repaid by IFCI Financial Services Ltd	-	5,00,00,000	-	-
4	Interest receivable from IFCI Financial Services Ltd	-	15,411	-	-
5	Expense reimbursed to IFCI Financial Services Ltd (exclusive of service tax)	1,25,00,000	1,25,00,000	-	-
6	Loan Availed from IFCI Ltd	-	7,50,00,000	-	-
7	Loan Repaid to IFCI Ltd	-	8,50,00,000	-	-
8	Interest paid to IFCI Ltd	-	15,84,808	-	-
9	Loan given to IFCI Venture Capital Funds Limited	4,50,00,000	-	-	-
10	Loan repaid by IFCI Venture Capital Funds Limited	4,50,00,000	-	-	-

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11	Interest/ Other Charges received from IFCI Venture Capital Funds Limited	7,33,822	-	-	-
12	Interest payable to IFCI Ltd	-	-	-	-
13	Letter of comfort – Commission Paid to IFCI Ltd	-	3,66,829	-	-

XIII. Foreign Exchange Inflow and Outflow

During the year, the company has spent a sum of Rs.NIL (NIL) in foreign exchange, towards travelling and conveyance. There is no foreign exchange income during the year.

XIV. As per the information and explanation given to us, the Company does not deal with vendors covered under Micro, Small & Medium Enterprises Development Act, 2006. Hence compliance and reporting in this regard does not arise.

XV. Figures of the previous year have been regrouped / recast 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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For JAGANNATHAN & SARABESWARAN
CHARTERED ACCOUNTANTS
FIRM REGD. No: 0912045

G.R. Ravi
G.R. RAVI
PARTNER - M.No:025669

The additional disclosures as required by RBI
 Disclosure Pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD)
 CC.No.002/03.10.001/2014-15 dated November 10, 2014:

I. Capital

Particulars		As at 31 st March'2018	As at 31 st March'2017
i	CRAR (%)	98.60	80.64
ii	CRAR - Tier I Capital (%)	98.25	80.64
iii	CRAR - Tier II Capital (%)	0.35	-
iv	Amount of subordinated debt raised as Tier-II	-	-
v	Amount raised by issue of Perpetual Debt Instruments	-	-

II. Investments (Amount in Lakhs)

Particulars		Current Year	Previous Year
1	Value of Investments		
i	Gross Value of Investments		
(a)	In India	416.75	2.37
(b)	Outside India,		
ii	Provisions for Depreciation		
(a)	In India	5.61	0.65
(b)	Outside India,		
iii	Net Value Of Investments		
(a)	In India	411.14	1.72
(b)	Outside India,		
2	Movement of provisions held towards depreciation on investments		
i	Opening balance	0.65	0.78
ii	Add: Provisions made during the year	5.05	-
iii	Less : Write-off/write-back of excess provisions during the year	0.09	0.13
iv	Closing balance	5.61	0.65

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III. Derivatives

Forward Rate Agreement / Interest Rate Swap

Since the company is not involved in the business of dealing in derivatives during the relevant period the disclosures in this regard are not applicable.

Exchange Traded Interest Rate (IR) Derivatives

Since the company is not involved in the business of dealing in derivatives during the relevant period the disclosures in this regard are not applicable.

Disclosures on Risk Exposure in Derivatives

Since the company is not involved in the business of dealing in derivatives during the relevant period the disclosures in this regard are not applicable.

IV. Disclosures relating to Securitisation

Since the company is not involved in the business of securitisation during the relevant period the disclosures in this regard are not applicable.

V. Details of Assignment transactions undertaken by NBFCs

Since there was no assignment transaction during the relevant period the disclosures in this regard are not applicable.

VI. Details of non-performing financial assets purchased/sold

Since the company has not purchased or sold any non-performing financial assets during the relevant period the disclosures in this regard are not applicable.

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VII. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(Amount In Lakhs)

Particular	Up to 30/31 Days	Over 1 Month & up to 2 Months	Over 2 Month & up to 3 Months	Over 3 Month & up to 6 Months	Over 6 Month & up to 1 Year	Over 1 Year & up to 3 Years	Over 3 years Month & up to 5 Years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	150.61	-	771.13	275.16	1851.83	-	-	3048.73
Investment	-	-	-	-	411.14	-	-	-	411.14
Borrowings	-	-	-	-	10.00	-	-	-	10.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

VIII. Exposures

Exposure to Real Estate Sector

Category		Current Year	Previous Year
a)	Direct Exposure		
i	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	Nil	Nil
ii	Commercial Real Estate		

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	Lending secured by mortgages on commercial real estate's (Office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction.	Nil	Nil
iii	Investments in Mortgage Backed Securities	Nil	Nil

	(MBS) and other securitised exposures		
a	Residential	Nil	Nil
b	Commercial Real Estate	Nil	Nil
Total Exposure to Real Estate Sector			

Exposure to Capital Market

(Amount in Crore)			
		Current Year	Previous Year
I	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
ii	Advance against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOS/ESOPS), convertible bonds, convertible debentures and units of equity-oriented mutual funds	20.47	19.25
iii	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	10.01	22.23
iv	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds ie where the primary security other than shares/convertible bonds / convertible debentures / units	-	-

	of equity		
V	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and markets makers	-	-
VI	Loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii	Bridge loans to companies against expected equity flows/issues	-	-
viii	All exposures to venture capital funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		30.48	41.48

IX. Details of financing of parent company products

The Company has extended Margin Funding Facility to the clients of its Parent Company, IFCI Financial Services Ltd, IFCI Limited.

X. Unsecured Advance

The Company has not advanced loan against intangible securities such as charge over the rights, licences, authority, etc as collaterals.

XI. Miscellaneous

Registration obtained from other financial sector regulators

No registration have been obtained from other financial sector regulators.

Disclosure of Penalties imposed by RBI and other regulators

No penalties were levied by RBI during the year

Ratings assigned by credit rating agencies and migration of ratings during the year

NOT APPLICABLE

XII. Additional Disclosures

1. Provisions and Contingencies

To facilitate easy reading of the financial statements and to make the information on all provisions and contingencies available at one place, NBFCs are required to disclose in the NTA the following information :

(Amount in Lakhs)		
Break up of "Provisions and Contingencies" show under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	4.96	0.27
Provision towards NPA (Write off- Write back)	196.35	-
Provision made towards Income Tax	22.50	65.25
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	(2.33)	2.10

2. Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down from reserves in the NTA – NOT APPLICABLE

3. Concentration of Deposits, Advances, Exposure and NPAs

Concentration of Deposits (for deposit taking NBFCs)

(Amount in Crore)	
Total Deposits of twenty largest depositors	Nil
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Nil

Concentration of Advances

(Amount in Crore)	
Total Advances to twenty largest borrowers	30.48
Percentage of Advances of twenty largest borrowers to Total Advance of the NBFC	97.00%

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Concentration of Exposures*

(Amount in Crore)	
Total Exposure to twenty largest borrowers / customers 15 only	30.48
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	97.00%

4. Sector-wise NPAS

S.No	Sector	Percentage of NPAS to Total Advances in that sector
1.	Agriculture & allied activities	NIL
2.	MSME	NIL
3.	Corporate borrowers	NIL
4.	Unsecured personal loans	NIL
5.	Auto loans	NIL
6.	Other personal loans	NIL

5. Movement of NPAS

(Amount in lakhs)		2017-18	2016-17
Particulars		Current Year	Previous Year
i	Net NPAS to Net Advances		
ii	Movement of NPAs (Gross)		
	(a) Opening balance	-	-
	(b) Additions during the year	196.35	-
	(c) Written off during the year	196.35	-
	(d) Closing balance	-	-
iii	Movement of Net NPAs		
	(a) Opening balance	-	-
	(b) Additions during the year	-	-
	(c) Written of Reductions during the year	-	-
	(d) Closing balance	-	-
Iv	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	-	-
	(b) Provisions made during the year	196.35	-
	(c) Write-off / write-back of excess provisions	196.35	-

(d)	Closing balance	-	-
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6. Overseas Assets (for those with joint ventures and subsidiaries abroad)-NOT APPLICABLE

7. Off-balance sheet SPV sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV Sponsored	
Domestic	Overseas
NA	NA

XIII. Disclosure of Complaints

Customer Complaints

(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	NIL
(c)	No. of complaints redressed during the year	NIL
(d)	No. of complaints pending attend the year	NIL

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For JAGANNATHAN & SARABESWARAN
CHARTERED ACCOUNTANTS
FIRM REGD. No: 0012045

G.R. Ravi
G.R. RAVI
PARTNER - M.No: 025669

ROUTE MAP FOR THE VENUE OF 29TH AGM OF IFIN SECURITIES FINANCE LIMITED

