



ANNUAL REPORT 2019-20

IFIN SECURITIES FINANCE LIMITED

ISFL Vision & Mission Statement



To be the Lender of the first choice

To be a Partner in Growth -
Building Lives and Businesses



IFIN SECURITIES FINANCE LIMITED

Board of Directors*

Mr. Ramesh NGS	Chairman & Director
Ms. Meera Ranganathan	Managing Director
Mr. Sanjay Wasantrao Tanksale	Additional Director (w.e.f. October 25th, 2019)
Mr. Sreekumaran V Nair	Nominee Director
Mr. Ramkumar Srinivasan	Director

* As on the date of this Report

Company Secretary

Ms. Pragyan Shree

Chief Financial Officer

Mr. A.V. Pushparaj

Statutory Auditors

M/s. Jagannathan & Sarabeswaran

FRN 0012045

Chartered accountants

Vivek Sarabeswaran

M.no: 206383

Partner

Registered Office

Continental Chambers, 3rd Floor

142, Mahatma Gandhi Road

Nungambakkam, Chennai - 600 034

Ph: 044 2830 6600

E-mail: cs@ifinltd.in

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NOTICE

Notice is hereby given that the 31st 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 Tuesday, October 27th, 2020 at 12.30 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, 2020, together with the Board of Directors' Report and Auditors' Report thereon.
2. To appoint a director in place of Shri Ramesh NGS, 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 2020-21, as may be deemed fit.”

AS SPECIAL BUSINESS

4. To appoint Shri Sanjay Wasantrao Tanksale as Director of the Company.
To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:



“RESOLVED THAT pursuant to provisions of Section 152 and 161 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] Shri Sanjay Wasantrao Tanksale (DIN: 02414203), who was appointed by the Board of Directors as Additional Director on October 25th, 2019 be and is hereby appointed as Director of the Company liable to retire by rotation with effect from October 27th, 2020.”

“RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company be and are hereby authorized to digitally sign and file necessary e-form with the Registrar of Companies and other statutory authorities as may be necessary in connection with the above appointment.”

Place: Chennai
Date: 23.09.2020



By Order of the Board
For IFIN Securities Finance Limited


Pragyan Shree
Company Secretary

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.

Explanatory Statement

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business under Item no. 4 accompanying the Notice:

4. To appoint Shri Sanjay Wasantrao Tanksale as Director of the Company.

Shri Sanjay Wasantrao Tanksale (DIN: 02414203) was appointed as the Additional Director by the Board of Directors with effect from October 25th, 2019 in accordance with provision of Section 152 and 161 of the Companies Act, 2013 and will hold office of Directorship only until the conclusion of this Annual General Meeting under Section 161 of the Companies Act, 2013.

A brief profile of Shri Sanjay Wasantrao Tanksale is provided below for the reference of the members:

Shri Sanjay Wasantrao Tanksale is a seasoned banker with over 38 years of experience in banking and financial services industry. He joined State Bank of India as a Probationary Officer in Oct 1976 and worked at various centers in India and abroad (London) before retiring in the rank of Chief General Manager in August 2014. He was also on deputation to IDBI Bank as their Executive Director and Chief Vigilance Officer in Mumbai. He had significant exposure to both Operational as also non-Operational assignments. He has a rich and varied experience of working in all major areas of Banking like Retail banking, Commercial banking, International banking, Investment banking, Transaction banking at various levels. Since Oct, 2015, he is also a Nominee Director of State Bank of India on the Board of M/S Praibha Syntex Ltd, an unlisted Public Limited Company at Pithampur near Indore, which is engaged in the manufacture of Cotton Textiles, primarily for Exports.

In terms of requirement of provisions of Companies Act, 2013 approval of members of the Company is required for regularization of Shri Sanjay Wasantrao Tanksale. Hence, the Directors recommend the resolution at Item No.4 as Ordinary Resolution for the approval of Shareholders.

None of the Directors and the Key Managerial Personnel of the Company and their relatives except Shri Sanjay Wasantrao Tanksale, are in any way concerned or interested in the said resolution.

By Order of the Board
For IFIN Securities Finance Limited




Pragyan Shree

Company Secretary

Place: Chennai

Date: 23.09.2020

Annexure - A

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

Name of the Director	Shri Ramesh N G S	Shri Sanjay Wasantrao Tanksale
Date of Birth	October 14, 1961	August 22, 1954
Date of Appointment	June 17 th , 2019	October 25 th , 2019
Expertise in Specific functional area	Financial Services and Banking	Retail Banking, Commercial Banking, International Banking, Credit Management, Vigilance, Investment Banking, Transaction banking at various levels.
Qualification	B.Sc., PGDIFM	M.Sc. & C.A.I.I.B
Experience	30 plus years of experience in banking and Financial Services	38 plus years of experience in banking and financial services
Directorships in other Companies	1. Stockholding Securities IFSC Limited 2. SHCIL Services Limited 3. Wonder Home Finance Limited 4. Stockholding Corporation of India Limited 5. Stockholding Document Management Services Limited 6. IFCI Financial Services Limited 7. IFIN Commodities Limited 8. IFIN Credit Limited	1. Pratibha Syntex Limited
Number of Board Meetings attended during the Year	5	2
Chairman/ Membership of the Committee across all Companies	Nil	Chairman of Audit Committee [IFIN Securities Finance Limited] Chairman of Nomination & remuneration Committee [IFIN Securities Finance Limited] Member of Audit Committee [Pratibha Syntex Limited] Member of Nomination & remuneration Committee [IFIN Securities Finance Limited]
Shareholding in the Company	Nil	Nil
Relationship with other Directors	Nil	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 31st Annual General Meeting of the Company held on Tuesday, October 27th, 2020 at 12.30 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	U65991TN1989GO1017792
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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **31st Annual General Meeting** of the Company, to be held on **Tuesday, October 27th, 2020 at 12.30 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:

Item No.	Resolutions	For	Against
Ordinary Business			
1.	Receive, consider and adopt the audited Financial Statements of the Company for the year ended on March 31, 2020, together with the Board of Directors' Report and Auditors' Report thereon.		
2.	Appoint a director in place of Shri Ramesh NGS, 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		
Special Business			
	To appoint Shri Sanjay Wasantrao Tanksale as Director of the Company.		



Signed this _____ day of _____ 2020.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

The form of Proxy, in order to be effective, should be duly completed and deposited at the registered office of the company not less than 48 Hours before the commencement of the Meeting.

1. A Proxy need not be a member of the Company.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
3. The form of Proxy confers authority to demand or join in demanding a poll.
4. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
5. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



ROUTE MAP FOR THE VENUE OF 31st ANNUAL GENENRAL MEETING OF IFIN SECURITIES
FINANCE LIMITED



BOARD'S REPORT

To
The Members of
IFIN Securities Finance Limited

The Board of Directors of your Company presents the 31st Annual Report of IFIN Securities Finance Limited (ISFL) together with the Audited Financial Statement, for the year ended on March 31st, 2020.

1. Financial Performance

(Rs. in lakh)

Particulars	YE 31.03.2020	YE 31.03.2019
Revenue from operations	158.24	499.71
Other income	81.98	41.16
Total income	240.23	540.87
Employee cost	146.03	125.15
Finance cost	0.00	0.33
Depreciation and Amortization Expense	0.76	0.15
Fees and Commission Expense	0.63	0.40
Net loss on fair value changes	8.08	7.17
Impairment on financial instruments	*53.56	708.83
Other expenses	53.35	78.87
Total expenses	262.41	920.90
Profit Before Tax, Provision, Prior Period Items	(22.18)	(380.03)
Exceptional Items	-	-
Profit/ (loss) before tax	(22.18)	(380.03)
Tax	-	54.52
PAT	(22.18)	(434.55)
Book size	284.332	1898.37
Own funds	2716.66	2881.49
Borrowings	-	-

**Note: Impairment on financial instruments mainly includes Bad debts written off during the current year is Rs.850.00 lakh for which Provision already provided till Mar. 2020 is Rs.814.26 lakh. Hence, bad debts reflected in the current year profit and loss account is Rs.15.74 lakh.*



2. Business Outlook and Performance

India's NBFC sector continues to remain at the forefront in driving new credit disbursements for the country's underserved retail and MSME market. Over the last five years, the NBFC lending book has grown at nearly 18% driven by a deep understanding of target customer segments, use of technology advances, lean cost structures and differentiated business models to reach credit-starved segments. However, the advent of the Covid -19 Pandemic has caused a major disruption in the lending activities of NBFC.

The Government of India, in a series of measures to address stress to the borrowers due to the lockdown imposed due to the Covid – 19 pandemic, announced moratorium on loans taken by borrowers till 31st August 2020. NBFC's which were already reeling under liquidity challenges in FY 2019-20 had to reckon with delayed repayments from customers and more stress on liquidity due to the same. To address the same, the Reserve Bank of India announced Targeted Long Term Repo rate Operations (TLTRO) to the tune of Rs. 50,000 crores, with a stipulation that the same shall be invested by banks in investment grade bonds, Commercial Papers, and non-convertible debentures of NBFC's with at least 50% as investment in small and mid-size NBFC's and MFI's. Also the Government of India has launched Partial Credit Guarantee Scheme (PCGS) to the tune of Rs. 45,000 crore. The NBFC's are expected to utilize the same fully. However, the inflows from PCGS are expected to cover the cash flow for repayments rather than for disbursement of fresh loan.

NBFC's are also caught between "Scylla and Charybdis" in the sense that their repayments are strained due to the moratorium announced on the one hand and the lack of fresh loan off take on the other hand. With the economy projected to go into a recession with 9 continuous quarters of de-growth, NBFC's are faced with challenges for their survival. However, well managed and deep pocketed NBFC's are expected to tide over the present crises.

Despite the above challenges, it is to be noted that ISFL is cautiously optimistic on improvement in business. As ISFL primarily lends against securities which are tradable in the capital markets, ISFL expects the business to pick up during the second half of FY 2020-21. Having factored in the COVID-19 shocks on the economy, the stock prices have started moving north, with investors and traders staying put for the long run in the stock market. ISFL with emphasis on "Quality at Source" is confident of approving only quality proposals, thereby minimizing credit quality concerns.

For the FY 2019-20, it is to be noted that ISFL has not incurred any fresh NPA's and all the accounts disbursed during FY 2019-20 are standard accounts as on March 31st 2020.



The interest income and fees have decreased from Rs.331.12 lakh in FY 2018-19 to Rs. 76.55 lakh during FY 2019-20 and that the total income from operations also decreased from Rs. 540.87 lakh during 2018-19 to Rs. 240.23 lakh during 2019-20.

The other income for year ended March 31st, 2020 was Rs.81.98 lakh, which mainly includes interest on fixed deposits with banks of Rs. 31.65 lakh and Profit on sale of investments of Rs 48.10 Lakhs as compared to Rs. 41.59 lakhs in the corresponding year 2018-19.

On expense front, the finance cost was nil as compared to Rs 0.33 Lakh primarily due to reduction in loan book size and operational cost (i.e., Fees and Commission expenses and Other Expenses) decreased from Rs 79.26 lac in FY 2018-19 to Rs. 53.97 lakh in FY 2019-2020 mainly due to reduction in the sharing of expenses with IFCI Financial Services Limited. In FY 2019-20, increase in Employee cost of Rs.20.88 lakh, mainly due to salary and allowance of Managing Director who is on deputation from Stock Holding Corporation of India Ltd (SHCIL) reimbursed (including taxes) to SHCIL of Rs.36.74 lakh included in FY 2019-20 coupled with decrease in employee cost sharing with IFIN of Rs.13.34 lakh compared to the corresponding previous FY 2018-19.

Impairment on financial instruments mainly includes Bad debts written off during the current year is Rs.850.00 lakh for which Provision already provided till March 31st, 2020 is Rs.814.26 lakh. Hence bad debts reflected in the current year profit and loss account is Rs.35.73 lakh.

In FY 2019-20, due to the above provision pertains to the previous year, the company recorded a loss of Rs. 22.18 lakh as compared to loss of Rs.434.55 lakh in the previous financial year.

3. Dividend

No dividend is being recommended by the Directors for the year ended March 31st, 2020.

4. Transfer To Reserves

For the FY 2019-20, the Company had reported a net loss of Rs. 22.20 lakh and hence no amount was transferred to the Statutory Reserves during the year.

5. Directors and Key Managerial Personnel

Changes in Directors and KMP during the year:

Mr. V Ramanan (DIN: 02754562), Independent Director resigned from the board on August 29th, 2019 consequent upon his tenure as an Independent Director as per the terms of his appointment ended on that date. Your directors place on record their sincere appreciation for the significant contributions



made by Mr. V Ramanan, as an Independent Director of the company.

- ii) Mr. Karra Visweswar Rao (DIN: 08111685), Managing Director resigned from the Board with effect from June 1st, 2019 following the withdrawal of his nomination by IFCI. Your directors place on record their sincere appreciation for the significant contributions made by Mr. Karra Visweswar Rao, as Managing Director of the company.
- iii) Mr. Biswajit Banerjee ((DIN: 02602582), Director vacated his office as Director of the company with effect from May 23rd, 2019 following the withdrawal of his nomination by IFCI. Your directors place on record their sincere appreciation for the significant contributions made by Mr. Biswajit Banerjee, as Director of the company.
- iv) The Board of Directors appointed Ms. Meera Ranganathan (DIN: 08180208) as the Managing Director of the Company with effect from May 29th, 2019 for a term of one year. The term of Ms. Meera Ranganathan was further extended for the period of one year with effect from May 29th, 2020 on the existing terms and conditions.
- v) The Board of Directors appointed Mr. Ramesh NGS (DIN:06932731) as an Additional Director of the company with effect from June 17th, 2019 and was subsequently regularized as Director of the company at the 30th Annual General Meeting held on September 17th, 2019.
- vi) The Board of Directors appointed Mr. Sanjay Wasantrao Tansale (DIN: 02414203) as an Additional Director of the company with effect from October 25th, 2019.
- vii) Mr. Ramkumar Srinivasan (DIN: 01175498), who retired by rotation at the 30th Annual General Meeting held on September 17, 2019, was re-appointed as the Director of the Company.
- viii) The Board of Directors appointed Ms. Pragyan Shree as Company Secretary of the company with effect from November 7th, 2019 in place of Mr. Sabareeswar T who resigned on September 6th, 2019. Your directors places on record their sincere appreciation and guidance provided by Mr. Sabareeswar T during his tenure as Company Secretary of the company.
- ix) The board of directors appointed Mr. Madan Mohan Nayak as Chief Financial Officer w.e.f from November 7th, 2019 in place of Mr. A V Pushparaj who resigned w.e.f. November 4th, 2019. Your directors places on record their sincere appreciation and guidance provided by Mr. Sabareeswar T during his tenure as Chief Financial Officer of the company.
- x) The board of director appointed Mr. A V Pushparaj as Chief Fiancial Officer of the company w.e.f February 3rd, 2020 in place of Mr. Madan Nayak who resigned w.e.f. Decenber 3rd, 2019, since Mr. A Pushparaj is IFIN Group CFO and well known to the back ground and working of the company.



As at March 31, 2020, the Board consisted of 5 (five) Directors comprising of Two Nominee Director, Two Directors 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 March 31st, 2020 is as given below:-

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on March 31 st , 2020
		No. of Meetings during the tenure of respective directors in FY 2019-20		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Mr. Karra Visweswar Rao ^(a)	1	1	0
2.	Mr. Biswajit Banerjee ^(b)	1	1	4
3.	Mr. V Ramanan ^(c)	3	3	9
4.	Mr. Ramesh NGS	5	5	8
5.	Mr. V S Nair	6	3	3
6.	Mr. Sanjay Tanksale	2	2	1
7.	Mr. Ramkumar Srinivasan	6	6	1
8.	Ms. Meera Ranganathan	5	5	1

Notes:

a) The nomination of Shri Biswajit Banerjee was withdrawn by the appointing authority with effect from May 23, 2019.

b) Mr. Karra Visweswar Rao who was appointed as the Managing Director of the Company with effect from May 8, 2018 for a term on one year in place of Mrs. S Usha who had retired from the services of the Company on April 27, 2018. Thus, his tenure got expired on May 8, 2019. The Board of Directors at their meeting held on April 17, 2019 had extended the tenure of Mr. Karra Visweswar Rao upto May 31, 2019. The appointing authority on June 01, 2019 had withdrawn the nomination of Mr. Karra Visweswar Rao.

c) Mr. V Ramanan resigned from the office of Independent Director due to expiry of his tenure with effect from August 29th, 2019.



During the Financial Year 2019-20 Six (6) Board Meetings were held on the following dates:

April 17 th , 2019	June 17 th , 2019	August 8 th , 2019
September 17 th , 2019	November 7 th , 2019	February 3 rd , 2020

6. Committee of Board of Directors

A) 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 31st, 2020 is as follows:

S. No.	Name of the Director	Designation /Category	No. of Meetings during the tenure of respective directors in FY 2019-20	
			Held	Attended
1.	Mr. Sanjay Wasantrao Tanksale	Chairman	2	2
2.	Ms. Meera Ranganathan	Member	3	3
3.	Mr. Ramkumar Srinivasan	Member	5	5
4.	Mr. Karra Visweswar Rao ^(a)	Member	1	1
5.	Mr. V Ramanan ^(b)	Chairman	3	3

Notes:

(a) Mr. Karra Visweswar Rao, Member had retired from the services of the Company with effect from June 1st, 2019 and the Committee was reconstituted on June 17th, 2019 by addition of Ms. Meera Ranganathan in place of Mr. Karra Visweswar Rao.

(b) Mr. V Ramanan, Chairman has resigned from the services of the Company with effect from August 29th, 2019 and the committee was reconstituted on October 25th, 2019 by addition of Mr. Sanjay Wasantrao Tanksale in place of Mr. V Ramanan.

The Committee met five (5) times during the year with necessary quorum on the following dates:

April 17, 2019	June 17 th , 2019
August 8 th , 2019	November 7 th , 2019
	February 3 rd , 2020



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.

B) 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 31st, 2020 is as follows:

S. No.	Name of the Director	Designation Category	No. of Meetings during the tenure of respective directors in FY 2019-20	
			Held	Attended
1.	Mr. Sanjay Wasantrao Tanksale	Chairman	2	2
2.	Ms. Meera Ranganathan	Member	2	2
3.	Mr. Sreekumaran V Nair	Member	4	3
4.	Mr. Karra Visweswar Rao ^(a)	Member	1	1
5.	Mr. V.Ramanan ^(b)	Chairman	2	2

Notes:

- a) On June 17, 2019, the Committee was reconstituted to replace Ms. Meera Ranganathan as a member in place of Mr. Karra Visweswar Rao.
- b) The Committee was again reconstituted on October 25th, 2019 to replace the Chairman Mr. V Ramanan with Mr. Sanjay Wasantrao Tanksale on account of expiry of his tenure.



The Committee met Four (4) times during the year with necessary quorum on the following dates:

April 17 th , 2019	June 17 th , 2019
November 7 th , 2019	February 3 rd , 2020

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.

C) Other Committees:

The Company has also formed the following committees:

- i) Credit Committee
- ii) Internal Complaints Committee Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- iii) Risk Management Committee
- iv) Asset Liability Committee (ALCO) Committee
- v) Investment 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, 2020 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:	https://www.isflonline.com/aboutus
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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:	https://www.isflonline.com/docs/4.%20Annexure%20-%20III%20-%20NRC%20Policy.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 2019-20. C&AG shall appoint the Statutory Auditors for the Financial Year 2020-21.

12. Details of Frauds

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

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

The report of Comptroller & Auditor General of India on the accounts for the year ended 31st March, 2020 under Companies Act, 2013 is attached herewith as **Annexure-II** to this report.



14. 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.

15. Disclosure requirements as per RBI regulations for NBFCs

The Company during the whole of the Financial Year ended March 31, 2020, 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.

16. 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.

17. 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.

During the financial year 2019-20, the company has no material significant transactions with the related parties which may have a potential 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-III** in Form AOC-2.

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

During the Financial Year 2020-21, 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.



19. 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 31st, 2020) and the date of this report.

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

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

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

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

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

21. 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.

22. 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 had appointed Mr. K Gnanaprakash as the Internal Auditor of the Company for the FY 2019-20 to conduct internal audit of the functions and the activities of the Company in tune with the directions issued by RBI on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs vide DNBR.PD.CC.No.090/03.10.001/2017-18 dated November 9, 2017.

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



23. 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 Managing Director of the company and the Chairman of the Audit Committee, as the case may be.

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

24. 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.

25. 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 June 12th, 2020.

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 June 12th, 2020.

26. 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.



27. 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.

28. 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, Reserve Bank of India, Stock Exchanges, clients, statutory authorities, employees and other stakeholders of the Company.

For and on behalf of IFIN Securities Finance Limited


Meera Ranganathan
Managing Director


Ramkumar Srinivasan
Director

Date: 29.07.2020

Place: Chennai



Annexure -I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

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	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-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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) FII's									
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 - DR										
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.	Mrs. Chandra Ramesh (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
3.	Mr. Ram Kumar Srinivasan	1	0.00	NIL	1	0.00	NIL	NIL



	(Nominee of IFCI Financial Services Limited)							
4.	Mr. O Ramesh Babu (Nominee of IFCI Financial Services Limited)	0	0.00	NIL	1	0.00	NIL	NIL
5.	Smt V. S. Nair (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
6.	Smt Manjula S (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
7.	Shri A V Pushparaj (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	1	0.00	NIL	NIL
8.	Shri Karra Visweswar Rao (Nominee of IFCI Financial Services Limited)	1	0.00	NIL	0	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. Mr. Ram Kumar Srinivasan	1	0.00	1	0.00
	b. Mr. Karra Visweswar Rao	1	0.00	1	0.00
	c. Mr. Sreekumaran V Nair	1	0.00	1	0.00
	d. Mr. A V Pushparaj (CFO)	1	0.00	1	0.00
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	*1	0.00	*1	0.00
3	At the end of the year				
	e. Mr. Ram Kumar Srinivasan	1	0.00	1	0.00
	f. Mr. Sreekumaran V Nair	1	0.00	1	0.00
	g. Mr. A V Pushparaj (CFO)	1	0.00	1	0.00

*NOTE * :- During the year under review, Shri Karra Visweswar Rao vacated his office as director w.e.f. June 1st, 2020 and his shareholding (One Share) has been transferred to Shri O Ramesh Babu with effect from June 17th, 2019.*



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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager*	Total Amount (In Rs)
		Meera Ranganathan [Managing Director]*	
1	Gross salary	31,13,961	31,13,961
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,13,961	31,13,961
	(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 (A)	31,13,961	31,13,961
	Ceiling as per the Act(as per Schedule V of the Companies Act, 2013)	The remuneration payable to any one MD/WTD or manager shall not exceed 5% of the net profits of the company.	

*1) The nomination of Mr. Karra Visweswar Rao was withdrawn by the appointing authority with effect from June 1, 2019 and Ms. Meera Ranganathan was appointed as Managing Director of the company with effect from June 17th, 2019.



B. Remuneration to other directors

S. No	Particulars of Remuneration	Name of Directors		Total Amount In Rs.
1	Independent Directors/ Non-Executive Directors	Mr. V.Ramanan (Independent Director)	Mr. Sanjay Wasantrao Tanksale (Non- Executive Director)	
	Fee for attending board/ committee meetings	49,500	36,000	85,500
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	49,500	36,000	85,500
2	Other Non-Executive Directors	-	-	-
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	49,500	36,000	85,500
	Total Managerial Remuneration*			NIL
	Overall Ceiling as per the Act.			N/A

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO (Mr. Madan M. Nayak)	Total Amount (in Rs.)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,46,457	3,27,331	773,788
	(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	-	4,46,457	3,27,331	773,788
<i>Note: (i) The remuneration paid to CS includes remuneration paid to Mr. Sabareeswar T from period April 1st, 2019 to September 6th, 2019 and remuneration paid to Ms. Pragyan Shree from period October 25th, 2020 to March 31st, 2020.</i>					

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


 Meera Ranganathan
 Managing Director


 Ramkumar Srinivasan
 Director

Date: 29.07.2020

Place: Chennai



ANNEXURE - II

भारतीय लेखा तथा सेवा परीक्षा विभाग
कार्यालय महाभित्तिदेशक वाणिज्यिक लेखा परीक्षा, चेन्नई
*Indian Audit and Accounts Department
Office of the Director General of Commercial Audit, Chennai*

No. DGCA/CHENNAI/CA-II/IFIN Securities 2-172/2020-21/98

Dated:08.09.2020

To

The Managing Director,
IFIN Securities Finance Limited,
142, Continental Chambers,
Mahatma Gandhi Road,
Nungambakkam,
Chennai-34.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of IFIN Securities Finance Limited, Chennai for the year ended 31 March 2020.

I forward herewith the comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013 on the financial statements of IFIN Securities Finance Limited, Chennai, for the year ended 31 March 2020.

Five copies of Printed Annual Report of your company may be arranged to be forwarded to this office. The date of holding of Annual General Meeting may also be intimated.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,


(R. AMBALAVANAN)

DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI

Encl: Audit Certificate



ANNEXURE -II**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 2020**

The preparation of financial statements of IFIN Securities Finance Limited for the year ended 31 March 2020 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 12 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFIN Securities Finance Limited for the year ended 31 March 2020 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



**(R. AMBALAVANAN)
DIRECTOR GENERAL OF COMMERCIAL AUDIT, CHENNAI**

Place: Chennai
Date: 08 September 2020



Annexure - III
Form No. AOC - 2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of 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


Meera Ranganathan
Managing Director


Ramkumar Srinivasan
Director

Place: Chennai

Date: 29.07.2020



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

Our Opinion

We have audited the accompanying Ind AS financial statements of IFIN Securities Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, 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.

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 Companies Act, 2013 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 March 31, 2020, and its loss, and its Cash Flow for the year then ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be a key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed
Impairment of financial instruments (expected credit losses) Ind AS 109 requires the Company to provide for impairment of its financial instruments using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and	Our audit procedures were designed <ul style="list-style-type: none">• considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.• Evaluating the appropriateness of application of accounting principles based on



Key Audit Matter	How the matter was addressed
<p>supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans against shares and margin funding. In the process, a significant degree of judgement has been applied by the management in determining the quantum of loss based on several factors such as:</p> <ul style="list-style-type: none"> • Segmentation of loans • Loan staging criteria • Calculation of probability of default (PD) and Loss given default (LGD) • Consideration of probability weighted scenarios and forward looking economic factors. <p>On 11th March 2020, the World Health Organisation (WHO) declared COVID-19 as a global pandemic and the nation-wide lockdown has substantially impacted businesses and in particular the effect on the Company's operations and financial accounting and reporting processes and the financial impact on the Company's borrowers and their ability to service the loans.</p> <p>The Company has done a qualitative assessment of loan portfolio and considering a higher probability of default considering drop in underlying value of securities and interest moratoriums / deferrals, its past experience during other times of stressed economic situations, and also on basis of updated macro-economic scenarios and has factored in the potential impact of COVID-19 in its ECL provision for the year.</p> <p>Given the judgement involved in the estimation of expected credit losses, we have considered this area as a key audit matter.</p>	<p>requirements of IndAS 109 and our understanding of the business.</p> <ul style="list-style-type: none"> • Validating the reasonableness of assumptions used in the ECL model for grouping and staging of loan portfolio into various categories and defaults for determining the PD and LGD rates. • Testing the operating effectiveness of the controls for staging of loans based on their past-due status. • Performing test of details over calculation of impairment allowance for assessing the correctness of the same • Ensuring that the disclosures included in the Ind AS financial statements in respect of expected credit losses meet with the requirements of Ind AS 107 and 109. • Assessing the factual accuracy and appropriateness of the additional disclosures made by the company regarding impact of COVID-19.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flow of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



making judgments and estimates that are reasonable and prudent ; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement , whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to Cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".
- (g) The Dept. of Company Affairs has vide notification No. GSR 463(E) dated 5th June'2015 exempted Government companies from the provisions of Section 197 and reporting by us on the remuneration paid by the Company to its Directors in excess of limits laid down under this Section is not applicable to this company, being a government company.



(h) 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 required to be transferred to the Investor Education and Protection Fund by the Company.

UDIN - 20206383AAAAAL8289

For Messrs. Jagannathan & Sarabeswaran
Firm Reg. No. 01204S



Vivek Sarabeswaran
(Partner)
Chartered Accountants
M.No. 206383

Place: Chennai
Date: 12-06-2020



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 not granted any loans secured or unsecured loans to companies covered in the Register maintained under section 189 of The Companies Act, 2013.
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 guarantee 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. Considering 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, GST, and other dues. There are no undisputed statutory dues which were outstanding for more than six months as at 31st March 2020 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 and GST 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. There has been no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.



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.
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
Chartered Accountants
Firm Reg. No. 01204S


Vivek Sarabeswaran
(Partner)
M.No. 206383

Place: Chennai
Date: 12-06-2020



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, (Applicable from the accounts of 2018-19) vide CAG office letter no.4/CA-II/Dir-Sub Dir/11-2015/Vol II dated 29 January 2019 for conducting audit of annual accounts for the financial year 2019-20

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.

All the accounting transactions have been processed through the IT system using Tally accounting software. Outside of the Tally software no processing of transactions are generally undertaken except for accounting compliance purposes.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest, etc., made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

There has been write-off of two loan accounts amounting to Rs 8,49,99,160 during the financial year, and these have been reported as fraudulent cases to The Reserve Bank of India in FRM-2 &3 for the quarter ended 30th September 2019. The details of write-off are as follows:

S.No	Name of the borrower	Date of write off	Amount written off in INR
1.	Harshaben Hirji Thakkar	30-09-2019	3,99,99,161
2.	Harshad Hirji Thakkar	30-09-2019	4,49,99,999
Total			8,49,99,160

3. Whether funds received/receivable for schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.

The company is a Non Banking Financial Company registered with Reserve Bank of India and it did not receive any funds from any government agency.

For Jagannathan & Sarabeswaran
Firm Reg. No. 001204S


Vivek Sarabeswaran
(Partner)
Chartered Accountants
M.No. 206383

Place: Chennai
Date: 12-06-2020



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IFIN SECURITIES FINANCE LIMITED

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

We have audited the internal financial controls over financial reporting of IFIN Securities Finance Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) 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, 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 March 31, 2020, 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.

For Messrs. Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S



Vivek Sarabeswaran
Partner
(M.No.206383)

Place: Chennai
Date: 12-06-2020



IFIN SECURITIES FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

(Amounts in Rs.)

ASSETS			
Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
(1) Financial Assets			
(a) Cash and cash equivalents	1	5,348,632	14,503,213
(b) Bank balances other than above	2	73,400,000	-
(c) Derivative Financial Instruments		-	-
(d) Receivables		-	-
(i) Trade Receivables		-	-
(e) Loans	3	26,649,678	108,410,259
(f) Investments	4	180,911,158	167,674,171
(g) Other Financial Assets	5	880,567	261,305
(2) Non - Financial Assets			
(a) Inventories		-	-
(b) Current Tax Assets (Net)	6	2,729,199	3,618,758
(c) Deferred Tax Assets (Net)		-	-
(d) Investment Property		-	-
(e) Biological assets other than bearer plants		-	-
(f) Property, Plant and Equipment	7	47,329	123,833
(g) Capital work - in - progress		-	-
(h) Intangible assets under development		-	-
(i) Goodwill		-	-
(j) Other Intangible Assets	8	1	1
Total Assets		289,966,564	294,791,540

(Amounts in Rs.)

LIABILITIES AND EQUITY			
Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
LIABILITIES			
Financial Liabilities			
(a) Derivative financial Instruments		-	-
(b) Payables		-	-
(I) Trade Payables		-	-
(II) Other Payables	9	2,992,299	3,126,866
(c) Debt Securities		-	-
(d) Borrowings (Other than Debt Securities)		-	-
(e) Deposits		-	-
(f) Subordinated Liabilities		-	-
(g) Other financial liabilities		-	-
Non-Financial Liabilities			
(a) Current tax liabilities (Net)	10	-	2,707,887
(b) Provisions	11	1,043,048	807,343
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-financial liabilities		-	-
Equity			
(a) Equity Share capital	12	300,100,000	300,100,000
(b) Other Equity	13	(14,168,783)	(11,950,556)
Total Liabilities and Equity		289,966,564	294,791,540

The accompanying notes 1 - 24 & Other Notes - 1 to XIV form an integral part of the financial statements

For Messrs Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204/S

(Signature)
Vivek Sarabeswaran
Partner
Membership No.205383

Place : Chennai
Date : 12th June 2020



For and on behalf of the Board of Directors of
IFIN Securities Finance Limited

(Signature)
Meera Rangarathan
Managing Director

(Signature)
AV. Pushparaj
Chief Financial Officer

(Signature)
Ramlumar Srinivasan
Director

(Signature)
Pragyan Shree
Company Secretary

IFIN SECURITIES FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amounts in Rs.)

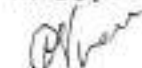
S No.	Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
I	Revenue From Operations			
	(i) Interest income including processing fees	14	7,655,754	33,112,796
	(ii) Net gain on fair value changes	15	5,968,673	3,014,606
	(iii) Net gain on derecognition of financial instruments under amortised cost category	16	-	13,799,998
	(iv) Others	17	2,200,150	-
	Total Revenue From Operations		15,824,576	49,927,400
II	Other Income	18	8,198,735	4,159,660
III	Total Income (I+II)		24,023,312	54,087,060
IV	EXPENSES			
	(i) Finance costs	19	-	33,223
	(ii) Commission expenses	20	62,663	39,825
	(iii) Net loss on fair value changes	21	808,280	717,138
	(iv) Net loss on derecognition of financial instruments under amortised cost category		-	-
	(v) Impairment on financial instruments	22	5,356,354	70,883,325
	(vi) Employee benefits expenses	23	14,603,024	12,514,796
	(vii) Depreciation, amortization and impairment	7 & 8	76,504	14,625
	(viii) Other expenses	24	5,334,217	7,887,089
	Total expenses (IV)		26,241,542	92,090,021
V	Profit / (loss) before exceptional items and tax (III - IV)		-2,218,230	-38,002,962
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		-2,218,230	-38,002,962
VIII	Tax expense:			
	(1) Current tax		-	5,451,948
	(2) Deferred tax		-	-
IX	Profit / (loss) for the period from continuing operations (VII - VIII)		-2,218,230	-43,454,910
X	Profit / (loss) from discontinuing operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit / (loss) for the period from discontinued operations (after tax) (X - XI)		-	-
XIII	Profit / (loss) for the period (IX+XII)		-2,218,230	-43,454,910
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss		-	-
	A (ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
	Subtotal (A)		-	-
	B (i) Items that will be reclassified to Profit or Loss		-	-
	B (ii) Income Tax relating to items that will be reclassified to Profit or Loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A+B)		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (loss) and other Comprehensive Income for the period)		-2,218,230	-43,454,910
XVI	Earnings Per share (for the continuing Operations)			
	Basic (Rs.)	VI	-0.74	-14.48
	Diluted (Rs.)	VI	-0.74	-14.48
XVII	Earnings Per share (for the discontinuing Operations)			
	Diluted (Rs.)		-	-
XVIII	Earnings Per share (for the continuing and discontinuing Operations)			
	Basic (Rs.)	VI	-0.74	-14.48
	Diluted (Rs.)	VI	-0.74	-14.48

The accompanying notes 1 - 24 & Other Notes - I to XIV form an integral part of the financial statements

For Messrs Jagannathan & Sarabeswaran

Chartered Accountants

FRN 001204S



Vivek Sarabeswaran
Partner
Membership No.206383

Place : Chennai
Date : 12th June 2020



For and on behalf of the Board of Directors of
IFIN Securities Finance Limited



Meera Ranganathan
Managing Director



AV Pushparaj
Chief Financial Officer



Ramkumar Srinivasan
Director



Pragnan Shree
Company Secretary

IFIN SECURITIES FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amounts in Rs.)

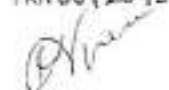
Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per P&L a/c		-2,218,230		-38,002,961
Adjustments for:				
Depreciation on Property, plant and equipment	76,504		14,625	
Provision for diminution in value of Trade Investments	808,280		717,138	
Gain in fair value of Trade Investments	-5,968,673		-3,014,606	
Loan Impairment provisions / (Write-back)	5,356,354		70,883,326	
Capital gains on sale of Mutual funds	-4,809,713		-4,116,114	
		-4,537,247		64,484,369
Operating Profit before adjustment for financial and non- financial assets		-6,755,477		26,481,408
Adjustments for changes in Financial and Non-Financial Instruments				
(Increase) / Decrease in Loans	76,404,228		115,324,883	
(Increase) / Decrease in Other Financial Assets	-619,262		-225,130	
(Increase) / Decrease in Current Tax Assets (Net)	489,559		-	
(Increase) / Decrease in Other Non - Financial Assets	-		-	
(Increase) / Decrease in Current Tax Liabilities (Net)	-2,707,887		-	
Increase / (Decrease) in Other Payables	-134,567		-5,090,743	
Increase / (Decrease) in Provisions	235,705		239,045	
		73,667,776		110,248,055
Cash Generated from Operation before tax		66,912,299		136,729,464
Direct taxes payments		600,000		4,283,297
Net cash from Operating Activities		67,512,299		132,446,167
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		-133,796	
(Purchase) / Sale of Investment	-3,266,881		-118,868,686	
Bank deposits	-73,400,000		-	
Net Cash used in / raised from Investing Activities		-76,666,881		-119,002,482
C CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Borrowings	-	-	-1,000,000	
Net Changes in Cash & Cash Equivalent (A+B+C)		-9,154,581		12,443,685
Opening Cash and Cash Equivalents		14,503,213		2,059,528
Closing Cash and Cash Equivalents		5,348,632		14,503,213
Increase / Decrease in Cash & Cash Equivalent		-9,154,581		12,443,685

The accompanying notes 1-24, & Other Notes I to XIV form an integral part of the financial statements

For Messrs Jagannathan & Sarabeswaran

Chartered Accountants

FRN 0012845





Vivek Sarabeswaran
Partner
Membership No.206383


Place : Chennai
Date : 12th June 2020




For and on behalf of the Board of Directors of
IFIN Securities Finance Limited


Meera Ranganathan
Managing Director


AV. Pushparaj
Chief Financial Officer


Ramkumar Srinivasan
Director


Pragathi Shree
Company Secretary

IFIN SECURITIES FINANCE LIMITED

Note # 1 - Cash and Cash Equivalents

(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents		
(i) Cash in hand	4,246	3,674
(ii) Balances with Banks		
- Current Accounts	5,344,386	14,499,539
- Fixed Deposits	-	-
Less: ECL Impairment Loss Allowance	-	-
Total	5,348,632	14,503,213


Note # 2 - Bank Balances other than above


(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Bank balances other than above		
(i) Bank Deposits with original maturity of more than three months	73,400,000	-
(ii) Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
- Bank balance	-	-
- Bank Deposits	-	-
(iii) Balances with Banks held as margin money against guarantees	-	-
(iv) Bank Deposits under directions of Court & Tribunal etc.	-	-
Less: ECL Impairment Loss Allowance	-	-
Total	73,400,000	-



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IFIN SECURITIES FINANCE LIMITED
Note # 3 - Loans

(Amounts in Rs.)

Particulars	As at 31.03.2020					As at 31.03.2019						
	At Fair Value					At Fair Value						
	Amortised cost	At Fair Value through other comprehensive income	At Fair Value through profit and loss account	Designated at fair value through profit and loss account	Sub Total	Total	Amortised cost	At Fair Value through other comprehensive income	At Fair Value through profit and loss account	Designated at fair value through profit and loss account	Sub Total	Total
(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)	
(A) Loans												
(i) Available Shares / Margin Funding	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
Total (A) - Gross	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
Less: Impairment loss allowance	1,783,595	-	-	-	1,783,595	81,426,401	-	-	-	-	-	81,426,401
Total (A) - Net	26,649,678	-	-	-	26,649,678	108,410,259	-	-	-	-	-	108,410,259
(B), Secured / Unsecured												
(i) Secured by tangible assets	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(B) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(B) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Total (B) - Gross	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
Less: Impairment loss allowance	1,783,595	-	-	-	1,783,595	81,426,401	-	-	-	-	-	81,426,401
Total (B) - Net	26,649,678	-	-	-	26,649,678	108,410,259	-	-	-	-	-	108,410,259
C. Sector Analysis												
(C I) Loans in India												
(i) Public Sectors	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
(ii) Private parties	28,433,272	-	-	-	28,433,272	189,836,660	-	-	-	-	-	189,836,660
Less: Impairment loss allowance	1,783,595	-	-	-	1,783,595	81,426,401	-	-	-	-	-	81,426,401
Total (C I) - Net	26,649,678	-	-	-	26,649,678	108,410,259	-	-	-	-	-	108,410,259
(C II) Loans outside India												
Total (C II) - Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C II) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C I and C II)	26,649,678	-	-	-	26,649,678	108,410,259	-	-	-	-	-	108,410,259



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As at 31.03.2020

As at 31.03.2019

(Amounts in Rs.)

Particulars	As at 31.03.2020				As at 31.03.2019									
	Amortised cost (1)	Through other comprehensive income (2)	Through profit and loss account (3)	Designated at fair value through profit and loss (4)	Sub-Total (5=2+3+4)	Others* (6)	Total (7=1+5+6)	Amortised cost (1)	Through other comprehensive income (2)	Through profit and loss account (3)	Designated at fair value through profit and loss (4)	Sub-Total (5=2+3+4)	Others* (6)	Total (7=1+5+6)
Investments														
A. Security Type														
(i) Mutual funds	-	-	180,264,844	-	180,264,844	-	180,264,844	-	-	166,219,577	-	166,219,577	-	166,219,577
(ii) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Equity instruments (other than investment in subsidiaries, associates and joint ventures)	-	-	2,732,747	-	2,732,747	-	2,732,747	-	-	2,732,747	-	2,732,747	-	2,732,747
Gross	-	-	182,997,591	-	182,997,591	-	182,997,591	-	-	168,952,324	-	168,952,324	-	168,952,324
B. Sector Analysis														
(i) Investments in India	-	-	182,997,591	-	182,997,591	-	182,997,591	-	-	168,952,324	-	168,952,324	-	168,952,324
(ii) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross	-	-	182,997,591	-	182,997,591	-	182,997,591	-	-	168,952,324	-	168,952,324	-	168,952,324
Less: Impairment loss allowance	-	-	2,086,433	-	2,086,433	-	2,086,433	-	-	1,278,153	-	1,278,153	-	1,278,153
Net	-	-	180,911,158	-	180,911,158	-	180,911,158	-	-	167,674,171	-	167,674,171	-	167,674,171

JAGANNATHAN & SARABESWARAN
 Chartered Accountants
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IFIN SECURITIES FINANCE LIMITED

Note # 5 - Other Financial Assets

Unsecured & considered good (Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Other Financial Assets		
Prepaid Expenses	124,957	84,830
Advances to Staff	-	9,250
Interest Accrued but not due on Fixed deposits with Banks	605,610	-
Security deposit with CDSL	150,000	150,000
Other Advances	-	17,225
Total	880,567	261,305

Note # 6 - Current Tax Assets (Net)

(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance tax and tax deducted at source net of provision:		
FY 2012-13	537,208	537,208
FY 2013-14	466,076	466,076
FY 2015-16	700,024	700,024
FY 2017-18	-	2,115,450
FY 2019-20	1,025,891	-
Total	2,729,199	3,818,758



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Notes # 7 & 8 - Property, Plant and Equipment & Other Intangible Assets

Note # 7 Property, Plant and Equipment

#	Fixed Assets	Gross Book				Accumulated Depreciation				Net Book				
		Balance as at 1st April 2019	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2020	Revaluations / (Impairments)	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2020	Adjustment against retained earnings	Balance as at 31st Mar 2019	Balance as at 31st March 2018
a	Office equipment	Rs. 56,145	Rs. -	Rs. -	Rs. -	Rs. 56,145	Rs. -	Rs. 576	Rs. -	Rs. 51,108	Rs. -	Rs. 51,108	Rs. 1,017	Rs. 1,812
	Computers	Rs. 133,796	Rs. -	Rs. -	Rs. -	Rs. 133,796	Rs. -	Rs. 75,079	Rs. -	Rs. 97,991	Rs. -	Rs. 97,991	Rs. 41,052	Rs. 128,220
	Total	Rs. 189,941	Rs. -	Rs. -	Rs. -	Rs. 189,941	Rs. -	Rs. 75,804	Rs. -	Rs. 143,612	Rs. -	Rs. 143,612	Rs. 42,169	Rs. 158,832
Property, Plant and Equipment - FY 2018-19														
Gross Book														
#	Fixed Assets	Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2019	Balance as at 1st April 2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2019	Adjustment against retained earnings	Balance as at 31st Mar 2019	Balance as at 31st March 2018
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Office equipment	Rs. 56,145	Rs. -	Rs. -	Rs. -	Rs. 56,145	Rs. 51,783	Rs. 1,079	Rs. -	Rs. 52,532	Rs. -	Rs. 52,532	Rs. 3,633	Rs. 4,862
	Computers	Rs. 133,796	Rs. -	Rs. -	Rs. -	Rs. 133,796	Rs. 121,796	Rs. 13,576	Rs. -	Rs. 117,570	Rs. -	Rs. 128,220	Rs. 128,220	Rs. -
	Total	Rs. 189,941	Rs. 133,796	Rs. -	Rs. -	Rs. 189,941	Rs. 173,579	Rs. 14,655	Rs. -	Rs. 168,180	Rs. -	Rs. 172,813	Rs. 132,039	Rs. 4,862
Notes # 8 Other Intangible Assets														
Gross Book														
#	Fixed Assets	Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2020	Balance as at 1st April 2019	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2020	Adjustment against retained earnings	Balance as at 31st Mar 2020	Balance as at 31st March 2019
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Copyright software licenses and patrolling titles	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. 1,260,000	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -
	Copyrights and patents and other intellectual property rights, services and operating rights	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -
	Total	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. 1,260,000	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -

#	Fixed Assets	Gross Book				Accumulated Depreciation				Net Book				
		Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2020	Revaluations / (Impairments)	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2020	Adjustment against retained earnings	Balance as at 31st Mar 2020	Balance as at 31st March 2019
a	Computer software	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -
	Hardware and patrolling titles	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -
	Total	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -

#	Fixed Assets	Gross Book				Accumulated Depreciation				Net Book				
		Balance as at 1st April 2018	Additions	Disposals	Acquired through business combinations	Balance as at 31st Mar 2020	Revaluations / (Impairments)	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st Mar 2020	Adjustment against retained earnings	Balance as at 31st Mar 2020	Balance as at 31st March 2018
a	Computer software	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -
	Hardware and patrolling titles	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -	Rs. -
	Total	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. -	Rs. -	Rs. 1,260,000	Rs. -	Rs. 1,260,000	Rs. -	Rs. -

MAHESH KANTHAN & SARABESWARAN
Chartered Accountants
CHENNAI

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IFIN SECURITIES FINANCE LIMITED**Other Financial Liabilities****Note # 9 Other Payables**

(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory remittances	202,057	333,289
Creditors for expenses	564,848	80,643
Credit balances in loan accounts	2,116,009	2,712,934
Others - Processing fees received in advance	109,385	-
Total	2,992,299	3,126,866

Note # 10 - Current Tax Liabilities (Net)

(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision net of advance tax and tax deducted at source: - FY 2018-19	-	2,707,887
Total	-	2,707,887

Note # 11 Provisions

(Amounts in Rs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Leave Encashment	215,351	157,821
Provision for Bonus	22,073	11,962
Provision for Gratuity	451,806	183,060
Provision for expenses	353,818	454,500
Total	1,043,048	807,343



IFIN SECURITIES FINANCE LIMITED

Note # 12- Equity Share Capital

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of Rs.100/- each	5,975,500	597,550,000	5,975,500	597,550,000
Preference Shares	24,500	2,450,000	24,500	2,450,000
Total	6,000,000	600,000,000	6,000,000	600,000,000
Issued				
Equity Shares of Rs.100/- each	3,001,000	300,100,000	3,001,000	300,100,000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	3,001,000	300,100,000	3,001,000	300,100,000
Total	3,001,000	300,100,000	3,001,000	300,100,000

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	3,001,000	300,100,000	3,001,000	300,100,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,001,000	300,100,000	3,001,000	300,100,000

Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited (Holding Company)	3,000,994	99.99	3,000,994	99.99



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IFIN SECURITIES FINANCE LIMITED

Note # 13 - Other Equity

(Amounts in Rs)

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserve	251,000	251,000
Securities Premium Reserve	-	-
Capital Redemption Reserve	450,000	450,000
Statutory Reserve	9,425,006	9,425,006
Debenture Redemption Reserve	-	-
Share Options Outstanding Account	-	-
General Reserve	2,516,200	2,516,200
Cash Flow Hedge Reserve	-	-
Foreign currency monetary item translation difference	-	-
Retained Earnings	-26,810,989	-24,592,762
Total	-14,168,783	-11,950,556



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IFIN SECURITIES FINANCE LIMITED

Note # 14 - Interest Income

(Amounts in Rs)

Particulars	For the Year Ended 31.03.2020				For the Year Ended 31.03.2019			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest income								
(i) Interest on loans including Processing Fees	-	76,55,754	-	76,55,754	-	3,31,12,796	-	3,31,12,796
(ii) Interest income from investments	-	-	-	-	-	-	-	-
(iii) Interest on debentures	-	-	-	-	-	-	-	-
(iv) Other Interest Income	-	-	-	-	-	-	-	-
Total		76,55,754		76,55,754		3,31,12,796		3,31,12,796



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IFIN SECURITIES FINANCE LIMITED

Note # 15 Net gain on fair value changes

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio -		
-Investments	5,968,673	3,014,606
-Derivatives	-	-
-Others	-	-
(ii) On financial instruments at fair value through profit or loss		
(B) Others (to be specified)	-	-
Total Net gain/(loss) on fair value changes (C)	5,968,673	3,014,606
Fair Value Changes :		
-Realised		-
-Unrealised	5,968,673	3,014,606

Note # 16 Net gain on derecognition of financial instruments under amortised cost category

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Financial Instrument written off in earlier year now recovered	-	13,799,998
Total	-	13,799,998

Note # 17 Others

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Pre-closure Income	459,010	-
Sundry customer credit balances written back	1,741,140	-
Total	2,200,150	-

Note # 18 Other Income

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Dividend Income	41,558	43,546
Interest on Income tax refund	158,260	-
Interest on Fixed Deposit with Banks	3,165,956	-
Profit on sale of Investments (Net)	4,809,713	4,116,114
Misc. Income	23,248	-
Total	8,198,735	4,159,660



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IFIN SECURITIES FINANCE LIMITED

Note # 19 - Finance Cost

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020			For the Year ended 31.03.2019		
	On Financial Liabilities measured at fair value through profit or loss	On Financial Liabilities measured at Amortised Cost	Total	On Financial Liabilities measured at fair value through profit or loss	On Financial Liabilities measured at Amortised Cost	Total
Finance cost						
(i) Interest on deposits	-	-	-	-	-	-
(ii) Interest on borrowings	-	-	-	-	33,223	33,223
(iii) Interest on debt securities	-	-	-	-	-	-
(iv) Interest on subordinated liabilities	-	-	-	-	-	-
(v) Other interest expenses	-	-	-	-	-	-
(vi) Bank charges	-	-	-	-	-	-
(vii) Other finance costs	-	-	-	-	-	-
Total	-	-	-	-	33,223	33,223

Note # 20 - Commission expenses

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
(i) Commission to Stockholding Corporation of India (SHCIL)	30,999	-
(ii) Others	31,664	39,825
Total	62,663	39,825







IFIN SECURITIES FINANCE LIMITED

Note # 21 - Net loss on fair value changes

(Amounts in Rs)

Particulars	For the Year Ended 31.03.2020	For the Year ended 31.03.2019
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio -		
-Investments	808,280	717,138
-Derivatives	-	-
-Others	-	-
(ii) On financial instruments at fair value through profit or loss		
(B) Others (to be specified)		
Total Net loss on fair value changes (C)	808,280	717,138
Fair Value Changes :		
-Realised	-	-
-Unrealised	808,280	717,138
Total Net gain/(loss) on fair value changes (D) to tally with (C)	808,280	717,138



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IFIN SECURITIES FINANCE LIMITED

Note # 22- Impairment on financial Instruments

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020			For the Year ended 31.03.2019		
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total
a. Loans *	-	5,356,354	5,356,354	-	70,883,325	70,883,325
b. Investments	-	-	-	-	-	-
c. Others (to be specified)	-	-	-	-	-	-
Total	-	5,356,354	5,356,354	-	70,883,325	70,883,325

* Break-up of ECL provision of FY 2019-20		
Bad debts written off during the current year	84,999,160	-
less: Provision written back during the current year	<u>(81,426,401)</u>	-
Bad debts reflected in the profit and loss statement	3,572,759	-
ECL provision on standard assets	<u>1,783,595</u>	-
Total ECL	5,356,354	-








IFIN SECURITIES FINANCE LIMITED

Note # 23 Employee Benefit Expenses

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
(a) Salaries and benefits of the Managing Director who is on deputation from Stock Holding Corporation of India Ltd (SHCIL) reimbursed (including taxes) to SHCIL	3,674,474	-
(b) Salaries and incentives to other employees	10,151,650	11,808,151
(c) Contributions to -		
Provident fund & Employee State Insurance	226,047	171,538
Staff Welfare Expenditure	74,231	535,107
Provision for Gratuity	268,746	-
Provision for Leave Encashment	203,196	-
Labour welfare & Professional Tax	4,680	-
Total	14,603,024	12,514,796

Note # 24 Other Expenses

(Amounts in Rs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Rent	739,320	2,100,000
Telephone expenses	278,694	899,078
Electricity Charges	220,000	500,000
Auditor's fees and expenses	359,310	344,265
Bank Charges	11,299	-
Legal and Professional Charges	128,430	629,096
Repairs and Office Maintenance	1,426,085	2,422,173
Printing and Stationery	49,292	10,832
Tour, travel & Conveyance	235,111	273,666
Rates And Taxes	27,046	70,245
Information technology expenses	44,184	324,415
Meeting expenses	120,060	31,889
Directors Sitting Fees	104,900	110,000
Insurance Charges	111,884	45,569
Professional & Consultation fees	640,399	37,805
Advertisement & Business promotion expenses	87,525	-
Short Provision of Income tax & Interest - AY 2019-20	724,402	-
Miscellaneous expenses	126,777	88,055
Total	5,334,717	7,887,089







IFIN Securities Finance Limited
(Formerly known as Narayan Sriram Investments Private Limited)

Note # 25

A. Company Background

IFIN Securities Finance Limited ("the Company") is a non-deposit taking Non-Banking Financial Services Company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). It is registered with the Reserve Bank of India as a Loan Company. 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. The Company's registered office is situated at Continental Chambers, 3rd Floor, 142, Mahatma Gandhi Road, Nungambakkam, Chennai 600034 Tamil Nadu, India.

The company is primarily engaged in the business of providing loans against shares and margin funding.

B. Significant Accounting Policies

A. Basis of preparation and presentation

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's second Ind AS financial statements, and the date of transition to Ind AS was April 1, 2017.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or



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liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share- based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest rupee, except where otherwise indicated. The financial statements were approved for issue by the Board of Directors on June 12, 2020.

B. Use of estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgements are made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.



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The areas involving critical estimates or judgements are:

S.No	Particulars	Note No.
1.	Revenue recognition using effective interest rate	25.B(3)
2.	Impairment of loans -Expected credit loss	25.B (12a)

C. Revenue recognition

Interest Income on Loan against shares

Interest earned on loans against shares (financial asset) is recognized based on the effective interest rate (EIR) method as per Ind AS 109 & 32, and is the rate that exactly discounts the estimated future repayments of principal and interest through the expected life of the financial asset to the gross carrying amount of a financial asset i.e. the amortised cost of the financial asset, before adjusting for any credit loss allowance which are applicable for Stage 1 (Performing) and Stage 2 (Under-performing) assets. For Stage 3 (Non-performing) assets, expected interest rate is calculated on the amortised cost less expected credit loss adjustment. Refer note 11a for details on impairment.

Processing fee received by the company relating to the creation or acquisition of a financial asset is considered an integral part of the effective interest rate of a financial instrument and is treated as an adjustment to the effective interest rate or amortised uniformly over the lifetime of the financial instrument.

Interest income on margin funding

Considering the nature and complexity of margin trading, it is not possible to apply the effective interest rate method and so interest has been considered on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Dividends are recognised in profit or loss only when

- (a) The company's right to receive payment of the dividend is established;
- (b) It is probable that the economic benefits associated with the dividend will flow to the company; and
- (c) The amount of the dividend can be measured reliably.

D. Borrowing costs

The borrowing costs are recognised in profit or loss in the period in which they are incurred.



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E. Employee benefits

(a) Defined contribution plan:

The Company's Provident Fund Scheme and other statutory funds are defined contribution plans and the 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.

(b) Defined benefit plan

Provision is made in the company's books for gratuity payable to employees who have completed five years of continuous service in the company.

(c) Compensated absences

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 and 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.

F. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of



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assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

G. Tangible assets

Tangible assets comprising of office equipment and computers are stated at historical cost less accumulated depreciation.

Depreciation/ amortisation:

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the written down value in the manner prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted on a prospective basis.

H. Intangible assets - Computer software

Intangible assets comprising of computer software is 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.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

J. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



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K. Bank balances other than above

Bank balances other than cash and cash equivalents have a maturity of more than three months from the date of acquisition.

L. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

12a. financial assets

Classification of financial assets

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost using effective interest rate method if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. Financial assets i.e. derivative instruments and investments in



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instruments other than equity of subsidiaries, joint ventures and associates) are subsequently measured at fair value. Such financial assets are measured at fair value at the end of each reporting period, with any gains (e.g. any dividend or interest earned on the financial asset) or losses arising on re-measurement recognised in profit or loss and included in the "Other Income". Investments in equity instruments & mutual funds are classified as fair value through profit or loss.

Impairment of financial assets:

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognising impairment loss on financial assets (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Company expects to receive.

Expected Credit Loss (ECL)

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of those financial instruments.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for those financial instruments at an amount equal to 12 month expected credit losses. The twelve months expected credit losses are portion of the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted beyond the 12 months.

If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a



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default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

The company recognizes stages for recognition of expected credit loss on financial instruments for which there has been significant increase in credit risk since initial recognition. The probability of default and loss given default have been measured using past credit history, and forward looking credit risk estimations which may include external credit ratings and credit loss experiences of other peer companies wherever applicable.

Stage	Category	Days due since initial recognition	Expected credit loss (ECL)
1	Performing	0-30 days or cash Margin clause not invoked as Stage 1	12 months ECL
2	Under-performing	31-90 days or cash margin clause invoked and the client has paid cash margin	Life time ECL
3	Non-performing	Beyond 90 days or cash margin clause invoked but the client has not paid, entity has sold the security to the extent of cash margin short fall to recover the dues.	Life time ECL

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The company directly reduces the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a de-recognition event.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the

Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

12b. Financial liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost, if material.

De-recognition of financial liabilities

The company removes a financial liability or a part of a financial liability from its balance sheet when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

M. Earnings per share

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares issued.

N. Contingent liabilities

Contingent liabilities are disclosed for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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Other Notes - I to XIII

I. Contingent liabilities:

- i) Estimated amount of contracts remaining to be executed on Capital account and not provided for: NIL (FY 2018-19 - Rs.Nil).
- ii) Other Contingent liabilities: NIL (FY 2018-19 - Rs. Nil).

II. Remuneration to Auditors

Nature of Service	FY 2019-20	FY 2018-19
Statutory Audit Fee	2,00,000	2,00,000
For quarterly reporting	79,500	79,500
Tax Audit and Other Fees	25,000	10,000
GST	54,810	54,765
Total	3,59,310	3,44,265

III. 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. 2,26,047 /- (FY 2018-19 - Rs. 1,71,538)
- (b) Provisions for Gratuity has been made for one employee amounting to Rs.2,68,746/- (FY 2018-19-Rs. 1,83,060). However, it remains to be funded.
- (c) Leave encashment as per policy followed by the Company during the financial year and the amount charged to Statement of profit & Loss is Rs. 2,03,196 (FY 2018-19 - Rs.1,26,098/-)

IV. The Company shares certain costs/service charges on a mutually agreed basis with the holding company.

V. The company is primarily engaged in lending against equity share and margin funding for shares. As such there, are no separate reportable segments as per IND AS 108.



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VI. Earnings Per Share

The Earning per Share (EPS) has been computed in accordance with the IND AS 33.

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Net Profit / (loss) for the year available for the equity shareholders (Before & after extraordinary items)	(22,18,229)	(4,34,54,910)
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 extraordinary items)	-0.74	-14.48

VII. Current and Deferred Taxation

- (a) The Company has not made provision for current tax due to write-off of bad debts.
- (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.

VIII. Related Party Disclosure as per Ind AS 24

- (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

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:

Mrs. Meera Ranganathan : Managing Director
Relatives of Key Management Personnel : Nil



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(e) Transactions with Related Parties

(Amounts in Rs.)

Sr. No.	Particulars	Holding/Subsidiary/ Fellow Subsidiary Companies	
		FY 2019-20	FY 2018-19
1	Managing Director's compensation, travel and other reimbursements paid / payable to Stockholding Corporation of India Ltd (SHCIL) including taxes	37,46,283	-
2	Loan Disbursed to IFCI Financial Services Ltd	-	-
3	Loan Repaid by IFCI Financial Services Ltd	-	-
4	Interest receivable from IFCI Financial Services Ltd	-	-
5	Shared office expenses reimbursed to IFCI Financial Services Ltd (IFIN) - Holding Company	8,076,500	1,25,00,000
6	Loan Availed from IFCI Ltd	-	-
7	Loan Repaid to IFCI Ltd	-	-
8	Interest paid to IFCI Ltd	-	-
9	Loan given to IFCI Venture Capital Funds Limited	-	-
10	Loan repaid by IFCI Venture Capital Funds Limited	-	-
11	Interest/ Other Charges received from IFCI Venture Capital Funds Limited	-	-
12	Interest payable to IFCI Ltd	-	-
13	Commission payable to SHCIL for customer referrals	30,999	-
14	Letter of comfort - Commission Paid to IFCI Ltd	-	-



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IX. Foreign Exchange Inflow and Outflow

During the year, the company has spent a sum of Rs.Nil (FY 2018-19 - Rs.Nil) in foreign exchange, towards expenses and asset purchases. There is no foreign exchange income during the year.

X. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

As per information and explanations provided 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.

XI. Capital Management

The Company's capital management is intended to maximize the return to shareholders and benefits for other stakeholders for meeting the long-term and short-term goals of the Company. For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity shareholders of the Company.

Categories of financial instruments

Financial assets	31.03.2020	31.03.2019
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:	18,09,11,158	16,76,74,171
(i) Equity investments		
(ii) Derivative instruments designated in hedge accounting Relationship		
Measured at fair value through Other comprehensive income (FVTOCI)		
(i) Equity investments	-	-
Measured at amortised cost	53,48,632	1,45,03,213
(a) Cash and cash equivalents	7,34,00,000	-
(b) Bank balances (Fixed deposits with bank)	2,84,33,272	18,98,36,660
(c) Loans (Gross)	8,80,568	2,61,305
(d) Other financial assets		



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Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities for funding the loans against shares and margin funding. The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March 2020:

Particulars	Carrying amount	up to 1 year	1-3 years	3-5 Years	More than 5 years
Current financial liabilities:					
Other payables	29,75,607	29,75,607	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March 2019:

Particulars	Carrying amount	up to 1 year	1-3 years	3-5 Years	More than 5 years
Current financial liabilities:					
Other payables	35,81,366	35,81,366	-	-	-

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2020:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years
Current financial assets:					
Cash and cash equivalents	53,48,632	53,48,632	-	-	-
Bank balances (Fixed deposits with bank)	7,34,00,000	7,34,00,000			
Loans (Gross)	2,84,33,272	2,84,33,272			
Other Financial Assets	8,80,568	7,30,568			1,50,000



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The table below provides details regarding the contractual maturities of financial assets as at 31st March 2019:

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 years	More than 5 years
Current financial assets:					
Cash and cash equivalents	1,45,03,213	1,45,03,213	-	-	-
Bank balances (Fixed deposits with bank)	-	-	-	-	-
Loans (Gross)	18,98,36,660	18,98,36,660	-	-	-
Other Financial Assets	2,61,305	1,11,305	-	-	1,50,000

XII. Financial impact of Covid-19 lockdown

The Government of India had announced a nation-wide lockdown on March 24, 2020 which led to significant volatility in the Indian financial markets and a decrease in economic activities.

The company's principal business is lending against shares and margin funding. The Reserve Bank of India through its regulatory package in April 17, 2020 had permitted Banks / NBFCs to extend moratorium / deferment for servicing of interest and principal for a period of three months starting from March 1, 2020 till May 31, 2020 and subsequently extended the moratorium / deferment for servicing of interest and principal in May 23, 2020, for a further period of three months from June 1, 2020 till August 31, 2020. The loan moratorium was made available to borrowers who had availed the loan prior to March 1, 2020 and the modalities for availment of this moratorium had been disclosed in the Company's website and communicated to the borrowers. However none of the borrowers have availed the moratorium and are servicing the loans.

The Covid-19 post lockdown has resulted in a decline in prices of listed / quoted equity shares and the loans against shares and margin funding portfolio have witnessed a partial decline in the underlying security value. However, the Company has mitigated risks by ensuring adequate security cover in line with its loan policy. However, the company as a matter of prudence has increased its Expected Credit loss (ECL) provisioning over that of the previous year based on past history of the borrowers, and risk of credit default that may result due to likely stress in the financial position of our borrowers.

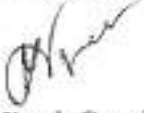


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The Company's business is likely to be impacted by lower lending opportunities and marginally higher credit losses in the coming financial year thereby affecting future profitability. Moreover, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company shall continue to closely monitor any changes to the estimates based on future economic conditions. Further, the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.


- XIII. Figures of the previous year have been regrouped / recast wherever necessary to make them comparable with the current year figures.
- XIV. Figures have been rounded off to the nearest Rupee. Figures in bracket represent previous year's figures.

For Messrs Jagannathan & Sarabeswaran
Chartered Accountants
FRN 001204S


Vivek Sarabeswaran
Partner
Membership no.206383



For and on behalf of the Board of Directors of IFIN Securities Finance Limited


Ms. Meera Ranganathan
Managing Director

For and on behalf of the Board of Directors of IFIN Securities Finance Limited


Director



Place : Chennai
Date : 12-06-2020


Weighted Risk assets

<u>Weighted risk assets - On-Balance Sheet</u> Items	<u>Percentage</u> weight	Asset considered	Weighted Risk assets
(i) Cash and bank balances including fixed deposits and certificates of deposits with banks	0	5,348,632	-
(ii) <u>Investments</u>		-	-
(a) Approved securities [Except at (c) below]	0	-	-
(b) Bonds of public sector banks	20	-	-
(c) Fixed deposits/certificates of deposits/ bonds of public financial institutions	100	73,400,000	73,400,000
(d) Shares of all companies and debentures/bonds/commercial papers of all companies and units of all mutual funds	100	180,911,158	180,911,158
(iii) <u>Current assets</u>		-	-
(a) Stock on hire (net book value)	100	-	-
(b) Intercompany loans/deposits	100	-	-
(c) Loans and advances fully secured against deposits held by the company itself	0	-	-
(d) Loans to staff	0	-	-
(e) Other secured loans and advances considered good (gross)	100	28,433,272	28,433,272
(f) Bills purchased/discounted	100	-	-
(g) Others (To be specified)	100	755,610	755,610
(iv) <u>Fixed Assets (net of depreciation)</u>		-	-
(a) Assets leased out (net book value)	100	-	-
(b) Premises	100	-	-
(c) Furniture & Fixtures	100	-	-
(v) <u>Other assets</u>		-	-
(a) Income tax deducted at source (net of provision)	0	-	-
(b) Advance tax paid (net of provision)	0	-	-
(c) Interest due on Government securities	0	-	-
(d) Others (to be specified)	100	-	-
Total Weighted Risk Assets			283,500,041
Tier I capital - Equity + Free reserves		-	285,931,218
Tier II			-
a. Provision on Standard Assets		1,783,595	
Total of Tier II			1,783,595
Total Capital Funds			287,714,813
CRAR			101.49%
	Tier I		100.86%
	Tier II		0.63%

Notes:

Others excludes prepaid expenses as pointed by RBI in its inspection report of February 2020
 Loans and advances considered at Gross and ECL considered as Tier II
 Investments considered at gross and impairment considered as Tier II








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

(in %)

Particulars		As at 31 st March'2020	As at 31 st March'2019
i	CRAR (%)	101.49	104.34
ii	CRAR - Tier I Capital (%)	100.86	104.34
iii	CRAR - Tier II Capital (%)	0.63	-
iv	Amount of subordinated debt raised as Tier-II	-	-
v	Amount raised by issue of Perpetual Debt Instruments	-	-

II. Investments

(Amounts in Lakhs)

Particulars		Current Year	Previous Year
1 Value of Investments			
i	Gross Value of Investments		
(a)	In India	1829.97	1689.52
(b)	Outside India,	-	-
ii	Provisions for Depreciation		
(a)	In India	20.86	12.78
(b)	Outside India,	-	-
iii	Net Value Of Investments		
(a)	In India	1809.11	1676.74
(b)	Outside India,		
2 Movement of provisions held towards depreciation on investments			
i	Opening balance	12.78	5.61
ii	Add: Provisions made during the year	8.08	7.17
iii	Less : Write-off/write-back of excess provisions during the year	-	-
iv	Closing balance	20.86	12.78



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

(Amounts 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	-	-	-	-	734.00	-	-	1.50	735.50
Advances	20.41	4.76	67.02	17.08	175.06	-	-	-	284.33
Investments	-	-	1809.11	-	-	-	-	-	1809.11
Borrowings	-	-	-	-	-	-	-	-	-
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		

JAGANNATHAN & SARABESWARAR
Chartered Accountants

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		Lending secured by mortgages on commercial real estate (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			Nil	Nil

Exposure to Capital Market

(Amounts in Lakhs)			
		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	284.33	1898.37
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	-	-
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		284.33	1898.37

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 and Stock holding Corporation of India Ltd.

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 has 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:



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(Amounts 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	8.08	7.17
Provision towards NPA - Write off*	53.56	708.83
Provision made towards Income Tax	-	65.00
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	17.83	64.77

* Break-up of Expected Credit Loss(ECL) provision of FY 2019-20

	In lakhs	In lakhs
Bad debts written off during the current year	849.99	
less: Provision written back during the current year	(814.26)	
Bad debts reflected in the profit and loss statement		35.73
ECL provision on Standard Assets		17.83
Total ECL		53.56

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)

(Amounts in Lakhs)	
Total Deposits of twenty largest depositors	Nil
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Nil

Concentration of Advances

(Amounts in Lakhs)	
Total Advances to twenty largest borrowers	265.82
Percentage of Advances of twenty largest borrowers to Total Advance of the NBFC	93.45%



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Concentration of Exposures*

(Amounts in Lakhs)	
Total Exposure to twenty largest borrowers / customers 15 only	265.82

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

There were no NPAs as on 31.03.2020 and all advances are Standard Assets.

5. Movement of NPAS

(Amounts in Lakhs)			
Particulars		2019-20 Current Year	2018-19 Previous Year
I	Net NPAS to Net Advances		
ii	Movement of NPAs (Gross)		
	(a) Opening balance	845.27	-
	(b) Additions during the year	4.72	845.27
	(c) Written off during the year	849.99	-
	(d) Closing balance	-	845.27
iii	Movement of Net NPAs		
	(a) Opening balance	95.78	-
	(b) Additions during the year	-	95.78
	(c) Written of Reductions during the year	95.78	-
	(d) Closing balance	-	95.78
Iv	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	749.49	-



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(b)	Provisions made during the year	65.26	749.49
(c)	Write-off / write-back of excess provisions	849.99	-
(d)	Closing balance	-	749.49

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


XIV. Disclosure of frauds reported during the year ended March 31, 2020 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

There has been write-off of two loan accounts amounting to Rs 8,49,99,160 during the financial year, and these have been reported as fraudulent cases to The Reserve Bank of India in FRM-2 &3 for the quarter ended 30th September 2019. The details of write-off are as follows:

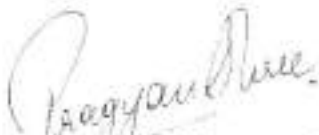
S.No	Name of the borrower	Date of write off	Amount written off in INR
1.	Harshaben Hirji Thakkar	30-09-2019	3,99,99,161
2.	Harshad Hirji Thakkar	30-09-2019	4,49,99,999
Total			8,49,99,160


Meera Ranganathan

Managing Director


A.V. Pushparaj

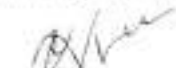
Chief Financial Officer


Pragyan Shree

Company Secretary

For JAGANNATHAN & SARABESWARA
CHARTERED ACCOUNTANTS
FIRM REGD No: 0012045




VIVEK SARABESWARAN
Partner M.No: 206383

ADDENDUM TO NOTICE OF 31ST ANNUAL GENERAL MEETING

To the Members of IFIN Securities Finance Limited,

With reference to notice of 31st Annual General Meeting sent vide e-mail dated October 3rd, 2020, this is to inform members that the IFIN Securities Finance Limited is also providing facility of attending Annual General Meeting (AGM) through Video Conferencing or other audio visual means which is scheduled to be held on Tuesday, October 27th, 2020 at 12.30 P.M. at Continental Chambers, 3rd Floor, 142 M.G. Road, Nungambakkam, Chennai – 600034.

This will be considered as addendum to the notice of 31st Annual General Meeting, which has already been sent through E-mail to all the members on October 3rd, 2020.

Important Notes:

- 1. In view of the massive outbreak of the COVID-19 pandemic, pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5th, 2020 issued by the Ministry of Corporate Affairs, permitted the holding of Annual General Meeting (AGM) through VC/ OAVM, without physical presence of the member at the AGM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.*
- 2. The deemed venue for thirty-first e-AGM of the IFIN Securities Finance Limited (ISFL) shall be the Registered Office of the Company at Continental Chambers, 142 M.G. Road, Nungambakkam, Chennai- 600034.*
- 3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the Circular No. 20/2020 dated May 5th, 2020, issued by the Ministry of Corporate Affairs, through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for those who are attending AGM through video conferencing.*
- 4. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes. The body corporate are required to send a scanned copy of its board or governing body's*

resolution/authorisation etc. authorizing their representatives to attend the AGM at cs@ifinltd.in.

5. Those Shareholders whose email IDs are not registered, are requested to register their email ID with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for all shareholders of the company. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Members will be allowed to pose questions during the course of the Meeting. The questions/queries can also be given in advance at Pragyanshree@isflonline.com.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and MCA circular 20/2020 dated May 5th, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.isflonline.com and the notice along with the Annual Report is being sent through electronic mode to the members.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. The members desiring to inspect the relevant documents referred to in the accompanying notice and other statutory registers are required to send requests on the Company Secretary's email address: Pragyanshree@isflonline.com. An extract of such documents would be sent to the members on their registered email address.



11. AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 5th, 2020.
12. For any queries & clarifications, members can contact through e-mail on cs@ifinltd.in or 044- 2830 6613.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members whose email IDs are not registered with the company, may get their email IDs registered with the company by sending E-mail to cs@ifinltd.in along with the following credentials: i. Name registered as per the records of the company ii. DPID-Client ID/ Folio Number iii. Email ID to be registered for attending the Meeting.
2. Members may send the above mentioned request at point no (1) latest by October 25 2020. In case of joint holding, the credentials of the first named holder shall be accepted.
3. The invitation to join the AGM will be sent to the Members on their registered email IDs latest by October 26th, 2020. This will be done on first come first served basis.
4. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
5. In case of Android/iPhone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
6. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.



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

8. The helpline number for joining the Meeting through Electronic Mode will be provided in the Meeting Invitation which will be sent to the members.

9. Institutional Shareholders are encouraged to participate at the AGM through VC/OAVM and vote thereat.

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



Pragyan Shree

**Pragyan Shree
Company Secretary**

**Dated: 16.10.2020
Place: Chennai**