



IFIN SECURITIES FINANCE LIMITED

(Subsidiary of IFCI Financial Services Limited)

CIN: U65991TN1989GOI017792

ANNUAL REPORT- 2021-22

33rd ANNUAL GENERAL MEETING

DATE: September 29, 2022

DAY: Thursday

TIME: 12.00 PM

***Registered Office: Continental Chambers, 3rd Floor, 142 MG Road,
Nungambakkam, Chennai – 600034, Tamil Nadu***

Website: www.isflonline.com

Ph: 044 2830 6613

Email- cs@ifinltd.in

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	Director
Mr.Sanjay Wasantrao Tanksale	Independent Director
Mr. Alan Savio Pacheco	Nominee Director
Mr. Ramkumar Srinivasan	Non- Executive Director
Mr. Karra Visweswar Rao	Managing Director

** As on the date of this Report*

Chief Financial Officer

Mr. A.V. Pushparaj

Statutory Auditors

M/s. Sanjiv Shah & Associates

FRN 003572S

Chartered accountants

CA K Rajesh Jain

M.no: 236691

Partner

Registered Office

Continental Chambers, 3rd Floor

142, Mahatma Gandhi Road

Nungambakkam, Chennai - 600 034

Ph: 044 2830 6600

E-mail: cs@ifinltd.in

Website: www.isflonline.com

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NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the shareholders of M/s. IFIN Securities Finance Limited will be held through video conferencing at Continental Chambers, 142, III Floor, Mahatma Gandhi Road, Nungambakkam, Chennai – 600034 on Thursday, September 29th, 2022 at 12.00 PM to transact the following business:

AS ORDINARY BUSINESS

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

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

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

2. Re-appointment of Shri Ramesh NGS as Non- Executive Director of the Company.

To appoint a director in place of Shri Ramesh NGS, who retires by rotation and being eligible, offers himself for re-appointment and to consider and thought fit, to pass with or without modification, the following resolution, as an Ordinary resolution:

“RESOLVED THAT Shri Ramesh NGS, who retires by rotation and being eligible, offers himself for reappointment be and is hereby reappointed as a director of the Company whose office shall be liable to retire by rotation.”

3. Appointment and Remuneration of Statutory Auditors

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 consider and thought fit, to pass with or without modification, the following resolution, 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 2022-23, as may be deemed fit.”

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

Sd/-

Ramkumar Srinivasan

Director

DIN: 01175498

Place: Chennai

Date: 30.08.2022

Important Notes:

1. *In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has*

vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 ,clarification circular No. 02/2021 dated January 13, 2021 and General Circular No. 3/2022 dated May 5, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM, is being extended by the Company.

- 2. In view of the continuing of COVID-19 pandemic, the members have the option to participate in the meeting either in person or through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).*
- 3. In compliance with applicable provisions of the Act read with the MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, the proceedings of the AGM shall be deemed to be conducted at the Continental Chambers, 3rd Floor, 142 M G Road, Nungambakkam, Chennai- 600034, Tamil Nadu which shall be the deemed venue of the AGM*
- 4. 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 Circulars, 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 in case of AGM through video conferencing.*
- 5. However, the Body Corporates members (i.e. other than individuals) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat. The body corporate are required to forward a scanned copy or hard copy of its board or governing body’s resolution/authorization letter etc. authorizing their representatives to attend the AGM. The said resolution/authorization shall be sent to the Company by email through its registered email address to cs@ifinltd.in or the hard copy can be send at Continental Chambers, 3rd Floor, 142 MG Road, Nungambakkam, Chennai- 600034 addressing to company secretary.*
- 6. 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.*

7. *In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM*
8. *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.*
9. *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.*
10. *The Members will be allowed to pose questions during the course of the Meeting. The questions/queries can also be given in advance at cs@ifinltd.in.*
11. *As per the MCA Circular, 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 whose E-mail ID are registered with the company. Members may note that the Notice will also be available on the Company's website at www.isflonline.com. Further, updation if any, will be provided on the website of the Company at www.isflonline.com.*
12. *All documents referred to in the Notice calling the AGM are open for inspection electronically and/or at the registered office of the company during the office hours on all working days. The same shall be shared with the members on receipt of request. The members desiring to inspect the relevant documents referred are required to send request on the email address- cs@ifinltd.in. An extract of such documents would be send to the members on their registered email address.*
13. *Details of Directors seeking appointment or re-appointment at the Annual General Meeting of the Company to be held on Thursday, September 29th, 2022 are provided in Annexure - A of this notice.*
14. *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. AGM through VC/OAVM: Members will be provided with a facility to attend the AGM through video conferencing platform – Life size cloud
2. The meeting invitation link and login credentials to join the AGM will be sent to the Members on their registered email IDs latest by September 28,, 2022. This will be done on first come first served basis.
3. 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. Members may send the request latest by September 28th, 2022, . In case of joint holding, the credentials of the first named holder shall be accepted.
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. Use of headphones is highly recommended.
8. Members who need assistance before or during the AGM may contact Ms. Pragyan Shree, Company Secretary- IFCI Financial Services Limited by sending an email request at the email id: cs@ifinltd.in or Contact on – 044- 28306613.

Annexure – A

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

Name of the Director	Mr. Ramesh NGS
Date of Birth	14.10.1961
Date of Appointment	17.06.2019
Expertise in Specific functional area	Retail Business, Resource PMS & Training, HR, Operations and Vigilance
Qualification	B.Sc. PDGIFM
Experience	Overall experience of 30+ years in Retail Business, Resource PMS & Training, HR, Operations and Vigilance
Directorships in other Companies	1. IFCI Financial Services Limited 2. IFIN Credit Limited 3. IFIN Commodities Limited 4. Stock Holding Corporation Of India Limited 5. SHCIL Services Limited 6. Stockholding document Management Services Limited 7. Wonder Home Finance Limited 8. Stockholding Securities IFSC Limited
Number of Board Meetings attended during the Year (2021-22)	5
Chairman/ Membership of the Committee across all Companies	Chairman of Board a. SHCIL Services Limited b. Stockholding Document Management Services Limited c. Stockholding securities IFSC Limited Member of Committees a. Wonder Home Finance Limited – Audit

	Committee, Nomination and Remuneration Committee and IT Committee b. Indian Clearing Corporation Limited - Member of Advisory Committee
Shareholding in the Company	Nil
Relationship with other Directors	Nil

BOARD'S REPORT

To

The Members of

IFIN Securities Finance Limited

The Board of Directors of your Company presents the 33rd Annual Report of IFIN Securities Finance Limited (ISFL) together with the Audited Financial Statement, for the year ended on March 31st, 2022.

1. Financial Performance

(Rs. in lakh)

Particulars	YE 31.03.2022	YE 31.03.2021
Revenue from operations	102.67	52.66
Other income	141.69	110.86
Total income	244.36	163.52
Employee cost	63.27	107.10
Finance cost	0.00	0.00
Depreciation and Amortization Expense	3.21	0.14
Commission Expense	3.78	4.54
Net loss on fair value changes	52.54	(20.81)
Impairment on financial instruments	(2.83)	2.37
Other expenses	81.20	47.03
Total expenses	201.17	140.37
Profit Before Tax, Provision, Prior Period Items	43.19	23.15
Exceptional Items	-	-
Profit/ (loss) before tax	43.19	23.15
Current Tax	23.46	3.50
Deferred Tax	(11.77)	(0.02)
Provision of tax earlier years	0.87	-
PAT	30.63	19.67
Other Comprehensive Income	0.26	2.54

Total Comprehensive Income for the period (comprising Profit (Loss) and other comprehensive income for the period)	30.37	22.21
Book size out of		
Own funds	843.51	657.20
Borrowings	-	-

2. Business Outlook and Performance

The gross loan portfolio of Non-Banking Finance Companies is likely to grow at 10-15 per cent in the current fiscal, aided by an expected pick-up in disbursements. The asset under management (AUM) of non-banking financial companies (retail) is expected to grow 8-10 per cent in fiscal 2023. The disbursement and AUM trends have revived during Q4 FY2022, the trend is likely to continue in FY 2022-2023 as impact of the pandemic is very limited. Further the disbursement growth will have to remain healthier for a sustained AUM growth.

Trend seen over the past years, liquidity for the sector has remained adequate, with entities typically maintaining a coverage of their repayments. Also, lower AUM growth in FY2022 warranted limited incremental funding requirement as compared with previously envisaged levels. It is expected that the NBFC return on managed assets (RoMA) to reach near COVID-19 levels of 1.80% to 2.00% in FY2023. 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 2022-2023. Having factored in the COVID-19 shocks on the economy, the stock prices have started moving upward, 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.

Product wise performance:

ISFL presently has three product under its portfolio basket viz Loan against shares and Loan against mutual funds and Loan against Sovereign Gold Bonds. ISFL is also focusing on Loan against shares through online digital mode through SAAS model. For the FY 2021-2022, it is to be noted that ISFL has not added any fresh NPA's and all the accounts disbursed during FY 2021-22 are standard accounts. The loan against mutual funds product has been launched during the financial year 2021-22. The total outstanding limits stands at Rs. 8.96 Crore as on March 31st, 2022, which comprises of Rs. 0.51 crore is towards Loan against Mutual Funds and Rs. 8.45 Crore towards Loan against Shares.

Product	Product wise break up - As on 31 st March 2022		
	No. of Active Clients	Sanction Amount (Rs. In Crore)	Loan outstanding (Rs. In Crore)
Loan Against Shares	51	17.44	7.95
Loan against Mutual Funds	16	0.51	0.51
Total	67	17.95	8.96

Financial performance:

The Revenue from operations is increased from Rs. 52.66 lakh in FY 2020-21 to Rs.102.67 lakh during FY 2021-22 was mainly on account of increase of interest on loans from Rs. 54.15 Lacs in FY 2020-21 to Rs. 102.49 Lacs in FY 2021-22 caused by increase in average loan portfolio. The total income also increased from Rs.163.52 lakh during FY 2020-21 to Rs.244.36 lakh during FY 2021-22.

The other income for year ended March 31st, 2022 was Rs.141.69 lakh, which includes interest on fixed deposits with banks of Rs.41.90 lakh and Profit on sale of investments of Rs.89.25 Lakhs as compared to other income of Rs.110.86 lakhs in the corresponding previous year 2020-21.

On expenses front, the total expenses increases from Rs. 140.37 lakh in FY 2020-21 to Rs. 201.17 Lakh in FY 2021-22 mainly on account of the increase in the reimbursement of cost of sharing of common infrastructure and employees by ISFL to IFIN from the second quarter of FY 2021-22 after review and rationalization of the sharing pattern of costs between ISFL and IFIN approved by the Board of ISFL. The company had to reverse for impairment of Financial Instruments to the extent of Rs. (2.83) lacs only in FY 2021-22 as against provided portfolio of Rs. 2.37 lacs in FY 2020-21, the reduction was due to decrease in percentage of provision i.e. 5% to 3% on loan against shares and 2.5% to 1.5% on portfolio of margin funding.

In FY 2021-22, the company earned the total comprehensive income of Rs. 30.37 Lakh as compared to the total comprehensive income of Rs. 22.21 lakh in FY 2020-21.

Industry Structure and Development:

NBFCs were adversely impacted by COVID related stress due to their underlying business models. It was difficult for NBFCs to find good proposals and borrowers to lend to as a result of the pandemic infused stress. The Lending business is likely to improve in FY 2022-23 as impact of pandemic is very limited.

Opportunities and Threats:

Opportunities:

- Early entry in online mode

- b) Expansion of business under SAAS (software as a service) digital model

Threats:

- a) Challenge in pricing with competitors
b) Competition from banks and financial institutions

Material Developments in Human Resources/ Industrial Relations front, including number of employees:

The company has adequate human resources commensurate to the size of the business. As on March 31st, 2022, there were 4 employees on rolls of the company. It further utilized the services of 3 employees who were on deputation from its parent company- IFIN.

3. Dividend

No dividend is being recommended by the Directors for the year ended March 31st, 2022.

4. Transfer To Reserves

For the FY 2021-22, the Company had reported a profit after tax of Rs. 30.63 lakh and Rs. 6.13 Lakh was transferred to Statutory Reserve as on March 31st, 2022.

5. Directors and Key Managerial Personnel

Changes in Directors and KMP during the year 2021-22:

- i) Ms. Meera Ranganathan (DIN: 08180208) was appointed as 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 by IFCI Limited for the period of one year with effect from May 29th, 2020 on the existing terms and conditions. The term of Ms. Meera Ranganathan was further extended from May 29th, 2021 to June 30th, 2021 on the existing terms and conditions. Mr. Meera Ranganathan, Managing Director ceased to be associated with the company with effect from July 1st, 2021 on account of withdrawal of nomination by IFCI Limited.
- ii) Mr. Karra Visweswar Rao (DIN: 08111685) was appointed as Managing Director of the company with effect from 01.07.2021.
- iii) Mr. Ramkumar Srinivasan (DIN: 01175498) who retired by rotation at the 32nd Annual General Meeting held on September 29th, 2021, was re-appointed as the Director of the Company.
- iv) Ms. Pragyan Shree, Company Secretary has tendered her resignation and was relieved from her

services with effect from 01.11.2021.

- v) Mr. Siddharth Dwivedi, Company Secretary has been appointed as company secretary with effect from 21.02.2022.

As at March 31, 2022, the Board consisted of 5 (five) Directors comprising of One Nominee Director, Two Non-Executive Directors, an Independent Director and a Managing Director. The Management of the Company is headed by the Managing Director who operates under the supervision and control of the Board.

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

S. No.	Name of Director	Attendance Particulars		No. of other Directorships as on March 31 st , 2022
		No. of Meetings during the tenure of respective directors in FY 2021-22		Other Director-ships (Including Private Limited Companies)
		Held	Attended	
1.	Mr. Ramesh NGS	6	6	8
2	Mr. Sanjay Wasantrao Tanksale	6	6	1
3	Mr. Alan Savio Pacheco	6	6	2
4.	Mr. Karra Visweswara Rao ^(b)	4	4	3
5.	Mr. Ramkumar Srinivasan	6	6	1
6.	Ms. Meera Ranganathan ^(a)	2	2	0
Notes: a) Ms. Meera Ranganathan has resigned on account of withdrawal of Nomination by the appointing authority with effect from 01.07.2021. b) Mr. Karra Visweswar Rao was appointed as Managing Director with effect from 01.07.2021.				

During the Financial Year 2021-22 Six (6) Board Meetings were held on the following dates:

June 11, 2021	June 14, 2021	August 05, 2021
September 15 2021	October 28 , 2021	February 03, 2022

Remuneration of Directors

The Non-Executive Directors except nominees of IFCI Limited and IFCI Financial Services Limited (parent company) are paid sitting fees for every meeting of the Board and its Committees attended by them. The Sitting fees has been paid to the Independent Director (Non- Executive) for the Board and Committee meeting attended by them during Financial Year 2021-22.

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, 2022 is as follows:

S. No.	Name of the Director	Designation /Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Mr. Sanjay Wasantrao Tanksale	Chairman	5	5
2.	Mr. Ramkumar Srinivasan	Member	5	5
3.	Mr. Karra Visweswara Rao ^(b)	Member	4	4
4.	Ms. Meera Ranganathan ^(a)	Member	1	1

Notes:

- Ms. Meera Ranganathan has resigned on account of withdrawal of Nomination by the appointing authority with effect from 01.07.2021
- Mr. Karra Visweswar Rao was appointed as Managing Director with effect from 01.07.2021.
- Mr. Karra Visweswar Rao was inducted as Member of the Audit Committee with effect from 01.07.2021.

The Committee met Five (5) times during the year on the following dates:

June 14, 2021		August 05, 2021	
September 15, 2021	October 28, 2021	February 03, 2022	

Terms of reference in brief:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 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 and the composition of the committee as on March 31st, 2022 is as follows:

S. No.	Name of the Director	Designation Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Mr. Sanjay Wasantrao Tanksale	Chairman	4	4
2.	Mr. Karra Visweswara Rao ^(b)	Member	2	2
3.	Mr. Ram Kumar Srinivasan ^(d)	Member	3	3
4.	Mr. Alan Savio Pacheco ^(d)	Member	1	1
5.	Ms. Meera Ranganathan ^(a)	Member	2	2
Notes: <ol style="list-style-type: none"> a) Ms. Meera Ranganathan has resigned on account of withdrawal of Nomination by the appointing authority with effect from 01.07.2021. b) Mr. Karra Visweswar Rao was appointed as Managing Director with effect from 01.07.2021. c) Mr. Karra Visweswar Rao was inducted as Member of the Audit Committee with effect from 01.07.2021. d) Mr. Ramkumar Srinivasan was inducted as Member of Nomination and Remuneration Committee in place of Mr. Alan Savio Pacheco with effect from 11.06.2021. 				

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

June 11, 2021	June 14, 2021
August 5, 2021	October 28, 2021

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) Share Transfer Committee

The Share transfer committee is constituted in the company. The committee met once in the reporting financial year on 05.08.2021.

The composition of the committee as on March 31st, 2022 is as follows:

S. No.	Name of the Director	Designation /Category	No. of Meetings during the tenure of respective directors in FY 2021-22	
			Held	Attended
1.	Mr. K V Rao	Chairman	1	1
2.	Mr. Ramkumar Srinivasan	Member	1	1

D) Other Internal Committees:

The Company has also formed the following internal 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. General Meetings held during the Financial Year 2021-22.

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

General Meeting	32 nd Annual General Meeting
Venue	Continental Chamber, 3 rd Floor, 142 M.G. Road, Nungambakkam, Chennai – 600034, Tamil Nadu Through Video Conferencing
Date and Day of meeting	Wednesday, September 29th, 2021

The above mentioned General Meeting passed one special resolutions.

8. Annual Return

Pursuant to the provisions of the Companies Act, 2013, the Company shall place a copy of the Annual return in prescribed format on the website of the company, if any, and the web-link of Such annual return shall be disclosed in the Board's report.

The link is provided below:

URL:	https://www.isflonline.com/aboutus
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9. 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.

10. Declaration given by independent directors under sub-section (6) of section 149.

The Independent Director of the company have declared that he meets 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 as on March 31st, 2022. The sitting fees had been paid to the Independent Director for the Board and Committee Meetings attended by him during the year 2021-22.

11. 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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12. Auditors

Being subsidiary of a Government Company, your Company is also a Government Company. The Office of Comptroller and Auditor General of India (CAG) vide its letter dated August 18, 2021 had appointed M/s. Sanjiv Shah & Associates, Chartered Accountant, Chennai (FRN- 003572S) as the Statutory Auditors of the Company for the FY 2021-22. The CAG shall appoint the statutory auditor for financial year 2022-23.

13. Details of Frauds

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

14. 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, 2022 under Companies Act, 2013 is attached herewith as **Annexure-I** to this report.

15. 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.

16. Disclosure requirements as per RBI regulations for NBFCs

The Company during the whole of the Financial Year ended March 31, 2021, 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.

17. 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.

18. Related Party Transactions

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

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ Arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any
1	IFCI Financial Services Limited- Holding Company	Reimbursement of office expenses	As per approval	Ordinary course of business
		Sharing of man power	As per approval	Ordinary course of business
		Commission payable	As per approval	Ordinary course of business
2	Stockholding Corporation of India Limited	Commission payable	As per agreement	Ordinary course of Business
		Reimbursement of Deputation salary	As per approval	Ordinary course of business

During the financial year 2021-22, 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-II** in Form AOC-2.

The Company has formulated a policy on materiality of related party transactions and on Dealing with related party transactions duly approved by the Board. The policy is available on the website of the company at: <https://www.isflonline.com/aboutus>.

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

During the Financial Year 2021-22, 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.

20. 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, 2022) and the date of this report.

21. 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.

22. Risk Concerns and Management

The company is exposed to various risks that are inherent part of the financial services business. The Company has formulated and put in place a Board approved Risk Management policy. The policy encompasses identification, assessment, measurement, monitoring and mitigation of various risks faced by the company. The policy is reviewed every year. The company has constituted the Risk Management Committee and the Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The risks identified on a time to time basis are addressed through mitigating actions on a continuing basis.

Risk Management Committee inter alia reviews various risks the company is exposed to / risks associated with any new initiatives and considers the mitigants suggested by the business heads /

departmental heads / Chief Risk Officer. Thereafter, the Risk Management Committee gives its recommendations on the risks and the mitigants thereof to the Board.

As on March 31, 2022, the Committee comprised of three members viz., Mr.K V Rao (Chairperson), Mr Ramkumar Srinivasan (Member) and Mr. AV Pushparaj, (Member). The Risk Committee met twice in FY 2021-22.

23. 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 which ensures orderly and efficient conduct of its business, including adherence to company's policies and safeguarding of its assets. The Board of Directors had appointed Mr. A R Krishnan & Associates, Chartered Accountants as the Internal Auditor of the Company for the FY 2021-22 to conduct internal audit of the functions and the activities of the Company. The findings and recommendations of the Internal Auditors were reviewed by the Audit Committee and Board of Directors and necessary corrective actions were duly undertaken.

In keeping with the Directions issued by RBI on Managing Risks and Code of Conduct in Outsourcing of Financial services by NBFCs, the activity of internal audit is outsourced to M/s A R Krishnan & Associates, Chartered Accountants and the control of the audit will remain with the management and Audit committee of ISFL.

24. 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.

25. 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.

26. 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 in its meeting held on June 14th, 2021.

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 in its meeting held on June 14th, 2021.

27. 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.

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

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

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

The Company has not availed any one time settlement facility, during the year under review,

therefore providing of details with respect to difference in the amount of valuation done at the time of one time Settlement and the Valuation done while taking loan from the Banks or Financial Institution does not apply to the company.

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

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

31. 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

Sd/-

Karra Visweswar Rao

Managing Director

Sd/-

Ramkumar Srinivasan

Director

Date: 30.08.2022

Place: Chennai

Annexure-I**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 2022.**

The preparation of financial statements of IFIN Securities Finance Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2022.

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 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



**(DEVIKA NAYAR)
DIRECTOR GENERAL OF COMMERCIAL AUDIT**

Place: Chennai
Date: 08.08.2022

Annexure – II
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.

The transactions at arm length basis are as follows:

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1. IFCI Financial Services Limited
a)	Nature of contracts/arrangements/transaction	a) Reimbursement of office expenses b) Sharing of man power c) Commission payable
b)	Duration of the contracts/arrangements/transaction	FY 2021-22
c)	Salient terms of the contracts or arrangements or transaction including the value, if any	Ordinary Course of business
d)	Date of approval by the Board	05.08.2021
e)	Amount paid as advances, if any	Nil

f)	Name (s) of the related party & nature of relationship	2. Stockholding Corporation of India Limited
g)	Nature of contracts/arrangements/transaction	a)Commission payable b) Reimbursement of deputation salary
h)	Duration of the contracts/arrangements/transaction	a)As per terms of agreement for the period of three years with effect from 01.09.2019 b)As per approval till quarter ended June 30, 2021
i)	Salient terms of the contracts or arrangements or transaction including the value, if any	Ordinary Course of business
j)	Date of approval by the Board	a)05.08.2021 b)14.06.2021
k)	Amount paid as advances, if any	Nil

By Order of the Board

For IFIN Securities Finance Limited

Sd/-

Karra Visweswar Rao

Managing Director

Sd/-

Ramkumar Srinivasan

Director

Place: Chennai

Date: 30.08.2022



INDEPENDENT AUDITORS' REPORT

To the Members of IFIN Securities Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IFIN Securities Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and other comprehensive income and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in our audit
<p>Impairment of financial assets as on 31/03/2022 (Expected Credit Loss) (Refer note 3 & 22 of the financial statements)</p> <p>Ind AS 109 relating to "Financial Instruments" requires the company to provide for impairment of its financial assets designated at amortised cost using the expected credit loss (ECL) approach.</p> <p>The Company has recognized impairment loss allowance of ₹ 17,37,291 as at 31 March 2022 and has recognized an income (reversal of provision) for ₹ 2,83,224 in its statement of profit and loss. This</p>	<p>Our audit procedures included the following:</p> <p>Read and assessed the company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <ol style="list-style-type: none">1. Assessed the approach of the Company for categorisation of loans into various stages. Tested a sample of performing (stage 1) assets to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3.2. Engaged our team to review management's



involves management's judgement in the calculation of impairment allowance which has a significant impact on the financial statements.

Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset.

The key areas of judgement include:

1. Categorisation of loans in Stage 1, 2 and 3 based on identification of:
 - (a) exposures with significant increase in credit risk ('SICR') since their origination and
 - (b) Individually impaired / default exposures.
2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on past experience.
3. The impact of different future macroeconomic conditions in the determination of ECL.

These judgements required the models to be reassessed including the impact of Covid -19 pandemic to measure the ECL. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.

approach for calculating ECL and assess the key assumptions i.e., probability of default (PD) and loss given default (LGD) used to determine ECL.

3. Tested the periods considered for capturing underlying data as base to PD and LGD calculations are in line with Company's recent experience of past observed periods.
4. Performing test of details over calculation of ECL for assessing the correctness of the same.
5. Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.

As a result of the above audit procedure, no material differences were noted.

Emphasis of Matter

As more specifically explained in Other Note XIII to the financial statements, the Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other



irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 skepticism 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be





influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The Company being a government company, the requirement of obtaining written representations from the directors in accordance with the provisions of Section 164 (2) of the Act is not applicable vide MCA Notification G.S.R 463 (E) dated 5th June 2015.
 - (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 B". Our report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - (g) The Company being a government company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable.





- (h) As per the Directions issued by the Comptroller and Auditor General of India in pursuance to Section 143(5) of the Act, on the basis of the information and explanations given to us and the records examined by us, we give in the "Annexure C", a statement on the matters specifically so directed.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Other Note XII to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Other Note XII to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

Place: Chennai
Date: 17 May, 2022



For Sanjiv Shah & Associates
Chartered Accountants
Firm Registration No. 003572S

K. Rajesh
CA K Rajesh Jain

Partner

Membership No. 236691

UDIN : 22236691AJLQBF2174



Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of IFIN Securities Finance Limited of even date)

i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:

(a)

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

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Property, plant & equipment have been physically verified by the management in accordance with a regular programme of verification at reasonable intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any immovable property as at the balance sheet date and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) We have been informed that no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

ii) (a) The Company is in the business of giving loans and as such does not have any inventory and hence reporting under clause 3(ii)(a) the Order is not applicable.

(b) The company has not been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii) (a) The Companies principal business is to give loans and hence the provisions of clause 3 (iii) (a) of the Order is not applicable.

(b) The investments made and the terms and conditions of the grant of the loans are not prejudicial to the Company's interest. The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured and unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(c) The schedule of repayment of principal and payment of interest have been stipulated for the loans and the repayments or receipts has generally been regular.

(d) There is no amount which is overdue for more than ninety days and hence reporting under clause 3 (iii) (d) of the Order is not applicable.

(e) The Companies principal business is to give loans and hence the provisions of clause 3 (iii) (e) of the Order is not applicable.



(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv) In our opinion the Company has complied with the provisions of 186 of the Act, with respect to the loans granted as applicable. The Company has not provided any guarantees or given any security or made any investments to any party covered under Section 185 of the Act.

v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The maintenance of cost record has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company. Hence, reporting under clause 3(vi) of the Order is not applicable.

vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records, the company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' state Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no disputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' state insurance, Income Tax, Sales Tax, Service Tax, duty of custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.

(b) According to information and explanations given to us and on the basis of our examination of the records, there are no dues of income tax, GST, sales tax, service tax, duty of customs, duty of excise or value added tax that have not been deposited on account of any dispute as at March 31, 2022.

viii) According to the information and explanations given to us, there were no transactions that were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans and hence reporting under clause 3 (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis and hence reporting under clause 3 (ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence reporting under clause 3 (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting under clause 3 (ix)(f) of the Order is not applicable.



x) (a) The Company has not raised any moneys, during the reporting period, by way of initial public offer (including debt instruments) or further public offer and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable 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.

xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) of the Order is not applicable.

(b) The company did not have an internal audit system for the period under audit and hence reporting under clause 3(xiv)(b) of the Order is not applicable.

xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence reporting under clause 3(xv) of the Order is not applicable.

xvi) (a) According to the information and explanations given to us, 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.

(b) The Company has not conducted Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, there is no Core Investment Company (CIC) within the Group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information



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

xx) In our opinion and based on our examination, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company and hence reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

For Sanjiv Shah & Associates
Chartered Accountants
Firm Registration No. 003572S



K. Rajesh

CA K Rajesh Jain

Partner

Membership No. 236691

Place: Chennai
Date: 17 May, 2022



Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of IFIN Securities Finance Limited of even date)

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 at March 31, 2022, in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for internal financial controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control 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 of 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, to the best of our information and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

Place: Chennai
Date: 17 May, 2022



For Sanjiv Shah & Associates
Chartered Accountants
Firm Registration No. 003572S

K. Rajesh
CA K Rajesh Jain
Partner
Membership No. 236691



Annexure "C" to the Independent Auditor's Report

(Referred to in paragraph 2 (h) under 'Report on other legal and regulatory requirements' section of our report to the Members of IFIN Securities Finance Limited of even date)

Directions under S.143(5) of the Companies Act, 2013

Directions	Impression/Comments
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.	<p>The company has system in place to process all the accounting transactions through IT system using tally accounting software.</p> <p>The main activity is accounting for interest income earned from clients for loans against shares and margin funding which are extracted from Miles Software and loan against mutual funds is extracted from Dhanlap software (third party software) which are updated in the tally accounting software.</p> <p>In respect of payroll related data, based on the files received from payroll department entries are uploaded periodically / monthly in the respective ledger accounts in the tally accounting software.</p> <p>Based on the verification carried out by us during the course of our audit we have not come across any discrepancies in processing of accounting transactions outside the IT systems which has a significant implication on the integrity of accounts.</p>
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 due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per the information and explanations given to us, the Company has not taken any borrowings and hence not commented upon.
3) Whether fund received / receivable for specific schemes from central / state agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	The company is a Non-Banking Financial Company registered with RBI and no funds are received from any government agency for specific schemes.

Place: Chennai
Date: 17 May, 2022



For Sanjiv Shah & Associates
Chartered Accountants
Firm Registration No. 003572S

K. Rajesh Jain
CA K Rajesh Jain
Partner
Membership No. 236691

IFIN SECURITIES FINANCE LIMITED
AUDITED BALANCE SHEET AS AT 31st MARCH 2022
CIN:U65991TN1989GOI017792

(Amount in Rs.)

ASSETS			
Particulars	Note No.	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
Financial Assets			
Cash and cash equivalents	1	1,56,77,539	1,29,42,694
Bank balances other than above	2	8,69,00,000	6,94,00,000
Loans	3	8,26,13,714	6,36,99,428
Investments	4	10,21,48,262	13,89,77,407
Other Financial Assets	5	16,51,847	27,19,436
Non - Financial Assets			
Current Tax Assets (Net)	6	28,44,296	38,80,997
Deferred Tax Assets (Net)		-	-
Property, Plant and Equipment	7	2,93,209	1,34,863
Other Intangible Assets	8	6,63,222	1
Other non - financial assets		2,16,933	4,19,336
Total Assets		29,30,09,023	29,21,74,163

LIABILITIES AND EQUITY			
Particulars	Note No.	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
LIABILITIES			
Financial Liabilities			
Payables			
(I) Trade Payables		-	-
(II) Other Payables	9	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,72,128	25,55,345
Non-Financial Liabilities			
Current tax liabilities (Net)	10	14,58,946	3,50,000
Provisions	11	6,92,834	10,34,027
Deferred tax liabilities (Net)		4,38,148	16,24,608
Equity			
Equity Share capital	12	30,01,00,000	30,01,00,000
Other Equity	13	(1,04,53,032)	(1,34,89,816)
Total Liabilities and Equity		29,30,09,023	29,21,74,163

Summary of significant accounting policies 25

The accompanying notes are an integral part of the financial statements

For Sanjiv Shah & Associates

Chartered Accountants

Firm Reg.No.003572S

K. Rajesh

CA K Rajesh Jain

Partner

Membership No.236691



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

K V Rao *Ramkumar Srinivasan*

K V Rao
Managing Director
DIN:08111685

Ramkumar Srinivasan
Director
DIN:01175498

A V Pushparaj
A V Pushparaj
Chief Financial Officer

Siddharth Dwivedi
Siddharth Dwivedi
Company Secretary
Membership No.A52460

Place : Chennai

Date :17th May, 2022

IFIN SECURITIES FINANCE LIMITED

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

Statement of Profit and Loss for the Period ended 31st March 2022

CIN:U65991TN1989GOI017792

(Amount in Rs.)

	Particulars	Note No.	Year ended (Audited)	
			31.03.2022	31.03.2021
I	Revenue From Operations			
	Interest income including processing fees	14	1,02,49,045	54,14,663
	Net gain on fair value changes	15	-	(1,37,940)
	Net gain on derecognition of financial instruments under amortised cost category	16	-	-
	Others	17	18,021	(10,500)
	Total Revenue From Operations		1,02,67,066	52,66,223
II	Other Income	18	1,41,68,641	1,10,85,884
III	Total Income (I+II)		2,44,35,707	1,63,52,107
	Finance costs	19	-	-
	Commission expenses	20	3,77,560	4,54,544
	Net loss on fair value changes	21	52,54,246	(20,81,520)
	Net loss on derecognition of financial instruments under amortised cost category		-	-
	Impairment on financial instruments	22	(2,83,224)	2,36,921
	Employee benefits expenses	23	63,26,980	1,07,10,021
	Depreciation, amortization and impairment	7 & 8	3,20,968	14,182
	Other expenses	24	81,20,272	47,03,319
	Total expenses (IV)		2,01,16,803	1,40,37,467
V	Profit / (loss) before exceptional items and tax (III - IV)		43,18,904	23,14,639
VI	Exceptional items		-	-
VII	Profit / (loss) before tax (V - VI)		43,18,904	23,14,639
VIII	Tax expense:			
	(1) Current tax		23,46,406	3,50,000
	(2) Deferred tax		(11,77,532)	(2,858)
	(3) Short/(Excess) Provision of Tax of earlier years		86,701	-
IX	Profit / (loss) for the period from continuing operations (VII - VIII)		30,63,329	19,67,497
X	Profit / (loss) from discontinuing operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit / (loss) for the period from discontinuing operations (after tax) (X + XI)		-	-
XIII	Profit / (loss) for the period (IX+XII)		30,63,329	19,67,497
XIV	Other Comprehensive Income			
	A(i) Items that will not be reclassified to Profit or Loss		(35,473)	3,38,934
	A(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		8,928	(85,303)
	Subtotal (A)		(26,545)	2,53,631
	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)		(26,545)	2,53,631
XV	Total Comprehensive income for the period (XIII+XIV) (Comprising Profit (loss) and other Comprehensive Income for the period)		30,36,784	22,21,128
XVI	Earnings Per share (for the continuing Operations)			
	Basic (Rs.)	V	1.02	0.66
	Diluted (Rs.)	V	1.02	0.66
XVII	Earnings Per share (for the discontinuing Operations)			
	Diluted (Rs.)		-	-
XVIII	Earnings Per share (for the continuing and discontinuing Operations)			
	Basic (Rs.)	V	1.02	0.66
	Diluted (Rs.)	V	1.02	0.66

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

For Sanjiv Shah & Associates

Chartered Accountants

Firm Reg.No.0035725


CA K Rajesh Jain
 Partner
 Membership No.236691


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


K V Rao
 Managing Director
 DIN:08111685


Ramkumar Srinivasan
 Director
 DIN:01175498


A V Pushparaj
 Chief Financial Officer


Siddharth Dwivedi
 Company Secretary
 Membership No.A52460

Place : Chennai

Date :17th May, 2022

IFIN SECURITIES FINANCE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2022
CIN:U65991TN1989GOI017792
(Amount in Rs.)

Particulars	For the year ended 31.03.2022 (Audited)	For the year ended 31.03.2021 (Audited)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per P&L a/c	43,18,904	23,14,639
Adjustments for:		
Depreciation on Property, plant and equipment	3,20,968	14,182
Loss on sale of Investments	-	15,84,056
Provision for diminution in value of Trade Investments	52,54,246	(20,81,520)
Gain in fair value of Trade Investments	-	1,37,940
Loan Impairment provisions / (Write-back)	(2,83,224)	2,36,921
Capital gains on sale of Mutual funds	(89,25,602)	(61,51,968)
Operating Profit before adjustment for financial and non- financial assets	(36,33,611)	(62,60,389)
Adjustments for changes in Financial and Non-Financial Instruments	6,85,293	(39,45,749)
(Increase) / Decrease in Loans	(1,86,31,062)	(3,72,86,671)
(Increase) / Decrease in Other Financial Assets	10,67,589	(22,58,205)
(Increase) / Decrease in Other Non - Financial Assets	2,02,402	-
Increase / (Decrease) in Other Payables	(17,83,217)	(4,36,954)
Increase / (Decrease) in Provisions	(3,76,666)	3,29,913
Cash Generated from Operation before tax	(1,95,20,953)	(3,96,51,917)
Direct taxes payments	(2,87,461)	(11,51,798)
Net cash from Operating Activities	(1,88,35,660)	(4,35,97,667)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,42,535)	(1,01,716)
(Purchase) / Sale of Investment	4,05,00,500	4,84,45,243
Bank deposits	(1,75,00,000)	(60,00,000)
Net Cash used in / raised from Investing Activities	2,18,57,965	4,23,43,527
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Borrowings	-	-
Net Changes in Cash & Cash Equivalent (A+B+C)	27,34,845	(24,05,938)
Opening Cash and Cash Equivalents	1,29,42,694	1,53,48,632
Closing Cash and Cash Equivalents	1,56,77,539	1,29,42,694
Increase / Decrease in Cash & Cash Equivalent	27,34,845	(24,05,938)

Summary of significant accounting policies

Note No.25

The accompanying notes are an integral part of the financial statements

For Sanjiv Shah & Associates

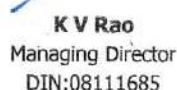
Chartered Accountants

Firm Reg.No.003572S


CA K Rajesh Jain

Partner

Membership No.236691


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

K V Rao

Managing Director

DIN:08111685


Ramkumar Srinivasan

Director

DIN:01175498


A V Pushparaj

Chief Financial Officer


Siddharth Dwivedi

Company Secretary

Membership No.A52460

Place : Chennai

Date :17th May, 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

1. Current reporting period for FY 2021-22 (Amount in Rs.)

Balance at the beginning of the Current reporting period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
30,01,00,000	-	-	-	30,01,00,000

2. Previous reporting period

(Amount in Rs.)

Balance at the beginning of the previous reporting period	Changes in Equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
30,01,00,000	-	-	-	30,01,00,000



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B. Other Equity

1. Current reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				OCI					Amount in Rs.	
			Capital Reserve	Securities Premium	Other Reserves (Cap. redemption reserve, Stat. Reserve and General reserve)	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	OCI Income (specify nature)	
Balance at the beginning of the current reporting period	-	-	2,51,000	-	1,27,84,706	(2,68,64,456)	3,38,934	-	-	-	-	-	
Changes in accounting policy prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	-	
Comprehensive Income for the current year	-	-	-	-	-	85,303	(1,11,848.00)	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	30,63,329	-	-	-	-	-	-	
Any other change (to be specified)	-	-	-	-	6,12,666	(6,12,666)	-	-	-	-	-	-	
Balance at the end of the current reporting period	-	-	2,51,000	-	1,33,97,372	(2,43,28,490)	2,27,086	-	-	-	-	-	



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2.Previous reporting period

(Amount in Rs.)													
	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	OCI Income (specify nature)
			Capital Reserve	Securities Premium	Other Reserves (Cap. redemption reserve, Stat. Reserve and General reserve)								
Balance at the beginning of the previous reporting period	-	-	2,51,000	-	1,23,91,206	(2,68,10,988)	-	-	-	-	-	-	-
Changes in accounting policy/ prior period errors	-	-	-	-	-	(16,27,466)	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	-	-	-	3,38,934	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	3,93,500	15,73,997	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	2,51,000	-	1,27,84,706	(2,68,64,456)	3,38,934	-	-	-	-	-	-



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IFIN SECURITIES FINANCE LIMITED**Note # 1 - Cash and Cash Equivalents**

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash and cash equivalents		
(i) Cash in hand	28	2,281
(ii) Balances with Banks		
- Current Accounts	26,77,511	14,40,413
- Fixed Deposits	1,30,00,000	1,15,00,000
Total	1,56,77,539	1,29,42,694

Note # 2 - Bank Balances other than above

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Bank balances other than above		
(i) Bank Deposits with original maturity of more than three months	8,69,00,000	6,94,00,000
Total	8,69,00,000	6,94,00,000



IFIN SECURITIES FINANCE LIMITED
Note # 3 - Loans

Particulars	As at 31.03.2022					As at 31.03.2021					Total	
	Amortised cost	At Fair Value			Sub Total	Total	Amortised cost	At Fair Value				Sub Total
		At Fair Value through other comprehensive income	At Fair Value through profit and loss account	Designated at fair value through profit and loss account				At Fair Value through other comprehensive income	At Fair Value through profit and loss account	Designated at fair value through profit and loss account		
(A) Loans												
(i) Against Shares / Margin Funding/ Mutual fund	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
Total (A) - Gross	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
Less: Impairment loss allowance	17,37,291	-	-	-	-	17,37,291	20,20,515	-	-	-	-	20,20,515
Total (A) - Net	8,26,13,714	-	-	-	-	8,26,13,714	6,36,99,428	-	-	-	-	6,36,99,428
(B). Secured / Unsecured												
(i) Secured by tangible assets	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Unsecured												
Total (B) - Gross	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
Less: Impairment loss allowance	17,37,291	-	-	-	-	17,37,291	20,20,515	-	-	-	-	20,20,515
Total (B) - Net	8,26,13,714	-	-	-	-	8,26,13,714	6,36,99,428	-	-	-	-	6,36,99,428
C. Sector Analysis												
(C I) Loans in India												
(i) Public Sectors	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
(ii) Private parties	8,43,51,005	-	-	-	-	8,43,51,005	6,57,19,944	-	-	-	-	6,57,19,944
Total (C I) - Gross	17,37,291	-	-	-	-	17,37,291	20,20,515	-	-	-	-	20,20,515
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C I) - Net	8,26,13,714	-	-	-	-	8,26,13,714	6,36,99,428	-	-	-	-	6,36,99,428
(C II) Loans outside India												
Total (C II) - Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total (C II) - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total: (C I and C II)	8,26,13,714	-	-	-	-	8,26,13,714	6,36,99,428	-	-	-	-	6,36,99,428



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IFIN SECURITIES FINANCE LIMITED
Note # 4 - Investments

Particulars	As at 31.03.2022						As at 31.03.2021						(Amount in Rs.)		
	Amortised cost	Through other comprehensive income	Through profit and loss account	Designated at fair value through profit and loss account	Sub-Total	Others	Total	Amortised cost	Through other comprehensive income	Through profit and loss account	Designated at fair value through profit and loss account	Sub-Total		Others	Total
Investments															
A. Security type															
(i) Mutual funds	-	-	10,21,48,262	-	10,21,48,262	-	10,21,48,262	-	-	13,89,77,407	-	13,89,77,407	-	13,89,77,407	
(ii) Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(iv) Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(v) Equity Instruments (other than investment in subsidiaries, associates and joint ventures)	-	-	4,913	-	4,913	-	4,913	-	-	4,913	-	4,913	-	4,913	
Gross	-	-	10,21,53,175	-	10,21,53,175	-	10,21,53,175	-	-	13,89,82,320	-	13,89,82,320	-	13,89,82,320	
B. Sector Analysis															
(i) Investments in India	-	-	10,21,53,175	-	10,21,53,175	-	10,21,53,175	-	-	13,89,82,320	-	13,89,82,320	-	13,89,82,320	
(ii) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross	-	-	10,21,53,175	-	10,21,53,175	-	10,21,53,175	-	-	13,89,82,320	-	13,89,82,320	-	13,89,82,320	
Less: Impairment loss allowance	-	-	4,913	-	4,913	-	4,913	-	-	4,913	-	4,913	-	4,913	
Net	-	-	10,21,48,262	-	10,21,48,262	-	10,21,48,262	-	-	13,89,77,407	-	13,89,77,407	-	13,89,77,407	



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IFIN SECURITIES FINANCE LIMITED

Note # 5 - Other Financial Assets

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Other Financial Assets		
Advances to Staff	46,000	14,000
Interest Accrued but not due on Fixed deposits with Banks	13,22,321	6,74,828
Security deposit with CDSL	1,50,000	1,50,000
Other Advances	1,25,000	7,97,463
Receivable for Shares sold	-	10,83,146
Interest accrued on Loans	8,526	-
Total	16,51,847	27,19,436

Note # 6 - Current Tax Assets (Net)

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance tax and tax deducted at source net of provision:		
FY 2012-13	5,37,208	5,37,208
FY 2011-12	4,66,076	4,66,076
FY 2015-16	7,00,024	7,00,024
FY 2019-20	4,25,891	10,25,891
FY 2020-21	7,15,097	11,51,798
Total	28,44,296	38,80,997



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

(Amount in Rs.)

(Amount in Rs.)								
	Particulars		Tangible Assets		Sub Total (A)	Intangible Assets	Sub Total (B)	Grand Total (A)+(B)
			Office Equipments	Computers		Software		
Gross Block		As at April 01, 2020	56,145	1,33,796	1,89,941	12,60,000	12,60,000	14,49,941
	2020-21	Additions during the year	-	1,01,716	1,01,716	-	-	1,01,716
		Deletions during the year	-		-	-	-	-
		Transfers/Adjustments	-		-	-	-	-
		As at March 31, 2021	56,145	2,35,512	2,91,657	12,60,000	12,60,000	15,51,657
	2021-22	Additions during the year	-	4,34,535	4,34,535	7,08,000	7,08,000	11,42,535
		Deletions during the year / Written off	-	-	-	-	-	-
		Transfers/Adjustments	1,03,397	(1,03,397)	-	-	-	-
		As at March 31, 2022	1,59,542	5,66,650	7,26,192	19,68,000	19,68,000	26,94,192

(Amount in Rs.)

	Particulars		Tangible Assets		Sub Total (A)	Intangible Assets	Sub Total (B)	Grand Total (A)+(B)
			Office Equipments	Computers		Software		
Depreciation		As at April 01, 2020	53,108	89,504	1,42,612	12,59,999	12,59,999	14,02,611
	2020-21	Charge for the year	230	13,952	14,182	-	-	14,182
		Deletions during the year/ written off	-	-	-	-	-	-
		As at March 31, 2021	53,338	1,03,456	1,56,794	12,59,999	12,59,999	14,16,793
	2021-22	Charge for the year	7,524	2,68,665	2,76,189	44,779	44,779	3,20,968
		Deletions during the year / written off	-	-	-	-	-	-
		Transfers/Adjustments	76,784	(76,784)	-			
		As at March 31, 2022	1,37,646	2,95,337	4,32,983	13,04,778	13,04,778	17,37,761
Net Block		Net Block						
		As at March 31, 2022	21,896	2,71,313	2,93,209	6,63,222	6,63,222	9,56,431
		As at March 31, 2021	2,807	1,32,056	1,34,863	1	1	1,34,864



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

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory remittances	1,46,078	2,67,335
Creditors for expenses	4,33,557	16,25,338
Credit balances in loan accounts	1,92,027	6,54,924
Others - Processing fees received in advance	-	7,748
Others - Interest received in advance	466	-
Total	7,72,128	25,55,345

Note # 10 - Current Tax Liabilities (Net)

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Provision net of advance tax and tax deducted at source:		
- FY 2020-21	-	3,50,000
- FY 2021-22	14,58,946	-
Total	14,58,946	3,50,000

Note # 11 Provisions

(Amount in Rs.)

Particulars	As at 31.03.2022	As at 31.03.2021
Leave Encashment	1,02,802	2,35,496
Provision for Bonus	16,332	28,000
Provision for Gratuity	59,316	2,04,074
Provision for expenses	5,14,384	5,66,457
Total	6,92,834	10,34,027



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IFIN SECURITIES FINANCE LIMITED
Note # 12- Equity Share Capital

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.100/- each	59,75,500	59,75,50,000	59,75,500	59,75,50,000
Preference Shares	24,500	24,50,000	24,500	24,50,000
Total	60,00,000	60,00,00,000	60,00,000	60,00,00,000
Issued				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Subscribed & Paid up				
Equity Shares of Rs.100/- each	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Total	30,01,000	30,01,00,000	30,01,000	30,01,00,000

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,01,000	30,01,00,000	30,01,000	30,01,00,000

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

Name of Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IFCI Financial Services Limited (Holding Company)	30,00,994	99.99	30,00,994	99.99



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IFIN SECURITIES FINANCE LIMITED**Note # 13 - Other Equity**

(Amount in Rs.)		
Particulars	As at 31.03.2022	As at 31.03.2021
Capital Reserve	2,51,000	2,51,000
Securities Premium Reserve	-	-
Capital Redemption Reserve	4,50,000	4,50,000
Statutory Reserve	1,04,31,172	98,18,506
Debenture Redemption Reserve	-	-
Share Options Outstanding Account	-	-
General Reserve	25,16,200	25,16,200
Remeasurement Reserve -OCI	2,27,086	3,38,934
Cash Flow Hedge Reserve	-	-
Foreign currency monetary item translation difference	-	-
Retained Earnings	(2,43,28,490)	(2,68,64,456)
Total	(1,04,53,032)	(1,34,89,816)

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IFIN SECURITIES FINANCE LIMITED

Note # 14 - Interest Income

(Amount in Rs.)

Particulars	For the year ended 31.03.22			For the year ended 31.03.21		
	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	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	1,02,49,045	-	1,02,49,045	54,14,663	-	54,14,663
(ii) Interest income from investments	-	-	-	-	-	-
(iii) Other interest income	-	-	-	-	-	-
Total	1,02,49,045	-	1,02,49,045	54,14,663	-	54,14,663



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Note # 15 Net gain on fair value changes

(Amount in Rs.)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio -		
-Investments	-	(1,37,940)
-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)	-	(1,37,940)
Fair Value Changes :		
-Realised	-	-
-Unrealised	-	(1,37,940)

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

(Amount in Rs.)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Financial Instrument written off in earlier year now recovered	-	-
Total	-	-

Note # 17 Others

(Amount in Rs.)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Pre-closure Income	7,500	(10,500)
Other Income on Loans	10,521	-
Sundry customer credit balances written back	-	-
Provisions for standard asset	-	-
Total	18,021	(10,500)

Note # 18 Other Income

(Amount in Rs.)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Dividend Income	-	6,708
Interest on Income tax refund	54,000	-
Interest on Fixed Deposit with Banks	41,90,661	46,04,792
Profit on sale of Investments (Net)	89,25,602	61,51,968
Misc. Income	9,43,722	3,22,416
Interest income on Loans	54,657	-
Total	1,41,68,641	1,10,85,884



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IFIN SECURITIES FINANCE LIMITED
Note # 19 - Finance Cost
(Amount in Rs.)

Particulars	For the Year ended 31.03.2022		For the Year ended 31.03.2021	
	On Financial Liabilities measured at Amortised Cost	Total	On Financial Liabilities measured at Amortised Cost	Total
Finance cost				
(i) Interest on deposits	-	-	-	-
(ii) Interest on borrowings	-	-	-	-
(iii) Interest on debt securities	-	-	-	-
(iv) Interest on subordinated liabilities	-	-	-	-
(v) Other interest expenses	-	-	-	-
(vi) Bank charges	-	-	-	-
(vii) Other finance costs	-	-	-	-
Total	-	-	-	-

Note # 20 - Commission expenses
(Amount in Rs.)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(i) Commision to Stockholding Corporation of India (SHCIL)	2,64,488	2,11,951
(ii) Others	1,13,072	2,42,593
Total	3,77,560	4,54,544



IFIN SECURITIES FINANCE LIMITED**Note # 21 - Net loss on fair value changes**

(Amount in Rs)

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
(A) Net loss on financial instruments at fair value through profit or loss		
(i) On trading portfolio -		
-Investments	52,54,246	(20,81,520)
-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)	52,54,246	(20,81,520)
Fair Value Changes :		
-Realised	-	-
-Unrealised	52,54,246	(20,81,520)
Total Net gain/(loss) on fair value changes	52,54,246	(20,81,520)



IFIN SECURITIES FINANCE LIMITED**Note # 22- Impairment on financial Instruments****(Amount in Rs)**

Particulars	For the year ended 31.03.22		For the year ended 31.03.21	
	On Financial instruments measured at Amortised Cost	Total	On Financial instruments measured at Amortised Cost	Total
a.Loans	(2,83,224)	(2,83,224)	2,36,921	2,36,921
b. Investments	-	-	-	-
c. Others	-	-	-	-
Total	(2,83,224)	(2,83,224)	2,36,921	2,36,921

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IFIN SECURITIES FINANCE LIMITED**Note # 23 Employee Benefit Expenses**

(Amount in Rs)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
(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	10,52,475	41,89,337
Gratuity & Superannuation reimbursed to SHCIL (including GST)	2,64,877	46,652
(b) Salaries and incentives to other employees	45,61,828	58,52,100
(c) Contributions to -		
Provident fund & Employee State Insurance	1,49,479	2,71,244
Staff Welfare Expenditure	1,22,160	84,025
Provision for Gratuity	78,112	91,202
Provision for Leave Encashment	93,284	1,70,821
Labour welfare & Professional Tax	4,764	4,640
Total	63,26,980	1,07,10,021

Note # 24 Other Expenses

(Amount in Rs)

Particulars	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Rent	1,27,440	5,09,760
Telephone expenses	36,000	1,44,000
Electricity Charges	45,000	1,80,000
Auditor's fees and expenses	4,81,530	5,03,770
Bank Charges	5,576	5,601
Legal and Professional Charges	2,79,740	2,59,036
Repairs and Office Maintenance	70,934	2,32,794
Printing and Stationery	2,603	9,613
Postage & courier expenses	100	602
Tour, travel & Conveyance	1,14,862	53,424
Rates And Taxes	22,322	67,360
Information technology expenses	6,50,892	5,11,831
Directors Sitting Fees	1,18,000	1,41,600
Insurance Charges	1,82,754	1,44,272
Professional & Consultation fees	4,56,029	2,69,541
Stamp Charges	2,925	2,637
Membership & Subscription Fees	-	11,591
Advertisement & Business promotion expenses	8,177	-
Training expenses	3,200	28,078
Books & Periodicals	3,585	260
Annual maintenance charges	14,258	20,650
Interest on TDS	302	-
Miscellaneous expenses	22,740	5,135
Depository charges	54	984
Profit/loss on Sale of Investments	-	15,84,056
Bad debts written off	-	16,724
Sharing of expenses	54,71,250	-
Total	81,20,272	47,03,319



ADDITIONAL INFORMATION TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2022

1. Depreciation, Amortization and Impairment

(Amount in Rs.)		
DEPRECIATION AND AMORTIZATION EXPENSE	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant & equipment	2,76,189	14,182
Amortization of Intangible Assets	44,779	-
TOTAL	3,20,968	14,182

2. Payment to Auditors*

(Amount in Rs.)		
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) As Auditor	2,79,500	2,79,500
b) For taxation matters	10,000	10,000
c) For company law matters	-	-
d) For other services	57,500	-
e) For reimbursement of expenses	-	-
TOTAL	3,47,000	2,89,500

* Payment to auditors is exclusive of GST

3. Disclosure in related to Undisclosed Income

There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



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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- (NBFC-LC) 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, margin funding and Mutual Funds.

B. Significant Accounting Policies

A. Basis of preparation and presentation

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

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



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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 116.

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 company has threshold limit for materiality based on the total amount of loans outstanding.

The financial statements for the year ended 31 March 2022 are presented in Indian Rupees and all values are rounded to the nearest rupee, except where otherwise indicated. The financial statements were authorised and approved for issue by the Board of Directors on May 17, 2022.

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(C)
2.	Impairment of loans -Expected credit loss	25 (L)(i)

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 amortized cost less expected credit loss adjustment. Refer note 22 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.

Interest income on Loan against mutual funds

Interest earned on loans against mutual funds (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 amortized cost less expected credit loss adjustment. Refer note 22 for details on impairment.

Processing fee and other documentation charges 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



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effective interest rate or amortised uniformly over the lifetime of the financial instrument.

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.

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding.

Miscellaneous income

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

D. Borrowing costs

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

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. The company has contributed Rs.1,49,479/- (FY 2020-21 - Rs.2,71,244) to provident fund, which has been charged to Statement of Profit & Loss.

(b) Defined benefit plan

(i) Gratuity

The liability recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined based an actuarial valuation using the projected unit credit method.



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Details of defined benefit plans as per actuarial valuation are as follows:

Ind AS 19 Disclosures:

(Amount in Rs.)

Amounts in Balance sheet	31 st March' 21	31 st March' 22
Defined Benefit Obligation (DBO)	2,04,074	59,316
Fair value of Plan Assets	-	-
Funded status - (Surplus) / Deficit	2,04,074	59,316
Unrecognized past service cost / (Credit)	-	-
Unrecognized Asset due to limit	-	-
Liability / (Asset) recognized in Balance sheet	2,04,074	59,316

(Amount in Rs.)

Amount recognized in the Statement of Profit and Loss	31-Mar-20 To 31-Mar-21	31-Mar-21 To 31-Mar-22
Current service cost	59,801	63,957
Interest cost	31,401	14,155
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
(Gain)/Loss due to Settlements/ Curtailments / Acquisitions / Divestitures	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	91,202	78,112

(Amount in Rs.)

Amount recognised in Other Comprehensive Income (OCI)	31-Mar-20 To 31-Mar-21	31-Mar-21 To 31-Mar-22
Amount recognized in OCI, Beginning of Period	-	(3,38,934)
Remeasurements due to :		
Effect of Change in financial assumptions [C]	-	(31,904)
Effect of Change in demographic assumptions [D]	-	-
Effect of experience adjustments [E]	(3,38,934)	67,377
Actuarial (Gains)/Losses (C+ D +E)	(3,38,934)	35,473
Return on plan assets (excluding interest)	-	-
Total remeasurements recognized in OCI	(3,38,934)	35,473
Amount recognized in OCI, End of Period	(3,38,934)	(3,03,461)



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(Amount in Rs.)

Change in Present Value of Benefit Obligation during the Period	31-Mar-20 To 31-Mar-21	31-Mar-21 To 31-Mar-22
Defined Benefit Obligation, Beginning of Period	4,51,806	2,04,074
Current Service Cost	59,801	63,957
Interest Cost	31,401	14,155
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(3,38,934)	35,473
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	-	(2,58,343)
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation, End of Period	2,04,074	59,316

Additional Disclosures (Cash Flows):**Sensitivity Analysis**

(Amount in Rs.)

	31-Mar-22
Defined Benefit Obligation (Base)	59,316

Sensitivity Analysis	31-Mar-22	
	Decrease	Increase
Discount Rate	64,797	54,350
Impact of increase/decrease in 50 bps on DBO	9.24%	-8.37%
Salary Growth Rate	54,123	65,017
Impact of increase/decrease in 50 bps on DBO	-8.75%	9.61%

Expected Cash Flows	31-Mar-22
Year 1	331
Year 2	360
Year 3	392
Year 4	469
Year 5	513
Year 6 to 10	3538

Actuarial Assumptions:

The principal assumptions used for reporting period 31 March, 2022 are summarized in the table below. The assumptions as at the balance sheet date are used to determine the defined benefit obligation & employee benefit expense.



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Financial Assumptions	31-Mar-21	31-Mar-22
Discount Rate	6.95%	7.35%
Salary Escalation Rate	0% for next year and 5.00% thereafter	0% for next year and 3.00% thereafter
Expected Return on Assets	0.00%	0.00%
Demographic Assumptions	31-Mar-21	31-Mar-22
Mortality Table *	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	0.10%	0.10%
Retirement Age	60 years	60 years

Timing Related Assumptions	
Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

* Mortality Rates : Representative mortality rates from Indian Assured Lives Mortality (2012-14) Ult. are given in the table below.

Age	Rate	Age	Rate
20	0.0009240	50	0.0044360
25	0.0009310	55	0.0075130
30	0.0009770	60	0.0111620
35	0.0012020		
40	0.0016800		
45	0.0025790		

(ii) 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 Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.



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Details of defined benefit plans as per actuarial valuation are as follows:

Ind AS 19 disclosures

(Amount in Rs.)

Amounts in Balance Sheet	31-03-21	31-03-22
Defined Benefit Obligation (DBO)	2,35,496	1,02,802
Fair value of plan Assets	-	-
Funded Status - (Surplus)/Deficit	2,35,496	1,02,802
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognized Asset due to Limit in Para 64(B)	-	-
Liability/(Asset) Recognized in the Balance Sheet	2,35,496	1,02,802
Amount Recognized in Statement of Profit & Loss	31-Mar-20 To 31-Mar-21	31-03-21 To 31-03-22
Current Service Cost	1,68,573	1,92,818
Interest Cost	9,731	8,514
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains)	(7,483)	(1,08,048)
(Gain)/Loss due to Settlements/Curtailments/Acquisitions/Divestitures	-	-
Unrecognized Asset due to Limit in Para 64(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	1,70,821	93,284

Change in Present value of Benefit Obligation during the Period	31-03-20 To 31-03-21	31-03-21 To 31-03-22
Defined Benefit Obligation, Beginning of Period	2,15,351	2,35,496
Current Service Cost	1,68,573	1,92,818
Interest Cost	9,731	8,514
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(7,483)	(1,08,048)
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	(1,50,676)	(2,25,978)
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation, End of Period	2,35,496	1,02,802



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Additional Disclosures (Cash Flows):

	31-03-22	
Defined Benefit Obligation (Base)	1,02,802	
Sensitivity Analysis	31-03-22	
	Decrease	Increase
Discount Rate	1,12,358	94,152
Impact of increase/ decrease in 50 bps on DBO	9.30%	-8.41%
Salary Growth Rate	93,757	1,12,741
Impact of increase/ decrease in 50 bps on DBO	-8.80%	9.67%

Expected Cash Flows	31-03-22
Year 1	636
Year 2	687
Year 3	744
Year 4	810
Year 5	886
Year 6 to 10	6100

Actuarial Assumptions:

The principal assumptions used for reporting period and 31 March, 2022 are summarized in the table below. The assumptions as at the balance sheet date are used to determine the defined benefit obligation & employee benefit expense.

Financial Assumptions	31-Mar-21	31-Mar-22
Discount Rate	6.95%	7.35%
Salary Escalation Rate	0% for next year and 5.00% thereafter	0% for next year and 3.00% thereafter
Expected Return on Assets	0.00%	0.00%
Demographic Assumptions	31-Mar-21	31-Mar-22
Mortality Table *	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Withdrawal Rate	0.10%	0.10%
Retirement Age	60 years	60 years



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Timing Related Assumptions:

Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

* Mortality Rates : Representative mortality rates from Indian Assured Lives Mortality (2012-14) Ult. are given in the table below.

Age	Rate	Age	Rate
20	0.0009240	50	0.0044360
25	0.0009310	55	0.0075130
30	0.0009770	60	0.0111620
35	0.0012020		
40	0.0016800		
45	0.0025790		

F. Income taxes & Deferred tax

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. The Company has made provision for current tax for Rs.23,46,406/- during the current year.

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



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Movement of deferred tax liability from beginning to end of financial year is as follows:
(Amount in Rs.)

Particulars	As at April 01, 2020	Provided previous year	As at March 31, 2021	Provided current year	As at March 31, 2022
Deferred tax Liability:					
A. Relating to Property, Plant & Equipment	-	8,805	8,805	1,960	10,765
B. Relating to Actuarial Gain from defined benefit plan recognised in OCI	-	85,303	85,303	(8,928)	76,375
C. Relating to earlier years recognized during the year	-	16,27,466	16,27,466	-	16,27,466
Total Deferred Tax Liability	-	17,21,574	17,21,574	(6,968)	17,14,606
Deferred Tax Asset:					
A. Items disallowed u/s 43B of the Income Tax Act 1961	-	(29,515)	(29,515)	81,693	52,178
B. Investments carried at fair value through Profit or Loss	-	(35,087)	(35,087)	(13,32,467)	(13,67,554)
C. Provision for ECL	-	(32,364)	(32,364)	71,282	38,918
Total Deferred Tax Asset	-	(96,966)	(96,966)	(11,79,492)	(12,76,458)
Deferred Tax Liabilities (net)	-		16,24,608		4,38,148
Tax (Income)/Expense during the period recognized in:					
i. Statement of Profit and Loss	-	(2,858)	-	(11,77,532)	-
ii. Other Comprehensive Income	-	-	-	(8,928)	-
iii. Retained Earnings	-	16,27,466	-	-	-



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Deferred tax assets have not been recognized in respect of business loss and unabsorbed depreciation aggregating to Rs. 9,04,57,174 as at March 31,2022 (March 31,2021: Rs. 9,04,74,976), where it is not probable that sufficient taxable income will be available in the future against which such deferred tax can be realized in the normal course of business of the company.

The amount and expiry dates, if any, of unutilized tax losses and deductible temporary differences for which no deferred tax is recognized in the balance sheet are given below:

Particulars	Year of expiry	Amount
Carry forward business loss	AY 2024-25	96,82,777
Carry forward business loss	AY 2028-29	8,07,74,397

G. Property plant & equipment

Property plant & equipment comprising of office equipment and computers are stated at historical cost less accumulated depreciation.

Depreciation/ amortisation:

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight line method 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, and changes if any has been accounted on a prospective basis as changes in accounting estimates. In order to maintain uniformity in accounting policies adopted by group companies, the company has changed the depreciation method from written down value to straight line.

The depreciation calculated under straight line amounted to Rs.3,20,968 which has been charged to the statement of profit and loss in the current financial year.

Items of Plant, Property and Equipment is fully depreciated where the management estimates the useful life is less than 12 months and charged to the statement of profit and loss.

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.



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Amortisation:

Amortization is recognized so as to write off the cost of intangible assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and amortization method are reviewed at the end of each reporting period, and changes if any has been accounted on a prospective basis as changes in accounting estimates.

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.

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.



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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.

(i) 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 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.



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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 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.



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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.

(ii) Financial liabilities

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



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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.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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. Contingent liabilities:

- i) Estimated amount of contracts remaining to be executed on Capital account and not provided for: NIL (FY 2020-21 - Rs.Nil).
- ii) Other Contingent liabilities: NIL (FY 2020-21 - Rs. Nil).

II. Remuneration to Auditors

(Amount in Rs.)

Nature of Service	FY 2021-22	FY 2020-21
Statutory Audit Fee	2,00,000	2,00,000
For quarterly reporting	79,500	79,500
Tax Audit and Other Fees	67,500	10,000
GST	62,460	52,110
Total	4,09,460	3,41,610

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

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

V. Earnings Per Share

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

(Amount in Rs.)

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Net Profit / (loss) for the year available for the equity shareholders (Before & after extraordinary items)	30,63,329	19,67,497
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)	1.02	0.66



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VI. 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:

Mr. K V Rao	: Managing Director
Mr. A V Pushparaj	: Chief Financial Officer
Mr. Siddharth Dwivedi	: Company secretary

Relatives of Key Management Personnel: Nil



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(e) Transactions with Related Parties

(Amount in Rs.)

Sr. No.	Particulars	Holding /Subsidiary/ Fellow Subsidiary Companies	
		FY 2021-22	FY 2020-21
1	Managing Director's compensation, travel and other reimbursements paid / payable to Stockholding Corporation of India Ltd (SHCIL) including taxes	10,52,475	42,35,989
2	Shared office expenses reimbursed to IFCI Financial Services Ltd (IFIN) - Holding Company	59,21,250	18,00,000
3	Salary deputation reimbursed to IFCI Financial Services Ltd(IFIN) -Holding Company	17,67,676	3,94,015
4	Salary deputation reimbursed by IFCI Financial Services Ltd(IFIN) -Holding Company	9,19,722	3,19,627
5	Commission payable to IFIN for customer referrals (including taxes)	43,251	1,56,459
6	Commission payable to SHCIL for customer referrals (including taxes)	2,64,487	2,11,952

Balance as at year end:

(Amount in Rs.)

Nature	Name of the party	As at 31 March 2022	As at 31 March 2021
Commission Payable	IFCI financial services ltd	---	48,579
	Stock holding corporation of India ltd	15,489	46,477
Salary deputation Payable (Reimbursed)	IFCI financial services ltd	---	91,135
Professional and consultation fee	Stock holding corporation of India ltd	---	7,16,917



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Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.

(b) The Related Parties have confirmed to the Management that as at 31 March 2022 and 31 March 2021 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The transactions during the period are Inclusive of GST except Sr. No. 2,3 &4.

VII. Foreign Exchange Inflow and Outflow

During the year, the company has spent a sum of Rs. Nil (FY 2020-21 - Rs. Nil) in foreign exchange, towards expenses and asset purchases. There is no foreign exchange income during the year.

VIII. 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.

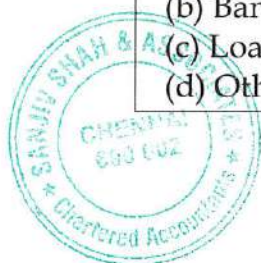
IX. Capital Management

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

(Amount in Rs.)

Financial assets	31.03.2022	31.03.2021
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Equity & Mutual Fund investments	10,21,48,262	13,89,77,407
(ii) Derivative instruments designated in hedge accounting Relationship		
Measured at fair value through Other comprehensive income (FVTOCI)		
(i) Equity investments	-	-
Measured at amortized cost		
(a) Cash and cash equivalents	1,56,77,539	1,29,42,694
(b) Bank balances (Fixed deposits with bank)	8,69,00,000	6,94,00,000
(c) Loans (Gross)	8,43,51,005	6,57,19,944
(d) Other financial assets	18,68,781	31,38,772



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Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities for funding the loans against shares, margin funding and mutual fund. 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 2022:

(Amount in Rs.)

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 Years	More than 5 years
Current financial liabilities:					
Other payables	6,26,050	6,26,050	-	-	-

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March 2021:

(Amount in Rs.)

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 Years	More than 5 years
Current financial liabilities:					
Other payables	22,88,010	22,88,010	-	-	-

The table below provides details regarding the contractual maturities of financial assets as at 31st March 2022:

(Amount in Rs.)

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 Years	More than 5 years
Current financial assets:					
Cash and cash equivalents	1,56,77,539	1,56,77,539	-	-	-
Bank balances (Fixed deposits with bank)	8,69,00,000	3,20,00,000	5,49,00,000	-	-
Loans (Gross)	8,43,51,005	6,69,75,134	1,73,75,871	-	-
Other Financial Assets	18,68,781	17,18,781	-	-	1,50,000



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The table below provides details regarding the contractual maturities of financial assets as at 31st March 2021:

(Amount in Rs.)

Particulars	Carrying amount	upto 1 year	1-3 years	3-5 Years	More than 5 years
Current financial assets:					
Cash and cash equivalents	1,29,42,694	1,29,42,694	-	-	-
Bank balances (Fixed deposits with bank)	6,94,00,000	6,94,00,000	-	-	-
Loans (Gross)	6,57,19,944	2,05,01,671	4,52,18,273	-	-
Other Financial Assets	31,38,772	29,88,772	-	-	1,50,000

X. Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2022, Rs.6,12,666/- is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.



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XI. Analytical Ratios:

- (a) Capital to risk-weighted assets ratio (CRAR)
- (b) Tier I CRAR
- (c) Tier II CRAR

(Amount in Lakhs)						
Ratio	Numerator	Denominator	Current period	Previous period	% variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	2913.84	1881.51	154.87%	139.15%	15.72	-
Tier I CRAR	2896.47	1881.51	153.94%	138.18%	15.76	-
Tier II CRAR	17.37	1881.51	0.92%	0.97%	(0.05)	-

XII. Other Disclosure:

- (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

XIII. Financial impact of Covid-19 lockdown

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.



The Covid-19 post lockdown has not resulted in material decline in prices of listed / quoted equity shares & mutual funds and the loans against shares, mutual funds and margin funding portfolio have not witnessed a material decline in the underlying security value. As a result of the above, the company has created its Expected Credit loss (ECL) provisioning based on past history of the borrowers as applicable, and risk of credit default that may result due to likely stress in the financial position of our borrowers.

Moreover, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any material changes to future economic conditions due to the impact of pandemic. Further, the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

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

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

For Sanjiv Shah & Associates

Chartered Accountants

Firm Reg.No.003572S



CA K Rajesh Jain

Partner

Membership No.236691



For and on behalf of the Board of

Directors of IFIN Securities Finance Limited



K V Rao

Managing Director

DIN:08111685



Ramkumar Srinivasan

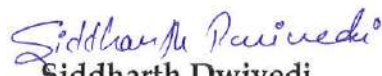
Director

DIN:01175498



A V Pushparaj

Chief Financial Officer



Siddharth Dwivedi

Company Secretary

Membership No.A52460

Place: Chennai

Date: 17-05-2022

Weighted Risk assets

(Amount in Rs.)

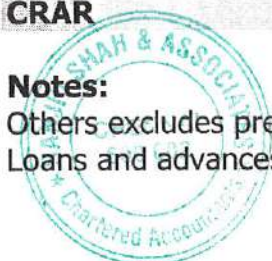
Weighted risk assets - On-Balance Sheet	Percentage		
items	weight	Asset considered	Weighted Risk assets
(i) Cash and bank balances including fixed deposits and certificates of deposits with banks	0	10,25,77,539	-
(ii) <u>Investments</u>			-
(a) Approved securities [Except at (c) below]	0		-
(b) Bonds of public sector banks	20		-
(c) Fixed deposits/certificates of deposits/ bonds of public financial institutions	100	-	-
(d) Shares of all companies and debentures/bonds/commercial papers of all companies and units of all mutual funds	100		
		10,21,48,262	10,21,48,262
(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	8,43,51,005	8,43,51,005
(f) Bills purchased/discounted	100		
(g) Others (To be specified)	100	16,51,847	16,51,847
(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			18,81,51,115
Tier I capital = Equity + reserves & surplus			28,96,46,968
Tier II			-
a. Provision on Standard Assets		17,37,291	
Total of Tier II			17,37,291
Total Capital Funds			29,13,84,259

CRAR **154.87%**

Tier I 153.94%
Tier II 0.92%

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



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Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1 August 2008

I. Capital

(in %)

Particulars		As at 31 st Mar'2022	As at 31 st Mar'2021
i	CRAR (%)	154.87	139.15
ii	CRAR - Tier I Capital (%)	153.94	138.18
iii	CRAR - Tier II Capital (%)	0.92	0.97
iv	Amount of subordinated debt raised as Tier-II	-	-
v	Amount raised by issue of Perpetual Debt Instruments	-	-

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

(Amount in Lakhs)

Particular	Up to 30/31 Days	Over 1 Month & up to 2 Months	Over 2 Month & up to 3 Months	Over 3 Month & up to 6 Months	Over 6 Month & up to 1 Year	Over 1 Year & up to 3 Years	Over 3 years Month & up to 5 Years	Over 5 years	Total
Deposits	-	-	130.00	170.00	150.00	549.00	-	1.50	1000.50
Advances	-	-	50.54	217.62	401.59	173.76	-	-	843.51
Investments**	90.00	277.77	124.73	142.50	212.50	174.03	-	-	1021.53
Borrowings	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

**** Investments are made in mutual funds which have been presented based on the budget loan requirement of the funds and will be liquidated based on the actual requirement of funds.**



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III. Exposures

Exposure to Real Estate Sector

Category		Current Year 2021-22	Previous Year 2020-21
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		
	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



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Exposure to Capital Market

		(Amount in Lakhs)	
		Current Year 2021-22	Previous Year 2020-21
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	843.51	657.20
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		843.51	657.20

IV. 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.



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V. Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current year.

VI. Unsecured Advance

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

Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014 - 15 dt. 10 November 2014

I. Investments

(Amount in Lakhs)

Particulars		Current Year 2021-22	Previous Year 2020-21
1	Value of Investments		
I	Gross Value of Investments		
(a)	In India	1021.53	1389.82
(b)	Outside India,	-	-
Ii	Provisions for Depreciation		
(a)	In India	0.05	0.05
(b)	Outside India,	-	-
Iii	Net Value Of Investments		
(a)	In India	1021.48	1389.77
(b)	Outside India,		
2	Movement of provisions held towards depreciation on investments		
I	Opening balance	0.05	20.86
Ii	Add: Provisions made during the year	--	2.59
Iii	Less : Write-off/write-back of excess provisions during the year	--	23.40
Iv	Closing balance	0.05	0.05



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II. Derivatives

Forward Rate Agreement / Interest Rate Swap

The company does not deal in derivatives and accordingly disclosures is not required.

Exchange Traded Interest Rate (IR) Derivatives

The company does not deal in derivatives and accordingly disclosures is not required.

Disclosures on Risk Exposure in Derivatives

The company does not deal in derivatives and accordingly disclosures is not required.

III. Disclosures relating to Securitisation

The company does not deal in the business of securitisation and accordingly disclosures is not required.

IV. Details of Assignment transactions undertaken by NBFCs

The company has not entered into assignment transactions and accordingly disclosures is not required.

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

The company has not purchased or sold any non-performing financial assets and accordingly disclosures is not required.

VI Additional Disclosures.

1. Provisions and Contingencies

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

(Amount in Lakhs)		
Break up of "Provisions and Contingencies" show under the head Expenditure in Profit and Loss Account	Current Year 2021-22	Previous Year 2020-21
Provisions for depreciation on Investment	0.05	0.05
Provision towards NPA - Write off	--	0.17
Provision made towards Income Tax	23.46	3.50
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	17.37	20.21



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*** Break-up of Expected Credit Loss (ECL) provision of FY 2021-22**

	In lakhs	In lakhs
Bad debts written off during the current year		
less: Provision written back during the current year		
Bad debts reflected in the profit and loss statement		
ECL provision on Standard Assets		17.37
Total ECL		17.37

2. Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down from reserves in the NTA -
Not applicable

3. Concentration of Deposits, Advances, Exposure and NPAs

Concentration of Deposits (for deposit taking NBFCs)

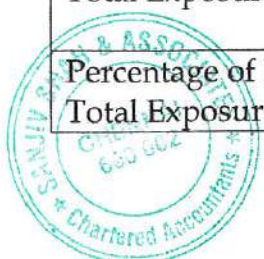
	(Amount in Lakhs)
Total Deposits of twenty largest depositors	Nil
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	Nil

Concentration of Advances

	(Amount in Lakhs)
Total Advances to twenty largest borrowers	686.01
Percentage of Advances of twenty largest borrowers to Total Advance of the NBFC	81.33%

Concentration of Exposures*

	(Amount in Lakhs)
Total Exposure to twenty largest borrowers	686.01
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	81.33%



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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 31.03.2022 and all advances are Standard Assets.

5. Movement of NPAS

(Amount in Lakhs)		
Particulars	Current Year 2021-22	Previous Year 2020-21
I Net NPAS to Net Advances		
li Movement of NPAs (Gross)		
(a) Opening balance	--	--
(b) Additions during the year	--	--
(c) Written off during the year	--	--
(d) Closing balance	--	--
lii Movement of Net NPAs		
(a) Opening balance	--	--
(b) Additions during the year	--	--
(c) Written of Reductions during the year	--	--
(d) Closing balance	--	--
Iv Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	--	--
(b) Provisions made during the year	--	--
(c) Write-off / write-back of excess provisions	--	--
(d) Closing balance	--	--



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6. Overseas Assets (for those with joint ventures and subsidiaries abroad)-

The Company did not have any overseas assets during the current year.

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

VII Miscellaneous:

1. Registration obtained from other financial sector regulators

There is no registration which has been obtained from other financial sector regulators.

2. Disclosure of Penalties imposed by RBI and other regulators

There are no penalties imposed by Reserve Bank of India and other regulators during the financial year

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

Not applicable

4. Details of registration with financial regulators

Regulator	Registration No.
Ministry of company affairs	U65991TN1989GOI017792
Reserve Bank Of India	B-07-00672

5. Related Party Transactions

Details of all material related party transaction are disclosed in note VI.

6. Remuneration of directors (other than Managing Director)

The company has not paid any remuneration to directors (Other than Managing Director) during the year.



7. 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

DISCLOSURE OF FRAUDS REPORTED VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

(a) Current Year 2021-22-NIL

(b) Previous Year 2020-21-NIL

DISCLOSURE ON MORATORIUM - COVID 19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING FOR THE YEAR ENDED MARCH 31, 2021 IN PURSUANT TO THE NOTIFICATION VIDE: DOR.NO.BP.BC.63/21.04.048/2019-20 DATED APRIL 17, 2020

No moratorium requests relating to the COVID-19 regulatory package were received from the borrowers and there was no impact on asset classification and provisioning.

DISCLOSURE OF COMPARISON OF PROVISION AS PER IRAC NORMS AND ECL PURSUANT TO RBI CIRCULAR, VIDE DNBS.PD.CC.NO.109/22.10.106/2019-20 DATED MARCH 13, 2020 FOR THE YEAR ENDED MARCH 31, 2022.

Asset Classification as per RBI	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowance as per Ind AS 109	Provisioning required as per IRAC norms	Difference between Ind AS 109 and IRAC norms provisioning
Standard	Stage 1	8,43,51,005	17,37,291	3,37,404	13,99,887

Statutory Reserve


Details of Creation of reserve fund as per Sec 45-IC of RBI Act, 1934 are disclosed in note XIII


K V Rao
Managing Director
DIN:08111685

Place:Chennai

Date: 17-05-2022


Ramkumar Srinivasan
Director
DIN:01175498


A V Pushparaj
Chief Financial Officer


Siddharth Dwivedi
Company Secretary
Membership No.A52460

