

Ref: IFL/Sect/BSE/2021-22/

October 08, 2021

BSE Limited,
Deptt. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 949153, 949214 & 972829

Re: **Submission of Annual Audited Financial Results for the year ended March 31, 2021 under proviso of Regulation 52(2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

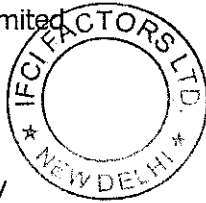
Dear Sir/Ma'm,

The Audit Committee & Board of Directors has at its meeting held on October 08, 2021, reviewed & took note of, respectively, Supplementary Audit Report by Comptroller and Auditor General of India (CA&G) and revised Statutory Auditor's Report for the Financial Year ended March 31, 2021(enclosed). The CAG Supplementary Audit Report has no further observation. Therefore, Pursuant to proviso of Regulation 52(2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Audited Financial results for the year ended March 31, 2021, alongwith CA&G Report and Revised Audit Report and statement of impact of audit qualification(enclosed) for your information and record.

Thanking you

Yours truly,
For IFCI Factors Limited


Mani Dev Sadh
Company Secretary



कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कारपोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE
NEW DELHI-110 002

संख्या:एएमजी-II/2(315)/वार्षिक खाता/
IFCI Factors Ltd (2020-21)/2021-22/211
दिनांक: 30/09/2021

सेवा में

प्रबन्ध निदेशक,
आईएफसीआई फैक्टर्स लिमिटेड,
10 वा तल, आईएफसीआई टावर,
61, नेहरू प्लेस,
नई दिल्ली - 110019

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2021 को समाप्त वर्ष के लिए आईएफसीआई फैक्टर्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत 31 मार्च 20 21 को समाप्त वर्ष के लिए आईएफसीआई फैक्टर्स लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,
27/9
(विद्यु सूद)

प्रधान निदेशक लेखों परीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

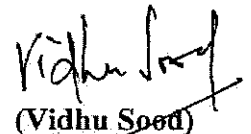
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI FACTORS LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of IFCI Factors limited for the year ended 31 March 2021 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 Revised Audit Report dated 07 September 2021 which supersedes their earlier Audit Report dated 15 June 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements IFCI Factors limited for the year ended 31 March 2021 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.

In view of the revisions made in the statutory auditor's report, to give effect to five of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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


(Vidhu Sood)

**Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi**

**Place: New Delhi
Date: 30.09.2021**



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IFCI FACTORS LIMITED

This revised Independent Auditor's Report is being issued in supersession of our earlier Independent Auditor's Report dated 15th June, 2021, at the instance of Comptroller and Auditor General (C&AG) of India. The revised report is issued in view of certain modification in Annexure 'B'- Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") and Annexure 'C'-Statements on the matters Specified in directions issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the Companies Act, 201, as pointed out by C&AG of India in our earlier report. Further, we confirm that these changes do not effect true & fair view and our opinion as expressed earlier and also none of the figures have undergone any change in the Financial Statements of the Company as at 31st March, 2021.

Report on the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of IFCI Factors Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Classification of account of Shriram EPC Limited exposure Rs. 12.70 Crores.

1. The company has classified the account as Standard on 31.03.2021, by providing an adhoc sanction of Rs.1.20 Crore (10% of the outstanding) on 31.03.2021 and accordingly the overdue has been adjusted and account regularised.



Subject to the above we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note to Financial Statements which fully describes that in accordance with RBI instructions regarding the reversal of Interest Charged on Interest related to Moratorium period. The company has estimated the said amount and has reduced the interest income by that amount with a corresponding adjustment made in the Balance Sheet.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment of Financial Assets held at amortised cost:</p> <p>The Company exercises significant judgement using subjective assumptions over both when and how much to record as impairment for loans and advances and estimation of the amount of the impairment provision for loans and advances.</p> <p>The most significant areas are:</p> <ul style="list-style-type: none"> • impairment models: <ul style="list-style-type: none"> - Judgement is required to determine the inputs, methodologies, staging/restaging in case of Significant increase in Credit Risk ("SICR") cases and assumptions and these can significantly impact the provisions held. The most significant judgements include the segmentation level at which historical loss rates are calculated, the length of the recovery period and the loss emergence period applied to historical loss provisions. • identification of impairment: <ul style="list-style-type: none"> - Corporate exposures are individually assessed for impairment (including identification of cases with SICR) based on a borrower's financial performance, solvency, liquidity etc. - For Retail exposures, collective impairment allowances are calculated using models which approximate credit conditions on homogenous 	<p>Principal audit procedure performed</p> <ul style="list-style-type: none"> • We read the Company's Ind-AS 109 based impairment provisioning policy ; • We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring, staging and provisioning and tested the operating effectiveness of key controls over these processes; • We tested the completeness of loans and advances, off balance sheet items and other financial assets included in the Expected Credit Loss (ECL) calculations as of 31 March 2021; • For data from external sources, we understood the process of choosing such data, its relevance for the Company, and the controls and governance over such data; • Where relevant, we used Information System specialists to gain comfort on data integrity;



portfolios of loans.

- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID-19 pandemic.

Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages as stipulated in Indian Accounting Standard (IND AS) 109 and determining related impairment provision requirements, this is considered to be the area that had a greater focus of our overall Company audit and a key audit matter.

- We tested the data integrity and completeness of the Staging Report;
- For provision against exposures, we obtained an understanding of the Company's provisioning methodology, consistency of various inputs and assumptions used, the reasonableness of the underlying assumptions and the sufficiency of the data used by the Management;
- For a sample of exposures, we tested the appropriateness of determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages;
- We assessed the appropriateness of the calculation of the management overlay in response to COVID-19 related economic uncertainty.
- We performed an overall assessment of the provision levels at each stage including management's assessment on COVID-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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.

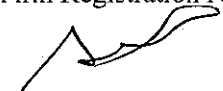
Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to 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 our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended 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 may impact its financial position;
 - (ii) the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - (iii) there has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) as per the directions/sub directions issued by the C&AG of India under section 143(5) of the Companies Act 2013 and on the basis of such verification of the books and records as considered appropriate and available and according to explanations given to us and as per declarations given by the company, we enclosed in Annexure – 'C' a statement on the matters specified in directions issued by The Comptroller and Audit General of India.

For SVP & Associates
Chartered Accountants
ICAI Firm Registration Number: 003838N


CA SUDARSHAN KUMAR
Partner
Membership No.: 089797
UDIN: 21089797AAAAFG6937
Place: New Delhi
Date: 7th - Sep - 2021



ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF IFCI FACTORS LIMITED FOR THE YEAR ENDED MARCH 31, 2021

i)

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, all fixed assets have been physically verified by the management in phased manner during the year which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- c) The Company does not own any immovable property, hence clause not applicable.

ii) The Company does not have any inventory. Therefore, the provisions of clause 3 (ii) of the Order, are not applicable.

iii) As informed to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii) (a) to (c) of the Order are not applicable.

iv) The Company is a registered non-banking finance company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2016 is not applicable.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as per the directions issued by the Reserve Bank of India from the public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph (v) of the Order is not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services/activities rendered by the company.

vii) a) According to the information and explanations given to us and according to the records produced before us for verification, the Company is regular in depositing, with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, custom duty, excise duty, cess and any other material statutory dues applicable to it. As explained to us, the company did not have any dues on account of employees' state insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Custom duty, excise duty, cess and any other statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no material dues of income tax, excise duty, sales tax, custom duty and service tax, which have not been deposited with appropriate authorities on account of any dispute except the following:



Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3,73,044	A/Y 2002-03	AO/TRO
Income Tax Act, 1961	Income Tax	2,66,464	A/Y 2003-04	AO/TRO
Income Tax Act, 1961	Income Tax	9,42,182	A/Y 2004-05	AO/TRO
Income Tax Act, 1961	Income Tax	5,38,440	A/Y 2011-12	AO/TRO

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, Government (both state and Central) or debenture holders.
- ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. On the basis of information and explanations given to us, the money raised by way of term loans have been applied for the purposes for which they were obtained.
- x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) To the best of our knowledge and belief and according to the information and explanations given to us, Section 197 read with schedule V of the Act is not applicable to the company.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not been entered into non cash transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has received registration certificate dated 3rd June, 2009 from RBI under section 45-IA of the Reserve Bank of India Act, 1934 and is permitted to carry on the business as NBFC-Factors in accordance with the Factoring Regulation Act, 2011.



For SVP & ASSOCIATES

Chartered Accountants

ICAI Firm Registration Number: 003838N


CA SUDARSHAN KUMAR

Partner

Membership No.: 089797

UDIN: 21089797AAAAFG997

Place: New Delhi

Date: 7th Sep - 2021



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IFCI FACTORS LIMITED

Report on the Internal Financial Controls over Financial Reporting 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 IFCI Factors Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SVP & ASSOCIATES

Chartered Accountants

ICAI Firm Registration Number: 003838N

CA SUDARSHAN KUMAR

Partner

Membership No.: 089797

UDIN: 21089797AAAAFA6997

Place: New Delhi

Date: 7th Sep-2021



ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

Statements on the matters Specified in directions issued by the Comptroller and Auditor General of India in accordance with Section 143(5) of the Companies Act, 2013
(Referred to in Paragraph 3 of our Audit Report of even date)

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.

According to information and explanations given to us and based on the information available, the company has well established IT system in place for processing of accounting transactions. The company has Trade Free system for recording factoring transactions and Oracle for term loan and Accounting entries. The company also has requisite maker checker concept in place for recording the transactions there will not be any dilution in the integrity of accounting transaction, if the transaction is processed outside the IT system.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of Lender Company).

According to information and explanations given to us and based on the information available and as per declaration given by the company, there is no Restructuring of any loan taken by the company i.e. IFCI Factors Limited. Further, since the company (IFCI Factors limited) is a government company, hence as per the applicability of clause, the Cases of Restructure/waiver/write off of debtors/loan/interest etc. as approved by the Board of Directors during the year ended 31 March 2021 are as follows:

OTS/ Modification to earlier OTS sanctioned in FY 2020-21

Sr No	NAME	Principal (waiver) Rs. In Cr	Interest (Waiver) Rs. In Cr	Total Waiver Rs. In Cr
1	RP Infosystems Pvt Ltd	0.76	1.46	2.22
2	Santan Logistics Pvt Ltd	0.95 cr	0.64	1.59
3	Noesis & MVL Ltd	8.10	17.36	25.46
4	Kalyani Engg Works	2.18	7.27	9.45
5	GTM Builders & Promoters Private Limited	0.00	0.00	0.00

1) RP Infosystems Pvt Ltd – The proposal was for waiver of principal amount & accrued interest against the earlier on-going OTS sanction. The sanction was granted by COD in Sep 2020.

3&4) In the matter of Sr no 3 & 4 (Noesis & MVL and Kalyani Engg Works), it was revalidation of earlier approval, waiver of accrued interest and extension of time which was granted by the COD at the meeting held on Feb 26, 2021. The approvals mentioned above for points no 3 & point no 4 as per the earlier approvals. For point no 3 (Noesis & MVL Ltd), the earlier approval was accorded in Aug 2019, while in the matter of Kalyani Engg Works, the earlier approval was granted in July 2018.



3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central /State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

According to information and explanations given to us and based on the information available, the company has not received/receivable funds (grants/subsidy etc) for specific schemes from Central /State Government or its agencies.

Sub- Directions

1. Investments:

Whether the titles of ownership in respect of CGS1/ SGS/ Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.

According to information and explanations given to us and based on the information available, there is no investment in CGS/SGS/Bonds/Debentures, hence the verification of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. are not applicable.

2. Loans:

In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realizable value of securities available against all such loans is in place and adequate provision has been created during the year? Deficiencies in this regard, if any, may be suitably commented upon along with financial impact.

According to information and explanations given to us and based on the information available, there is a system of periodical assessment of realisable value of securities available against all restructured (except Critical Mass Multilink Limited), rescheduled and renegotiable loan and adequate provision has been created during the year.

For SVP & ASSOCIATES

Chartered Accountants

ICAI Firm Registration Number: 003838N

CA SUDARSHAN KUMAR

Partner

Membership No.: 089797

UDIN: 21089797AAAAFG6997

Place: New Delhi

Date: 7th Sep-2021



IFCI FACTORS LIMITED
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021
Statement of Profit and Loss

(Rs. In Lacs)

Particulars	6 months ended 31.03.2021	6 months ended 31.03.2020	Year to Date figures ended 31.03.2021	Previous Year ended 31.03.2020
	(Audited)	(Audited)	(Audited)	(Audited)
Revenue from operations				
Interest Income	537.69	430.64	1100.03	957.86
Discount and Service Charges	868.24	1371.90	1821.07	2,788.25
Application and Administration Charges	34.30	41.9	60.29	72.36
Total Revenue from operations	1,440.23	1,844.41	2981.39	3,818.47
Other Income	1.25	138.96	48.83	390.6
Total Income	1,441.48	1,983.38	3030.21	4,209.12
Expenses				
Finance Costs	1142.95	1,300.34	2330.81	2,788.38
Employee Benefits Expenses	344.62	329.60	661.11	630.51
Depreciation, amortization and impairment	3.31	3.16	5.83	6.27
Provisions & Write Offs	213.83	367.55	1193.09	995.75
Others expenses	248.41	286.02	462.38	569.29
Total Expenses	1,953.12	2,286.68	4,653.23	4,990.20
Profit / (loss) before exceptional items and tax (III-IV)	-511.65	-303.30	-1623.02	-781.08
Exceptional Items				
Profit/(loss) before tax	-511.65	-303.30	-1623.02	-781.08
Tax Expense:				
(1) Current Tax	-	-	-	-
(2) Deferred Tax	640.91	42.95	642.62	242.69
Profit / (loss) for the period	129.26	-260.36	980.40	-538.39

आई एफ सी आई फैक्टर्स लिमिटेड

दसवा तल, आई एफ सी आई टावर, 61 नेहरू प्लेस, नई दिल्ली - 110 019, भारत

दूरभाष : +91-11-4173 2000, फैक्स : +91-11-4652 1436

वेबसाइट : www.ifcifactors.com

सीआई एन : U74899DL1995GOI074649

IFCI Factors Limited

10th Floor, IFCI Tower, 61 Nehru Place, New Delhi - 110 019, India

Phone: +91-11-4173 2000, Fax: +91-11-4652 1436

Website: www.ifcifactors.com

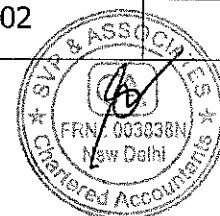
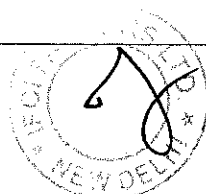
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Other Comprehensive Income				
Items that will not be reclassified to profit or loss	-0.03	-45.62	-23.51	-46.94
Income tax relating to items that will not be reclassified to profit or loss	0.01	11.86	6.11	12.21
TOTAL OCI	-0.03	-33.76	-17.39	-34.74
Total Comprehensive Income for the period	129.23	-294.11	-997.79	-573.13
Earnings Per Equity Share				
Basic (₹)	0.05	-0.11	-0.35	-0.23
Diluted (₹)	0.05	-0.11	-0.35	-0.23

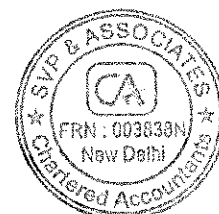
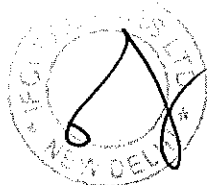
Balance Sheet

(Amount In Lacs)

Particulars	As at Current year ended March 31, 2021	As at Previous Year ended March 31, 2020
Assets		
Financial Assets		
Cash and Cash Equivalents	1,189.87	2,165.49
Bank Balance other than above	-	-
Loans	24,892.12	32,005.43
Investments	937.55	937.55
Other Financial assets	14.38	15.67
Total	27,033.92	35,124.14
Non-financial Assets		
Current tax assets (Net)	280.35	674.01
Deferred tax Assets (Net)	8,824.06	8,175.33
Property, Plant and Equipment	16.53	11.15
Other Intangible assets	12.02	10.28



Other non-financial assets	105.90	57.36
Assets held for sale	377.36	377.36
Total	9,616.21	9,305.48
Total Assets	36,650.14	44,429.62
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Payables		
(I) Other Payables		
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	285.48	157.84
Debt Securities	15,774.70	15,760.56
Borrowings (Other than Debt Securities)	5,114.48	8,941.31
Other financial liabilities	3,258.11	6,369.23
Total	24,432.77	31,228.93
Non-Financial Liabilities		
Provisions	530.08	480.43
Other non-financial liabilities	65.29	100.47
Total	595.38	580.90
EQUITY		
Equity Share capital	27,943.89	27,943.89
Instruments Entirely Equity in Nature	0.00	0.00
Other Equity	-16,321.89	-15,324.10
Total	11,621.99	12,619.79
Total Liabilities and Equity	36,650.14	44,429.62



Notes:

- The above results were reviewed by The Audit Committee and approved by the Board of Directors at its meeting held 15TH June, 2021.
- The Non-convertible Bonds of the Company aggregating to Rs. 58.10 crore as at March 31, 2021 are secured by the value of corporate loan receivables and current assets other than factored receivables of the Company.
- Credit Rating and change during the year:

Facilities	Rating	Previous Rating
Long Term Bank Facilities	CARE BB+	CARE BB+
Short Term Bank Facilities	CARE A4	CARE A4
Long Term Instruments	CARE BB+	CARE BB+

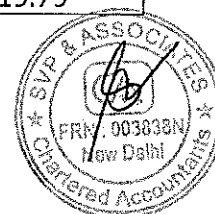
- Detail of Non-Convertible Bonds/Perpetual Debentures are as follows :

Redeemable Taxable Non-Convertible Bonds/Perpetual Debentures (Rs. in crore)					
Security / Option /Series / Tranche	Amount	Previous Due Date		Next Due Date	
		Interest	Principal	Interest	Principal
Secured Option 3 Series 1 Tranche 1	17.00	5-Apr-20	-	5-Apr-21	28-Mar-2023
Secured Option 2 Series 1 Tranche 1	41.10	5-Jun-20	-	5-Jun-21	23-Apr-2023
Unsecured Option 2 Series 2	100.00	5-Jul-20	-	5-Jul-21	17-May-2023
Total	158.10				

The Company has paid the interest on Bonds on due dates

- Analytical Ratios

Ratios	As at March 31, 2021	As at March 31, 2020
Capital Adequacy Ratio	15.61%	18.88%
Earnings Per Share (EPS)	(0.35)	(0.23)
NPA Ratios		
a) Gross NPA/Net NPA(Times)	11.62	9.43
b) % of Gross NPA/Net NPA	1162%	943%
c) Return on Assets (PBT/Total Assets)	(3.03%)	(1.42%)
Debt Equity Ratio(Times)	1.8	1.96
Net Worth (Rs. In Lacs)	11621.99	12619.79



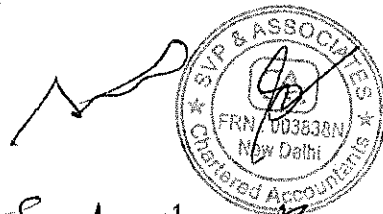
Debt Equity Ratio is calculated as Total Debt/ Total Equity, where Equity comprises of Equity shares, Preference Shares and Reserves, Debt comprises of Bonds, Short Term and Long Term Borrowings of the Company.

6. Previous period figures have been re-grouped/re-classified wherever necessary.

For IFCI Factors Limited


Bikash Kanti Roy
Managing Director
DIN : 02171876

Date: June 15, 2021
Place: New Delhi



CA Sudeshan Kumar

M.No. 089797

FRN :

UDIN: 21089797AAAAEC8509

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
on Annual Audited Financial Results for the year ended March 31, 2021**

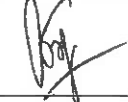

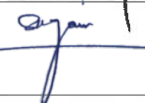

Pursuant to Regulation 52 of SEBI (LODR) Regulations, 2016		(Rs. in lac)		
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	3,030.21	2,787.07
	2	Total Expenditure	4,653.23	4,581.23
	3	Net Profit/(Loss)	(997.79)	(1,127.48)
	4	Earnings Per Share	(0.35)	(0.40)
	5	Total Assets	36,650.14	36,210.95
	6	Total Liabilities	25,028.14	24,718.64
	7	Net Worth	11,621.99	11,492.31
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a) Details of Audit Qualification :			
	Classification of account of Shriram EPC Limited exposure Rs. 12.70 Crores. The company has classified the account as Standard on 31.03.2021, by providing an adhoc sanction of Rs.1.20 Crore (10% of the outstanding) on 31.03.2021 and accordingly the overdue has been adjusted and account regularised.			
	b) Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	c) Frequency of qualification: Whether appeared first time / repetitive / since how long continuing			

Signature



	<p>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>ADHOC facility was given as per the lending policy of IFL and was done basis client request for support on the lines of COVID 19 relief package.</p> <p>Lead banker Punjab National Bank and some other bankers including Bank of Maharashtra have given ADHOC COVID 19 facility to the client, looking at the hardships faced by the company in pandemic. The account is standard with bankers Axis Bank, South Indian Bank, Central Bank of India and Bank of Maharashtra as on March 31, 2021.</p> <p>Since a proposal for investment in Shriram EPC Limited is on records from strategic investor and post which the IFCI Factors Ltd is expected to received Rs. 5.85 Cr payment upfront, which would entail to recovery of nearly 46 % of the exposure, financial support was extended to the client in pandemic times.</p> <p>In the last JLF dated April 16, 2021 majority of the lenders are in favor of the resolution plan submitted by the client and the same is under advance stage of consideration by the lead banker</p>
	<p>e) For Audit Qualification(s) where the impact is not quantified by the auditor: - NA</p>
	<p>i) Management's estimation on the impact of audit qualification: NA</p>
	<p>ii) If management is unable to estimate the impact, reasons for the same :NA</p>
	<p>iii) Auditors' Comments on (i) or (ii) above: No</p>

Signatories

<p>Bikash Kanti Roy Managing Director</p>	
<p>Manish Jain CFO</p>	
<p>Suresh Kumar Jain Audit Committee Chairman</p>	
<p>SVP & Associates Statutory Auditors</p>	

Date : June 15, 2021

Place: NEW DELHI

