IFCI
LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)

(भारत सरकार का उपक्रम)

ANNUAL REPORT 2017-18

TWENTY-FIFTH ANNUAL GENERAL MEETING

DATE : September 28, 2018

DAY : Friday

TIME : 10:30 A.M.

PLACE : Auditorium, 1st Floor, IFCI Tower
61 Nehru Place, New Delhi - 110 019

NOTE : 1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

APPEAL

1. Shareholders are requested to register their email ID with the Company/ Registrar & Transfer Agent (R&TA) at complianceofficer@ifciltd.com or admin@mcsregistrars.com, helpdeskdelhi@mcsregistrars.com, in case the shares are held in physical form and with their depository participants (DPs) in case the shares are held in Dematerialised form, to support the Green Initiative taken by the Ministry of Corporate Affairs. Save Trees, Save Environment.

2. IFCI Ltd. had been declaring and paying dividend on its paid-up equity capital from time to time. The dividend details are provided in the Annual Reports of the Company and are available at IFCI's website www.ifciltd.com.

   As per Section 124(6) of the Companies Act, 2013, all **shares** in respect of which Dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF Authority. All subsequent corporate benefits such as Bonus Shares, Dividend etc. except right issue, if any, that may accrue in relation to the above shares will also be credited to the IEPF Authority.

   We, therefore, advise you to claim the unclaimed dividends for FY 2010-11 and onwards, by making an application to the Company so as to reach the Company / R&TA of the Company on or before October 17, 2018, so that your shares are not transferred to IEPF Authority in compliance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Amendment Rules, 2017 (IEPF Rules). Both unclaimed dividend and the shares that have been transferred to IEPF Authority, may be claimed from the IEPF Authority by following prescribed procedure.

3. With effect from December 05, 2018 transfer of listed securities (Shares, Debentures, Bonds, etc.) would be carried out in dematerialised form only. Therefore, Security holders are requested to get their securities dematerialised in order to avoid any inconvenience, as per Regulation 40 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4. Security holders holding security in physical form are requested to submit their PAN & Bank Account details with the company or respective R&TAs, in terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018. **(MAY PLEASE REFER TO THE ENCLOSURES AT THE END OF THE ANNUAL REPORT)**.

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IFCI LIMITED
आई एफ सी आई लिमिटेड

(As on 27.07.2018)

BOARD OF DIRECTORS

Dr Emandi Sankara Rao — Managing Director & CEO
Dr Bhushan Kumar Sinha
Shri Anshuman Sharma
Ms Kiran Sahdev
Prof N Balakrishnan
Prof Arvind Sahay

(As on 01.08.2018)

CHIEF VIGILANCE OFFICER

Shri Vijay Dube
(On deputation from Vijaya Bank)

PRINCIPAL OFFICERS

EXECUTIVE DIRECTORS

Shri V Satyavenkata Rao

Shri Biswajit Banerjee

CHIEF GENERAL MANAGERS

Shri Prasoon

Shri Sachikanta Mishra

GENERAL MANAGERS

Shri Sanjeev Kumar Jain	Shri Shivendra Tomar (On deputation to IIDL as MD and additional charge as ED-ILD)	Shri Suneet Shukla	Smt Pooja S Mahajan (On deputation to ISF as CEO)
Shri Pawan Kumar	Shri Bikash Kanti Roy (On deputation to IFL as MD)	Shri Atul Saxena	Shri Vijay Pal
Smt Rita Jan	Shri V Subramanian	Shri Harjeet Singh	Shri Rajeev Ahluwalia
Smt Jhummi Mantri (CFO)	Shri Deepak Mishra	Shri Samik Dasgupta	Shri V Anish Babu
Smt Rupa Deb (Sarkar) (CS)	Shri Rajesh Kumar Gupta	Shri Alok Sabharwal (On deputation to IVCF as MD)	Smt C Santhi
Shri Shakti Kumar		Shri V K Deshraj	Shri Manoj Kumar Parida

STATUTORY AUDITORS

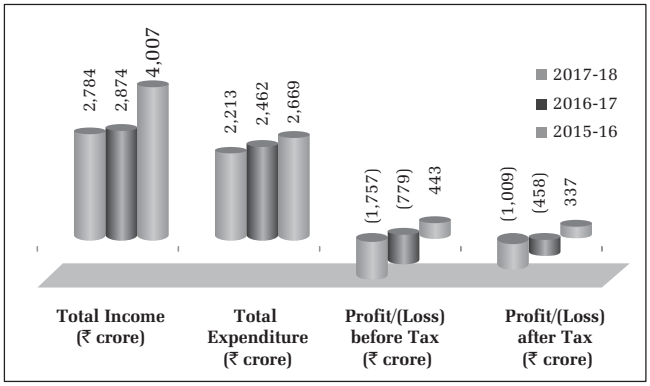
KPMR & ASSOCIATES
Chartered Accountants

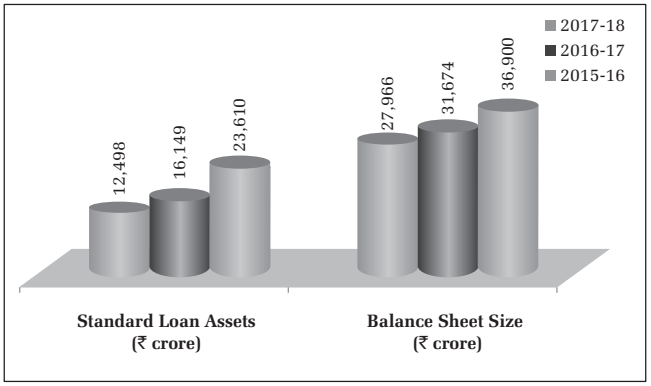
FINANCIAL HIGHLIGHTS

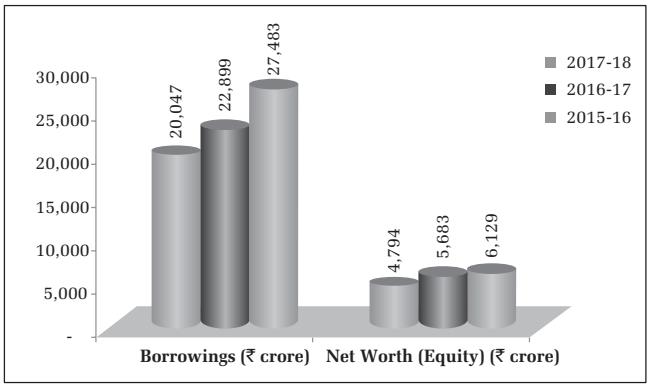
(₹ crore)

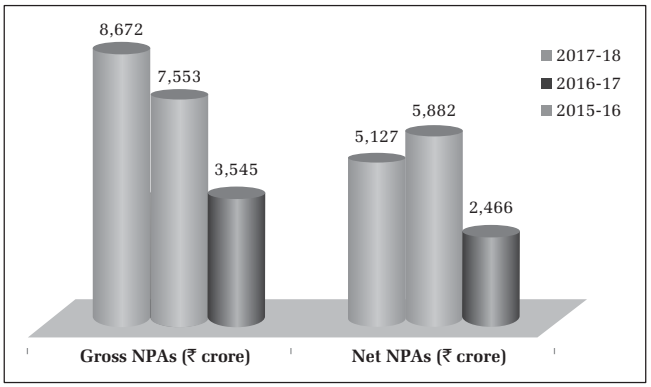
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
EQUITY & LIABILITIES				
Share Capital	**1,920.99**	1,925.88	1,925.43	1,925.37
Reserves and Surplus	**3,859.14**	4,804.44	5,276.90	5,220.28
Non-current Liabilities	**17,121.98**	20,170.04	22,741.00	22,494.23
Current Liabilities	**5,063.40**	4,774.08	6,956.49	5,328.08
	27,965.51	31,674.44	36,899.82	34,967.96
APPLICATION				
Fixed Assets	**957.76**	995.48	1,037.21	1,121.50
Deferred Tax Assets	**1,717.11**	985.96	678.70	567.90
Non-current Assets	**19,774.19**	23,804.45	28,705.81	26,354.89
Current Assets	**5,516.45**	5,888.55	6,478.10	6,923.67
	27,965.51	31,674.44	36,899.82	34,967.96
	2017-2018	2016-2017	2015-2016	2014-2015
EARNINGS				
Total Income (₹ crore)	**2,783.54**	2,874.24	4,006.64	3,346.08
Profit/(Loss) before Tax (₹ crore)	**(1,756.86)**	(779.02)	443.48	718.02
Profit/(Loss) after tax (₹ crore)	**(1,008.51)**	(458.49)	337.45	521.60
RATIOS				
Capital to Risk Assets Ratio	**14.0%**	16.7%	16.9%	18.8%
Debt-Equity Ratio	**4.2**	4.0	4.5	4.3

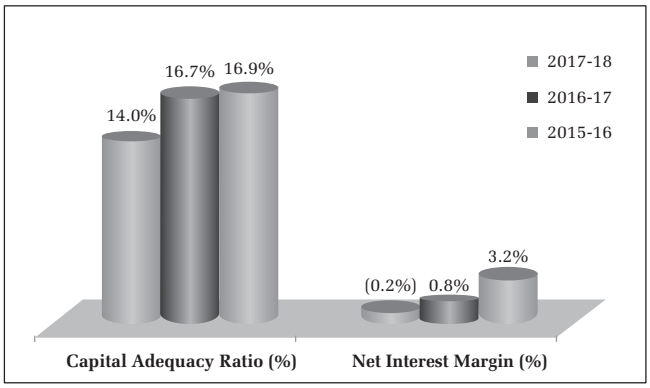
ANNUAL PERFORMANCE TRENDS

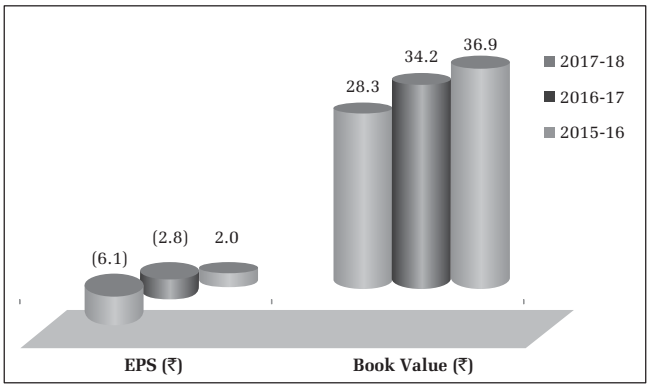


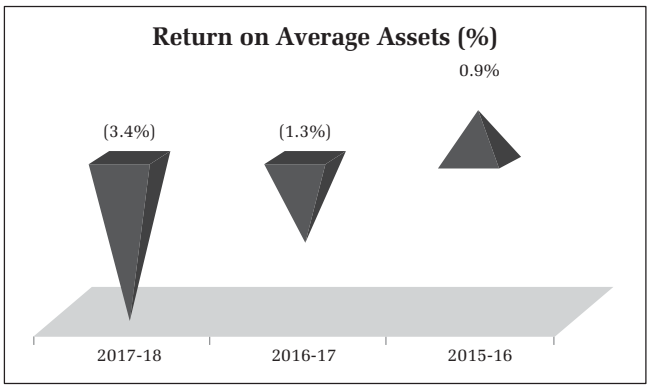


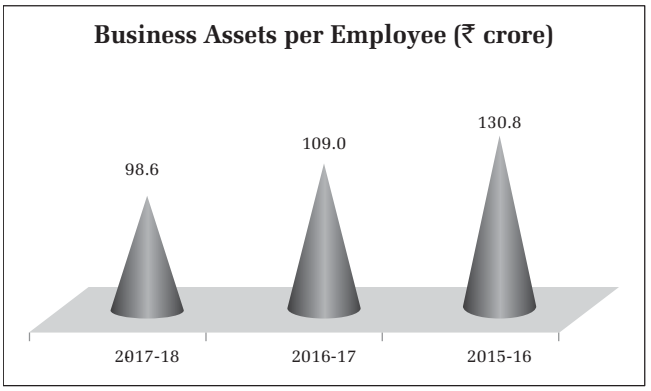












CHAIRMAN'S SPEECH FOR FINANCIAL YEAR 2017-18

Dear Shareholders,

It is indeed my privilege to welcome you to the 25th Annual General Meeting of Your Company, IFCI Ltd. On behalf of the Board of Directors of Your Company, I thank you all for your continued trust and support, extended to IFCI over the years.

At the outset, I would like to briefly outline the developments in the International & Indian economies and also in the Banking & Finance sector during the financial year 2017-18, before touching the performance highlights of Your Company.

MACRO-ECONOMIC SCENARIO - DEVELOPMENTS & OUTLOOK

The world economy grew at a faster pace in 2017 at 3.8% as compared to 3.2% growth registered in 2016, supported by a recovery in investment in second half of 2017. Financial conditions also remained supportive, despite the recent volatility in equity markets and increase in bond yields following signs of firming inflation in advanced economies.

The International Monetary Fund (IMF) projects global economic growth to be robust during 2018. Growth is expected to be broad-based with the advanced economies (AEs) growing above their potential and emerging markets and developing economies (EMDEs) also posting higher growth, though, the latest indicators such as Purchasing Managers' Index (PMI) and Organisation for Economic Cooperation and Development (OECD) Composite leading indicators suggest some moderation in the underlying drivers of economic growth. Further, spillover risk from advanced financial markets to emerging markets has increased. Tightening of liquidity conditions in the developed markets and a strong US dollar have started to adversely impact emerging market currencies, bonds and capital flows. Firming commodity prices, evolving geopolitical developments and rising protectionist sentiments pose added risks. On balance, however, the global economic growth outlook remains positive.

In India, growth slowed for the first 2 quarters of FY 2017-18, partly reflecting adjustments by businesses to GST. In the second quarter of FY 2017-18, the slowdown in economic activity bottomed out at 6.3% growth. With gradual stabilization of GST impact, in Q3 of FY 2017-18, GDP grew at 7% and it further accelerated to 7.7% in Q4 of FY 2017-18, resulting in a healthy growth rate of 6.7% for FY 2017-18. Domestic demand continued to drive growth, with strong private consumption and a public infrastructure spending push in India. Moreover, the growth in non-food credit was also observed after nearly 2 years, especially, the growth in industry being observed from December 2017 onwards.

Prospectively, India's growth outlook appears promising, with household consumption expected to remain strong, exports expected to recover, and investment projected to revive with the support of structural reforms. Continuing thrust on green and brownfield projects in the infrastructure sector is likely to aid economic activities and support higher growth. A normal monsoon is projected for FY 2018-19 which would auger well for agriculture and allied sectors and would help in generating stable rural demand. Due to improvement in capacity utilization in manufacturing sector owing to pick up in demand, both credit offtake and investments are expected to improve in FY 2018-19. Overall with the high level of digital technology usage, a balanced and inclusive growth is expected in the near term.

BANKING SECTOR

The Scheduled Commercial Banks' (SCB) credit growth picked up on a year on-year basis across bank groups between September 2017 and March 2018, though, deposit growth decelerated for PSBs during the same period. Their Capital to Risk-Weighted Assets Ratio (CRAR) declined marginally between September 2017 and March 2018. SCBs' profit after tax plummeted in the second half of the year, mainly due to higher risk provisions on bad & doubtful assets. The share of net interest income (NII) in total operating income increased from 63.7% in 2016-17 to 65.2% in 2017- 18 primarily due to decline in other operating income. A major component of other operating income, the profit on trading of securities, showed significant decline in 2017-18. The Asset quality of the Scheduled Commercial Banks witnessed further deterioration during the FY 2017-18. The gross non-performing advances (GNPA) ratio rose from 10.2% in September 2017 to 11.6% in March 2018. However, their net nonperforming advances (NNPA) ratio registered only a smaller increase during that period due to increase in provisioning. The GNPA ratio in the industry sector rose from 19.4% to 22.8% during the same period, whereas, stressed advances ratio increased from 23.9% to 24.8%.

NBFC SECTOR

Non-Banking Financial Companies (NBFCs) have been consistently increasing their share of lending in the Indian financial sector. While the Banks were the main source of funding, off-late they being saddled with their own issues such as high NPAs in the large ticket corporate and infrastructure lending, the retail oriented and stronger NBFCs have looked more at bond market avenues. The NBFCs have been growing at a faster pace on account of their customised offerings, better market understanding and doorstep reach to the customers. While, the NBFCs with retail focus continued to report appreciable growth in business and profit, the pure corporate lending NBFCs had to bear the brunt of NPAs and report loss or lower profit for the year 2017-18. In 2017, NBFCs increased their share in the total credit market to 16%, from 13% in 2015. GNPAs of the NBFC sector as a percentage of total advances decreased from 6.1% in 2016-17 to 5.8% in 2017-18. The CRAR of NBFC sector increased from 22.0% in 2016-17 to 22.9% in 2017-18.

OPERATIONAL AND FINANCIAL PERFORMANCE

As a consequence to subdued sentiments in the economic environment and increase in NPAs mainly in the infrastructure and core sectors, the performance of Your Company was affected in tandem with the overall financial sector. Though, the economy and credit growth started showing signs of recovery in the later part of FY 2017-18, its effect is expected to be visible in FY 2018-19.

Under such scenario, Your Company focused on improvement in asset quality and made gross sanctions to the tune of ₹7,148 crore in good quality assets vis-à-vis gross sanctions of ₹7,923 crore in FY 2016-17 and made disbursements of ₹4,434 crore in FY 2017-18, thereby registering a growth of 45.2% over the disbursements of ₹3,053 crore made in FY 2016-17. With strong focus on the recovery front, through various available measures of action, Your Company could recover ₹963 crore during the year, including recovery of ₹854 crore from NPAs during FY 2017-18. Further, resolution of certain large NPAs is expected through NCLT forum.

Withdrawal of all the existing restructuring mechanisms including CDR, SDR, S4A, JLF and 5/25 loan scheme by RBI vide its circular issued on February 12, 2018 and the price discovery during the process of resolution of large legacy corporate borrowers under NCLT within the IBC framework had huge impact on increased provisioning in the entire financial sector including Your Company. As a result, Your Company suffered a net loss of ₹1,009 crore during the year under report. Consequently, the capital adequacy ratio declined to 14.02% with Tier-I capital at 7.52% due to partial erosion of capital on account of loss due to high provisions . However, as per the revised guidelines of RBI, the requirement of CRAR is 10% for Government NBFCs with minimum Tier I Capital being 7%, as on March 31, 2019.

Despite difficult times and ecosystem, Your Company progressively made certain positive assertions by way of policy initiatives and performance characterisations, some of which I would like to bring to your notice.

- √ The operational profit for FY 2018 was higher at ₹570 crore than ₹413 crore in FY 2017.
- √ Aggregate NNPAs and Standard Restructured Assets declined to ₹5,428 crore on March 31, 2018 from ₹7,104 crore at the end of previous year.
- √ The Provision Coverage Ratio was enhanced from 42% to 55% during the year.
- √ Debt Equity Ratio could be maintained at a reasonable level of 4.18.
- √ Disbursement to Sanction Ratio increased from 38% in FY 2017 to 61% in FY 2018.
- √ Credit rating of loan portfolio improved to "A-" at end of FY 2018 from "BBB-" at the beginning of the year.

Insolvency and Bankruptcy process is underway in many large NPAs, which are expected to be resolved during FY 2018-19, this, along with divestment of non-core assets is expected to improve the asset quality as well as cash flow of Your Company and also strengthening the balance sheet of Your Company. During the year, the risk management and credit appraisal & monitoring systems and processes have been made stringent with detailed analysis for evaluation of portfolio and timely corrective actions, as and when required.

ADHERENCE TO THE CORPORATE GOVERNANCE

The Report on Corporate Governance for the FY 2017-18 forms separate part of the Annual Report. During the Year under report, Your Company has made all out efforts for compliance of the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015. However, the Board constitution w.r.t. Independent Directors could not be met, due to the fact that application for appointment of Independent Directors is pending with the Government of India.

GOING FORWARD

Being the first term lending institution of the nation with huge contribution to the industrial and economic development of the country, it is our foremost objective to bring Your Company back to its past glory through a slurry of measures. These include short term actions like aggressive NPA recovery through all avenues and strategies, unlocking strategic and proprietary investments, monetisation of non-core assets, renewed focus on Advisory and Fee-based income to medium term measures like decisive plans on subsidiaries and associates and Human Resource competency development through appropriate trainings and capacity building.

With all the efforts being made by Your Company to further strengthen its operational, financial and human resources performance, I hope that it will overcome the challenges & emerge triumphant once again in the very near future.

ACKNOWLEDGEMENT

I take this opportunity to thank the Government of India, especially The Ministry of Finance, The Ministry of Corporate Affairs, The Reserve Bank of India, The Securities & Exchange Board of India and all stakeholders including Banks and Financial Institutions, for the continued support and guidance provided to Your Company. Your Company expresses its gratitude for the professional advice and vision of the Board of Directors. I place on record my sincere thanks to all our esteemed shareholders, clients and investors for their unstinted support to the Company. I also wish to place on record my deep appreciation of the dedicated service of all the employees at all levels of Your Company.

Thank you.

Dr Emandi Sankara Rao
Managing Director & CEO
DIN: 05184747

Date : 02.07.2018

NOTICE

NOTICE is hereby given that the Twenty-Fifth (25th) Annual General Meeting (AGM) of the Members of IFCI Limited will be held on Friday, September 28, 2018 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019, to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2018 and the reports of the Auditors' and Board's thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final dividend.
3. To appoint a Director in place of Ms Kiran Sahdev (DIN: 06718968), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
4. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section(s) 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section(s) 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(s) of the Company appointed by Comptroller and Auditor General of India (C&AG) for the Financial Year 2018-19, as may be deemed fit."

Special Business

5. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section(s) 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Prof N Balakrishnan, (DIN: 00181842), who was appointed as an Additional Director of the Company on October 30, 2017 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section(s) 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Prof Arvind Sahay, (DIN:03218334), who was appointed as an Additional Director of the Company on October 30, 2017 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution(s):-

   "RESOLVED that in accordance with the provisions of Section(s) 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) Regulations, 2012, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities Contract (Regulations) Act, 1956 and other applicable SEBI Regulations and guidelines, the circulars / directions / guidelines issued by The Reserve Bank of India, and any other applicable Rules / Regulations as amended from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of requisite approvals as may be applicable / required, including the approval of lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board (the term "Board" shall include any duly constituted Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds/ debentures aggregating upto an amount of ₹5,000 crore during a period of one year from the date of passing of this resolution in one or more tranches, to such persons as identified by the Board, who may or may not be the existing bond/debenture holders of the Company, as the Board may at its sole discretion decide, including eligible investors (whether residents and/ or non-residents and/or institutions/incorporated bodies and/ or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Superannuation & Pension Funds, Scheduled Commercial Banks, Financial Institutions, Primary / State / District / Central Co-operative Banks, Regional Rural Banks, Mutual Funds, Bodies Corporate, companies, private or public, trust or any other entities, authorities, and to such other persons or investors category eligible to invest subject to current applicable rules, Acts, laws etc. in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹5,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable and on such terms and conditions as may be finalized by the Board.

RESOLVED FURTHER that for the purpose of giving effect to any Private Placement of unsecured / secured non-convertible bonds / debentures, the Board, be and is hereby authorized to determine / approve / vary or modify the terms of the Issue, including the class of investors to whom the allotment of bonds/ debentures would be made, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount, amount of issue, discount to issue price to a class of bond / debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things as they may, in their absolute discretion deem necessary, desirable or expedient for any offer, issue, allotment of the aforesaid unsecured/secured non-convertible bonds/ debentures, including but not limited to listing with the Stock Exchange(s) and to resolve and to settle all questions and difficulties that may arise in the proposed offer, issue and allotment of the aforesaid non-convertible debentures/bonds and to do all such deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit.

RESOLVED FURTHER that the Board of the Company be and is hereby authorised to delegate such powers to the Committee of Directors as it may deem necessary in relation to allotment of aforesaid unsecured/secured non-convertible bonds/ debentures issued on Private placement basis."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution(s):-

"RESOLVED that pursuant to the provisions of Section(s) 42, 55, 62 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder, as amended from time to time and subject to the Memorandum and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any authority(ies) from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof or persons nominated by the Board, exercising the powers conferred on the Board by this Resolution, for the time being) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, consent of the Members be and is hereby accorded to the Board to create, offer and/or invite to subscribe, issue and allot, for cash at par, upto 50,00,00,000 (Fifty crore) Cumulative Redeemable Preference Shares ("CRPS") of ₹10/- each for an aggregate amount not exceeding ₹5,00,00,00,000 (Rupees Five Hundred crore Only), carrying fixed dividend rate not exceeding 10% p.a. on a private placement basis, to such person or persons, whether or not they are Member(s) of the Company, for a period not exceeding 20 years, in one or more tranches.

RESOLVED FURTHER that in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the particulars and the terms of the issue in respect of CRPS, are as under:

(i) CRPS shall carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend or repayment of capital;

(ii) CRPS shall be non-participating in the surplus funds;

(iii) CRPS shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company;

(iv) Holders of CRPS shall be paid dividend @ not exceeding 10% p.a. on a cumulative basis;

(v) CRPS shall not be convertible into equity shares;

(vi) CRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013 as amended from time to time; and

(vii) CRPS shall be redeemable within a period not exceeding 20 years.

(viii) Issuer shall at all times have call-option enabling the issuer to make premature redemption of the CRPS as and when issuer may think fit and expedient either fully or in one or more tranches, by giving minimum 15 (fifteen) days' notice to the Preference Shareholders.

RESOLVED FURTHER that the Board, be and is hereby authorized to do all such acts, deeds and things and take all such steps and actions, execute all such deeds, documents and writings and also give such directions and delegations, as it may in its absolute discretion deem fit, including paying such fees and incurring such expenses in relation thereto and file documents, forms, Stamp duty etc. as required with the regulatory / statutory authorities and authorise such officials of the Company for the aforesaid purpose, as deemed fit.

RESOLVED FURTHER that the Board of the Company be and is hereby authorised to delegate such powers to the Committee of Directors, as it may deem necessary in relation to allotment of aforesaid CRPS issued on Private Placement Basis."

Registered Office:
IFCI Tower
61 Nehru Place
New Delhi-110 019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

By order of the Board of Directors

Rupa Sarkar
Company Secretary

Dated: July 02, 2018

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING, DULY COMPLETED AND SIGNED. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the

conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of Notice in writing is given to the Company.

3. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the special business under item no(s) 5 to 8 are annexed hereto.

4. Brief profile of Directors proposed to be appointed/ reappointed is set out in the "Information about Directors seeking appointment / re-appointment as mandated under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015" annexed with the Notice.

5. All documents referred to in the accompanying Notice and the Explanatory Statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 a.m. to 1:00 p.m. up to the date of this AGM. The Registers required to be maintained u/s 170 of the Companies Act, 2013, will be available for Inspection at AGM.

6. Register of Members and Share Transfer Books for equity shares will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing facility of voting through electronic means to its Members in respect of the business to be transacted at the 25th AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by CDSL.

The instructions for Members for voting electronically are as under:-

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders / Members.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification Code as displayed and Click on Login Tab.

(v) If you are holding shares in demat form and had earlier logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the eight digit of the sequence number in the PAN Field (refers sequence number printed on the name and address sticker / email). • In case the sequence number is less than eight digit then enter the applicable number of Zero's before the Number, after the first two characters of the name in CAPITAL Letters. Eg. If your name is Ramesh Kumar with sequence Number 1, then enter RA00000001 in the PAN Field.
Dividend Bank Details / Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login • If both the details are not recorded with the Depository or the Company, please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iii) above.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of IFCI to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also CAST their vote using CDSL's Mobile app m-voting available for Android based Mobiles. The m-voting app can be downloaded from Google Play store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone store respectively. Please follow the instructions as prompted by the Mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 21, 2018 may follow the same instructions as mentioned above for e-Voting.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Details of the person who can be contacted for any grievances connected with the facility for voting by electronic means :

  Shri Rakesh Dalvi
  Manager
  A Wing, 25th Floor, Marathon Futurex
  Mafatlal Mill Compounds
  N M Joshi Marg
  Lower Parel (E)
  Mumbai – 400013
  Email id: helpdesk.evoting@cdslindia.com
  Phone Number: 1800 225 533

- **Other Information:**

(A) The voting period begins on Tuesday, September 25, 2018 at 9:00 A.M. and ends on Thursday, September 27, 2018 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Friday, September 21, 2018), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(B) The facility for voting through polling paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

(C) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again.

(D) The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through polling paper will not be considered.

(E) The Board of Directors has appointed Shri Sanjay Grover (Membership No. F4223, COP-3850), Practising Company Secretary, failing him Shri Lokesh Dhyani (Membership No. A38725, COP- 16185), Practising Company Secretary, New Delhi as Scrutinizer to scrutinize the remote e-voting, poll process in a fair and transparent manner and to submit report thereon.

(F) The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.ifciltd.com and on the website of CDSL at www.evotingindia.com immediately and on the Notice Board of the Company at its registered office after the result is declared. The Company shall simultaneously forward the results to the Stock Exchanges where the shares of the Company are listed.

8. IFCI is not including the financial statements of its subsidiaries on standalone basis in its Annual Report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Audited Accounts of these companies will be available at the website of the Company at www.ifciltd.com. The Annual Accounts of these Companies are open for inspection at the Registered Office of IFCI and at the Registered Offices of the respective companies upto the date of this AGM on any working day. The Company will also provide copy of separate audited financial statements in respect of each of its subsidiaries to any of the shareholder of the Company who ask for it.

9. The Members holding equity shares in physical form are requested to intimate to the Registrar and Transfer Agent (R&TA), MCS Share Transfer Agent Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, regarding change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form is required to be intimated to the concerned Depository Participant.

10. Members holding shares in more than one folio in identical order of names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.

11. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of Meeting, so as to enable the management to keep the information ready.

12. Members/Proxies should bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the Meeting.

13. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared upto the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund. The Company had not declared any dividend for the financial years 1999-2000 to 2007-08. The unclaimed dividend for the year 2009-10, has already been transferred to IEPF in the year 2017, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with other applicable Laws / Rules / Regulations in this regard.

14. The dividend for the Financial Years 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 (interim & final) and 2015-16 (interim) that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Accounts [2010-11,2011-12, 2012-13, 2013-14, 2014-15 (interim & final), and 2015-16 (Interim), respectively] of IFCI Ltd. **The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned accounts, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for these years are:**

Year	Due Date
2010-11	18.10.2018
2011-12	17.08.2019
2012-13	12.12.2020
2013-14	29.09.2021
2014-15(interim)	30.03.2022
2014-15(final)	27.10.2022
2015-16 (interim)	16.03.2023

The Dividend for the year 2009-10 has already been transferred to IEPF on 13.11.2017.

15. As per Section 124(6) of the Companies Act, 2013, all shares in respect of which dividends for the year 2008-09 and 2009-10, had remained unclaimed for seven (7) consecutive years or more, have been transferred to the IEPF Authority in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Amendment Rules, 2017.

16. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend are requested to claim the dividend from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with IFCI. **For the dividend declared for the year 2010-11, members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants for the year 2010-11 are requested to contact the Company/ R&TA well before time i.e. well before the due date of transferring the amount to IEPF as stated above.**

17. Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by the Companies. In order to support the said initiative, Your Company sent the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail ID has been provided by them through their DPs/R&TA. Also the Annual Report has been uploaded on the website of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Prof N Balakrishnan, (DIN: 00181842) was appointed as an Additional Director by the Board of Directors of the Company on October 30, 2017. In terms of Section 161 (1) of the Companies Act, 2013, Prof N Balakrishnan, shall hold office upto the date of this AGM.

The Company has received a valid notice under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director. Brief profile of Prof N Balakrishnan is set out in the "Information about Directors seeking appointment/reappointment as mandated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" is annexed with the notice.

All documents referred to in the accompanying notice and the explanatory statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 01:00 P.M upto the date of this AGM. The registers required to be maintained u/s170 of the Companies Act, 2013 will be available for inspection at the AGM.

Prof N Balakrishnan is interested in the resolution as it relates to his appointment. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

The Nomination and Remuneration Committee has recommended his appointment as Director on the Board of the Company, whose office shall be liable to retire by rotation. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the Resolution for approval of the Members.

Item No. 6

Prof Arvind Sahay, (DIN: 03218334) was appointed as an Additional Director by the Board of Directors of the Company on October 30, 2017. In terms of Section 161 (1) of the Companies Act, 2013, Prof Arvind Sahay, shall hold office upto the date of this AGM.

The Company has received a valid notice under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director.

Brief profile of Prof Arvind Sahay is set out in the "Information about Directors seeking appointment/reappointment as mandated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" is annexed with the notice.

All documents referred to in the accompanying notice and the explanatory statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 01:00 P.M upto the date of this AGM. The registers required to be maintained u/s170 of the Companies Act, 2013 will be available for inspection at the AGM.

Prof Arvind Sahay is interested in the resolution as it relates to his appointment. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

The Nomination and Remuneration Committee has recommended his appointment as Director on the Board of the Company, whose office shall be liable to retire by rotation. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, the Board recommends the Resolution for approval of the Members.

Item No. 7

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and the other applicable rules made thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. The relevant provisions of the Companies Act, 2013, also provide that such an approval by way of special resolution can be obtained once a year for all the issues, offers and invitations made for such NCDs during the year. Members of the Company at the 24th AGM held on October 30, 2017, approved by way of Special

Resolution issuance of securities by private placement for an amount not exceeding ₹5,000 crore in the year commencing from October 30, 2017 i.e. the date of approval by shareholders. However, the said approval of the shareholders is valid only upto a period of one year, thereby completing on October 29, 2018.

In order to augment long term resources for onward lending, repayment / prepayment of principal of existing borrowings and/ or for general corporate purposes, consent of the Members is required for raising of funds thereafter and in line with the aforesaid statutory provisions, it is necessary to pass a Special Resolution at this AGM for raising of funds through private placement of secured/ unsecured non-convertible bonds/ debentures during a period of one year from the date of passing of this resolution.

Therefore, the approval of the Members is being sought by way of Special Resolution(s) under Sections 42 and 71 of the Act read with the applicable Rules made thereunder, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and NCDs upto ₹5,000 crore on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 7, within the overall borrowing limits of the Company, as approved by the Members from time to time.

All documents referred to in the accompanying notice and the explanatory statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 01:00 P.M upto the date of this AGM. The registers required to be maintained u/s170 of the Companies Act, 2013 will be available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the Special Resolution for approval of the Members.

Item No. 8

As on date the approved Authorised Preference Share Capital of the Company is ₹1,000 crore and the paid-up preference share capital is ₹225 crore pending redemption. There is available limit to issue fresh preference shares. Accordingly, approval of the Members is being sought for issue of Cumulative Redeemable Preference Shares by the Board of Directors or any duly constituted Committee thereof, as and when the Board may deem fit and expedient, in one or more tranches.

IFCI is exploring various options for mobilizing resources for increasing its Balance Sheet size and issue of Cumulative Redeemable Preference Shares is one such option. Company may leverage the available limits, by issue of Preference shares thereby enabling to raise funds for augmenting the business of the Company at a competitive rate, since the dividend is taxable at a low rate in the hands of recipients. This capital shall also improve the Capital to Risk Weighted Assets Ratio (CRAR) of the Company.

As per Section 62 of the Companies Act, 2013, where a Company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to the existing shareholders of the Company in the manner prescribed under Section 62 of the Act, unless the shareholders in General Meeting decide otherwise. Accordingly, approval of the Members is sought for issue of Cumulative Redeemable Preference Shares to such persons as may be identified by the Board of Directors or any duly constituted Committee thereof by the Board.

The complete material facts concerned with and relevant to the issue of Cumulative Redeemable Preference Shares are as under:

Sl. No.	Particulars	Details
1.	The size of the issue and number of preference shares to be issued and nominal value of each share	₹500 crore comprising of 50,00,00,000 number of Cumulative Redeemable Preference Shares with Face Value of ₹10/- each.
2.	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	The preference shares shall be redeemable, cumulative, non-convertible and non-participating.
3.	The objectives of the issue	To take leverage of the available authorised preference share capital to augment the business of the Company and improve CRAR.
4.	The manner of issue of shares	The Cumulative Redeemable Preference Shares shall be issued by the Board of Directors or any duly constituted Committee thereof either fully or in one or more tranches, by way of Private Placement.
5.	The price at which such shares are proposed to be issued	At Par.
6.	The basis on which the price has been arrived at	Not applicable since the issue is at Par.
7.	The terms of issue, including terms and rate of dividend on each share, etc.,	Tenure - not exceeding 20 Years from the date of issue. Rate of Dividend - not exceeding 10% p.a. (cumulative).
8.	The Terms of Redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Tenure - not exceeding 20 years from the date of issue. Redemption – At Par. The Preference shares shall be Non-Convertible and are Redeemable. Call Option – Issuer shall after a period of 3 years from date of issue, have the right to call-option to make premature redemption of the CRPS as and when issuer may think fit and expedient, in one or more tranches, by giving minimum 15 (fifteen) days' notice to the preference shareholders.
9.	The manner and modes of redemption	The preference shares shall be redeemed either out of the profits of the Company or out of the proceeds of fresh issue of shares or by any other mode as may be permissible by the provisions of the Companies Act, Rules, Regulations (including any modification(s) or re-enactment(s) thereof) etc., for the time being in force.

<table>
<tr><th>Sl. No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>10.</td><td>The current shareholding pattern of the Company</td><td>Equity Shareholding Pattern:
<table>
<tr><th>Category</th><th>No. of Equity Shares</th><th>%age of Equity Share Capital</th></tr>
<tr><td>Promoter</td><td>95,69,55,857</td><td>56.42</td></tr>
<tr><td>Mutual Funds</td><td>2,82,32,314</td><td>1.67</td></tr>
<tr><td>Banks / Financial Institutions</td><td>9,15,61,573</td><td>5.40</td></tr>
<tr><td>Insurance Companies</td><td>10,66,98,758</td><td>6.29</td></tr>
<tr><td>Foreign Institutional Investors</td><td>9,48,51,626</td><td>5.59</td></tr>
<tr><td>Bodies Corporate</td><td>6,33,29,125</td><td>3.73</td></tr>
<tr><td>Public & Others</td><td>35,43,63,839</td><td>20.90</td></tr>
<tr><td>Total</td><td>1,69,59,93,092</td><td>100.00</td></tr>
</table>
Preference Shareholding Pattern:
<table>
<tr><th>Category</th><th>No. of Preference Shares</th><th>%age of Preference Share Capital</th></tr>
<tr><td>Promoter</td><td>60000000</td><td>26.67</td></tr>
<tr><td>Banks</td><td>159000000</td><td>70.67</td></tr>
<tr><td>Insurance Companies</td><td>4000000</td><td>1.77</td></tr>
<tr><td>Body Corporate</td><td>2000000</td><td>0.89</td></tr>
<tr><td>Total</td><td>225000000</td><td>100.00</td></tr>
</table></td></tr>
<tr><td>11.</td><td>The expected dilution in equity share capital upon conversion of preference shares</td><td>Not Applicable</td></tr>
</table>

All documents referred to in the accompanying notice and the explanatory statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the registered office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 A.M. to 01:00 P.M upto the date of this AGM. The registers required to be maintained u/s170 of the Companies Act, 2013 will be available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the Special Resolution for approval of the Members.

Registered Office:
IFCI Tower
61 Nehru Place
New Delhi - 110 019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com
Dated: July 2, 2018

By order of the Board of Directors

Rupa Sarkar
Company Secretary

INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS MANDATED UNDER REGULATION 36 of SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IS AS UNDER:

Ms Kiran Sahdev

Ms Kiran Sahdev (DIN: 06718968) aged 58 years is Executive Director, LIC. She had joined LIC in the year 1984 as a Direct Recruit Officer of the 13th Batch. In a career spanning over three decades, she has handled many challenging assignments such as Secretary (Per.Admn/ER) at Central Office, Regional Manager (Personnel & IR) of Central and North Zones and Regional Manager (Estates / OS) of Northern Zone. With more than twelve years' of rich experience in managing personnel and industrial relations has made her almost a specialist in the field. As a part of the Team LIC, at corporate LIC, she looks forward to enhancing professionalism in work culture and establishing robust systems to improve corporate governance.

Ms Sahdev has been extensively trained in executive excellence and leadership at renowned Indian and International Institutes, including ISB, Hyderabad, IIM (Ahmedabad) and Asian Institute of Management, Manilla, Philippines.

A major in English Literature from Jesus and Mary College, Delhi and a Post Graduate in English Literature from Delhi University, Ms Kiran Sahdev is a multifaceted personality having interests in music, reading and theatre. An art lover, she has a remarkable aesthetic sense and appreciates works of art related to period history and culture.

Besides IFCI Ltd., Ms Kiran Sahdev is not on the Board of any other entity. Further, she is also on the following Board level Committees of IFCI Ltd.:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk and Asset Liability Management Committee
6. Review Committee on Wilful Defaulters and Fraud Reporting Committee
7. Review Committee on Non Cooperative Borrowers and Recovery & NPA Management Committee
8. Executive Committee

Ms Kiran Sahdev was appointed on the Board of the Company on October 24, 2013. She has attended 6 out of 8 Board Meetings during the FY 2017-18.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the re-appointment of Ms Kiran Sahdev on the Board of the Company. She does not hold any shares in IFCI Ltd.

Prof N Balakrishnan

Prof N Balakrishnan (DIN: 00181842) aged around 68 years is an Honorary Professor at the Department of Aerospace Engineering and at the Supercomputer Education and Research Centre. He joined the Department of Aerospace Engineering as an Assistant Professor. He has also held the positions of Associate Director of the Indian Institute of Science; Chairman, Division of Information Sciences and Chairman, Supercomputer Education and Research Centre.

He has done his B.E. (Hons.) in Electronics and Communication from the University of Madras in 1972 and Ph.D. from the Indian Institute of Science in 1979. He is a Fellow of The World Academy of Sciences (TWAS), Indian National Science Academy, Indian Academy of Sciences, Indian National Academy of Engineering, National Academy of Sciences and Institution of Electronics & Telecommunication Engineers.

Prof N Balakrishnan has received many notable accolades including the Padmashree by the Hon'ble President of India in 2002, Prof S N Mitra Memorial Award, 2013 of the Indian National Academy of Engineering, IETE Diamond Jubilee Medal 2013, Homi J. Bhabha Award for Applied Sciences, 2004, JC Bose National Fellowship in 2007, the Alumni Award for Excellence in Research for Science & Engineering by IISc, 2001 and Millennium Medal of the Indian National Science Congress in 2000 among others.

Besides IFCI Ltd., Prof N Balakrishnan was the Chairman of Data Security Council of India and is currently one of its Directors. He is also on the Board of Indian Institute of Information Technology and Management, Kerala and Equitas Small Finance Bank Limited. He has also been in the past, a member of the National Security Advisory Board. He was also one of the Directors of the Bharat Electronics Limited (BEL), and a Part-Time Member of the Telecom Regulatory Authority of India. Prof N Balakrishnan is on the following Board level Committees of IFCI Ltd.:

1. Corporate Social Responsibility Committee
2. Review Committee on Wilful Defaulter and Fraud Reporting Committee
3. Executive Committee
4. E-Governance Committee

Prof N Balakrishnan was appointed on the Board of the Company on October 30, 2017. He has attended all the 3 Board Meetings after his appointment during the FY 2017-18.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the appointment of Prof N Balakrishnan on the Board of the Company. He does not hold any shares in IFCI Ltd.

Prof Arvind Sahay

Prof Arvind Sahay (DIN: 03218334), aged around 53 years is Professor of Marketing and International Business, Dean (Alumni & External Relations) at IIM Ahmedabad. He is Ph.D. from University of Texas Austin and B.Tech. from IIT Kanpur. He did Post Graduation Diploma in Business from IIM Ahmedabad. Prof Sahay has authored more than 50 cases and published in leading international journals like the Journal of Marketing, Journal of Product Innovation Management, Journal of International Business Studies, Sloan Management Review, Vikalpa, the Journal of Academy of Marketing Science and Journal of Indian Business Research. His article in the Journal of Academy of Marketing Science is one of the most widely cited papers in marketing. He has been a regular columnist for Outlook Business magazine on marketing strategy and has also written for the leading Indian business newspaper, Financial Express, on economics and business. He is the author of a case book on marketing strategy called Cases in Pricing, Marketing Communications and Distribution.

Prof Sahay is the recipient of the University Wide Outstanding Dissertation Award from the University of Texas at Austin (for his Ph.D thesis), the Innovation in Teaching Award at London Business School and of the Dewang Mehta Best Teacher Award in Marketing Management and the UTV Bloomberg Best Marketing Professor in India. He was also nominated to the Thinkers50 India list by the Institute of Competitiveness, Harvard Business School.

Prof Sahay has been a visiting faculty at EADA (Spain), the Mason School of at the College of William and Mary (USA), University of Texas at Austin (USA), IIM Lucknow, Asian Institute of Technology, (Vietnam), Gordon Institute of Business Science, University of Pretoria (South Africa), SP Jain Institute of Management Research (Singapore, Dubai), Retail Alliance (Dubai) and Indian School of Business, Hyderabad.

Besides IFCI Ltd., Prof Arvind Sahay is also on the Board of Brandscapes Consultancy Pvt. Ltd. and Gujarat Narmada Valley Fertilizers & Chemicals Ltd. (GNFC). He is the Chairman of Corporate Social Responsibility Committee and the Member of Nomination Remuneration Committee of Directors of GNFC. Prof Arvind Sahay is also on the following Board Level Committees of IFCI Ltd.:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Business Responsibility Reporting Committee
5. Risk and Asset Liability Management Committee
6. Review Committee on Non Cooperative Borrowers and Recovery & NPA Management Committee

Prof Arvind Sahay was appointed on the Board of the Company on October 30, 2017. He has attended all the 3 Board Meetings after his appointment during the FY 2017-18.

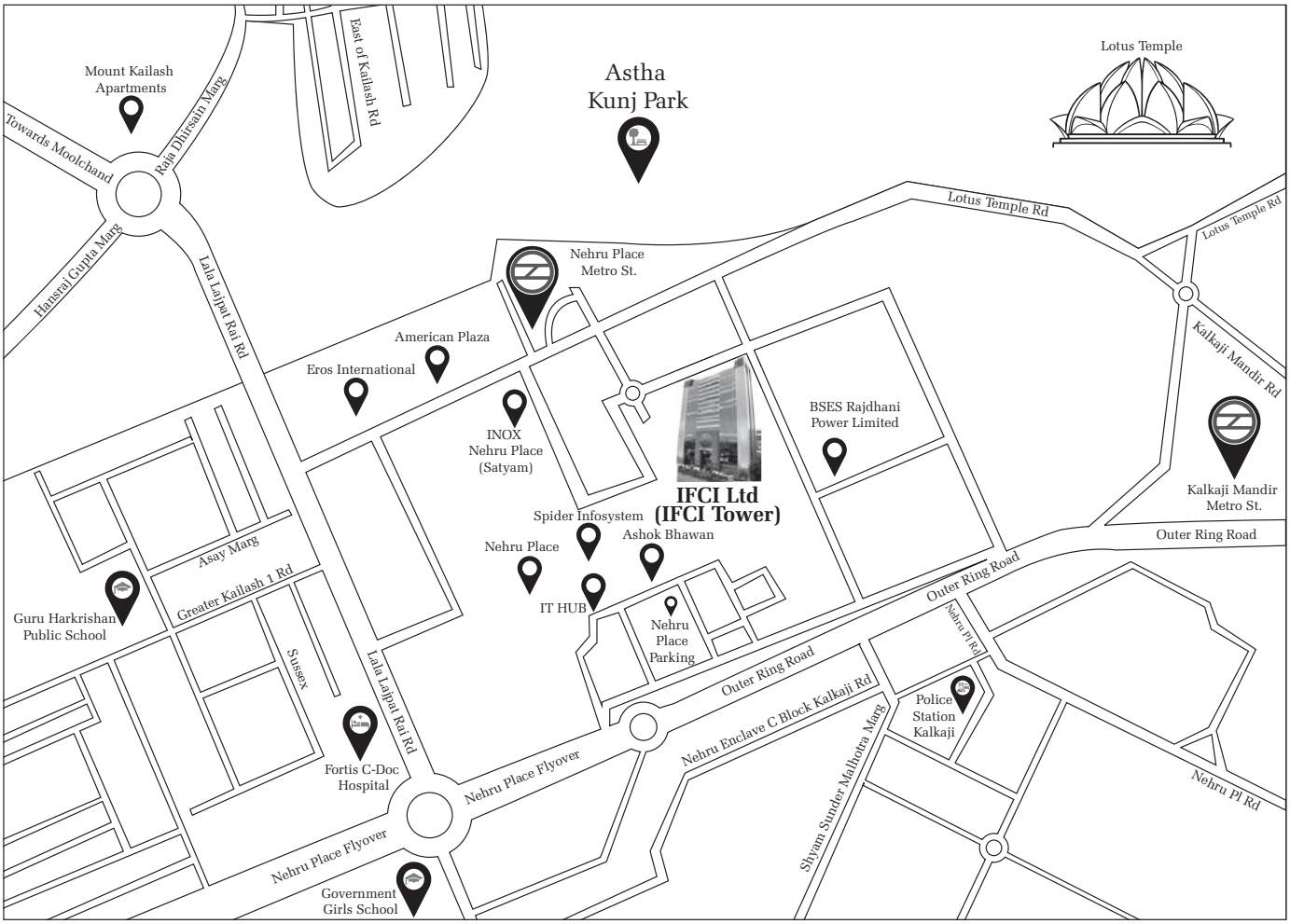
None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the appointment of Prof Arvind Sahay on the Board of the Company. He does not hold any shares in IFCI Ltd.

LISTING AT STOCK EXCHANGES

The Company's Equity Shares are listed at BSE Limited and The National Stock Exchange of India Limited (NSE). Besides, the Bonds / Debentures of the Company are also listed at BSE Limited. Public Issue of Secured Non-Convertible Debentures is listed both on BSE Limited and NSE.

The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2018-19.

Route Map of AGM Venue



IFCI LIMITED
आई एफ सी आई लिमिटेड

BOARD'S REPORT

To the Members

The Board of Directors of Your Company presents the Twenty Fifth (25th) Annual Report of IFCI Ltd., together with the Audited Financial Statements for the year ended March 31, 2018.

FINANCIAL SUMMARY AND STATE OF COMPANY'S AFFAIRS

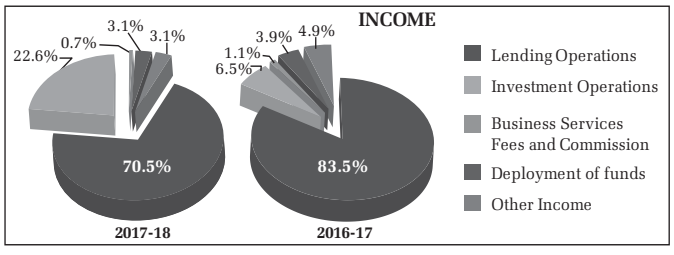
(₹ in crore)

Sl. No.	PARTICULARS	FY 2017-18	FY 2016-17 (Regrouped)
1.	Operational Income	**2,701**	2,740
2.	Total Income	**2,784**	2,874
3.	Cost of Borrowings	**2,038**	2,289
4.	Staff Cost /Other Expenditure	**141**	138
5.	Depreciation	**34**	34
6.	Total Expenditure	**2,213**	2,462
7.	Profit Before Provisions /write-off	**570**	413
8.	Provision for Bad & Doubtful Assets and Others (Net of Write off)	**2,327**	1,192
9.	Profit/(Loss) Before Tax	**(1,757)**	(779)
10.	Tax Expense	**(748)**	(321)
11.	Profit/(Loss) After Tax	**(1,009)**	(458)
12.	Surplus Brought forward from Previous year	**1,389**	1,924
13.	Appropriations :		
	Capital Redemption Reserve	**39**	–
	Debenture Redemption Reserve	**76**	76
	Expenditure on Corporate Social Responsibility activities	**–**	–
	Dividend on Equity Shares (incl. tax)	**–**	–
	Dividend on Preference Shares (incl. Tax)	**0***	0
14.	Balance carried to Balance Sheet	**266**	1,389

* 0.24 crore

The financial statements of Your Company have been prepared in accordance with the applicable Accounting Standards, RBI Guidelines, Schedule III of the Companies Act, 2013 and other applicable laws/ regulations. During the year, despite increased business compared to previous year, there was reduction in operational income because of overall decline in loan assets due to prepayment of certain loans; increase in proportion of non-recognition of interest income on accrual basis, due to increase in NPAs, stricter RBI norms with regard to slippage of standard assets to NPAs and further downgradation within NPAs, as compared to norms in the previous year.

The operation wise segregation of operational income is depicted in the chart below:



The borrowing cost was lower compared to the previous year on account of reduction in interest rates of existing borrowing, fresh raising of funds at lower cost and prepayment of certain high cost borrowing.

Dividend

During the year, Your Company paid dividend of ₹0.24 crore on preference shares. However, in view of the loss incurred during the year and with a view to preserving capital and cash for future growth, no dividend has been recommended on equity shares. As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which is enclosed at **Annexure–I**. The Dividend Distribution Policy is also available on the website of the Company at www.ifciltd.com.

Financial Performance

As the overall economic environment and especially credit growth was subdued during FY 2017-18, IFCI's performance was also affected in line with the overall financial sector. Though, the economy and credit growth started showing signs of recovery in the later part of FY 2017-18, its effect is expected to be visible in FY 2018-19.

Despite challenging environment and high NPAs, Your Company could achieve pre-provision profit of ₹570 crore as compared to ₹413 crore in the previous year. However, Your Company suffered a loss of ₹1,008.51 crore during the year under report, which was mainly on account of large amount of provisioning made in respect of NPAs, especially the cases admitted in National Company Law Tribunal (NCLT).

The capital adequacy ratio was at 14.02% with Tier-I capital at 7.52% due to the loss incurred on account of provisions made for non-performing assets. As per RBI's circular issued on February 12, 2018, all the existing restructuring mechanisms including CDR, SDR, S4A, JLF and 5/25 loan scheme were scrapped. Almost all the banks saw increased provisioning on account of fresh accretion to NPAs due to withdrawal of above schemes. IFCI's NPA level also increased on account of above developments. With higher provisioning, the provision coverage ratio was at an enhanced level.

Insolvency and Bankruptcy Code (IBC) process is underway in many large NPAs, which are expected to be resolved during FY 2018-19, along with divestment of non-core assets which will improve the asset quality as well as cash flow of Your Company and also strengthening the balance sheet of Your Company.

Sanction and Disbursements

During the year under consideration, Your Company focused on improvement of asset quality and made gross sanctions to the tune of ₹7,216 crore vis-à-vis gross sanctions of ₹7,923 crore in FY 2016-17. Subdued credit demand and slowdown in economic growth specifically during first half of FY 2017-18 contributed towards marginal decrease in gross sanctions on year on year (YoY) basis. However, disbursements registered a growth of 45.2% and aggregated to ₹4,434 crore in FY 2017-18, as compared to disbursements of ₹3,053 crore made in FY 2016-17.

Recovery

Your Company focused very strongly on the recovery front, which led to proactive measures of suitable recovery/restructuring of stressed assets that resulted in recovery of ₹949 crore along with recovery from NPA to the extent of ₹854 crore. Recovery of non-recognised interest of ₹109 crore from restructured assets was made during FY 2017-18. Further, resolution of certain large NPAs is expected through National Company Law Tribunal (NCLT) forum.

Treasury, Investment and Forex Operations

Global economy demonstrated recovery in FY 2017-18 with stronger activity and easing of recessionary conditions in commodity exporting large economies. International financial markets performed well on account of improving global growth prospects and broadly accommodative monetary policy stances of systemic central

banks. However, markets turned cautious towards Q3 FY 2018 due to uncertainty over the pace of normalization of the US Fed monetary policy and the Fed interest rate hikes over the year. The domestic financial environment was impacted by adoption of GST regime, admission of key stressed accounts under Insolvency and Bankruptcy Code, exaltation of India's sovereign rating and Public Sector Banks (PSBs) recapitalization by the Government. Led by consistent traction in policy reforms, increasing digitization and successful GST implementation, equity markets scaled fresh peaks in FY 2017-18, amidst a cautious return of investor appetite and capital flows. However, rupee weakened in later part of the year owing to US-China trade war and hardening of oil prices. The budget proposal towards institution of long term capital gains tax coupled with rise in US bond yields, impacted both foreign portfolio, retail investors and equity market corrected sharply on this event.

During second half of the year, the policy repo rate was decreased by 0.25% by RBI on the assessment of macro economic situation with the objective of achieving medium term target for CPI inflation of of 4% with a band of ±2%, while supporting growth. Economic and investment activity displayed revival and the GDP growth in FY 2018-19 is expected by RBI to be higher at 7.4% as compared with 6.7% in FY 2017-18. In the above backdrop, Your Company has been cautious in investing the surplus funds across diversified instruments with focus on safety while making every effort towards maximizing yield in consonance with liquidity management.

In rupee operation, the objective has been to manage the surplus fund effectively with minimum risk and deploying to optimize returns with availability of funds for business requirements. The underlying investment principle is safety, liquidity and risk containment. Therefore, Your Company invested the available liquidity mostly in Treasury Bills, Government Securities, Certificate of Deposit, Commercial Papers, Inter-Corporate Deposit / Short Term Deposit (STD) / 'AAA' rated Bonds and Liquid Mutual Fund Schemes. Average Deployment during the FY 2017-18 was ₹1,069.64 crore during the year against ₹1,393.31 crore in FY 2016-17 and annualized return on funds deployed was 7.76%. Your Company has consistently generated returns higher than the average 91 days T-bill yield during FY 2017-18 from Treasury operations. During the year under report, Your Company registered an income of ₹88 crore from Fixed Income Money Market operations as against ₹112 crore in FY 2016-17 with 7.76% return p.a. as against average yield of 6.17% p.a. of 91 days T-bill.

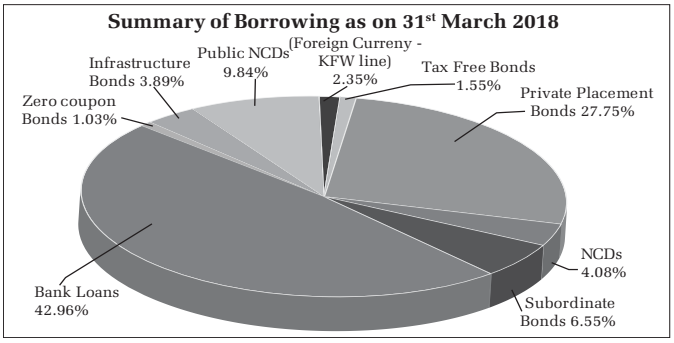
Taking advantage of surge in stock prices during the year, Your Company continued with the strategy of selective disinvestment of slow moving/illiquid stocks and booked profits from investments in blue chip stocks. Net investment portfolio of Your Company as on March 31, 2018 stood at ₹6,637 crore as against ₹6,394 crore as on March 31, 2017.

The foreign currency operations were confined to servicing of Foreign Currency (FC) liabilities and containing the exchange risks arising due to mismatch in the outstanding amount of FC assets and liabilities. The mismatches were covered through forward contracts, currency futures and principal only swap. The net mismatch position was restricted to below the limits approved by Board of Your Company by maintaining almost square position.

Resource Mobilization

Keeping in view the debt servicing, disbursements and disinvestments made during the year under report, an amount of ₹1,312.50 crore was mobilized through Term loans at the competitive rates. Your Company had emphasised to raise funds at the lowest possible cost. Consistent efforts are being made by Your Company to explore new avenues of fund raising. The total borrowing of Your Company were ₹20,047 crore as on March 31, 2018 comprising of Rupee borrowing of ₹19,575 crore and foreign currency loan of ₹472 crore.

The broad instrument wise break-up of rupee borrowing outstanding as at March 31, 2018 is as indicated below:



Investor service is all about maintaining a valuable relationship and trust with our stakeholders. Your Company has always believed in delivering highest level of services to investors, timely resolution of grievances of investor is our top priority. Investor grievances were taken up promptly and resolved to the investors' satisfaction.

FUNCTIONAL VERTICALS

(A) Credit

During the year, under report appraisal of all the credit proposals was centralized and carried out by the Credit Appraisal Department at Head Office, which was further divided into two verticals viz. Infrastructure sector and Non-Infrastructure sector. Subsequently, the credit function was further reorganized and the Credit Appraisal and Credit Monitoring departments were merged into a single Credit Department which functioned under two verticals from November, 2017 onwards, wherein, the appraisal function was divided into Infrastructure and non-Infrastructure verticles, while monitoring of existing standard cases was divided among the verticals, zone-wise. The Credit Department was also actively engaged in formulation of Policy, refinement of processes and improvement in practices of credit appraisal and effective monitoring of the standard assets of IFCI. During the year, the primary focus was to bring in more good value clients into IFCI's fold across sectors to augment quality of the portfolio.

(B) Monitoring and Recovery

Resolution of stressed & non-performing assets has been one of the major challenges to the overall credit and economic growth in the country. Realizing the gravity of the situation, efforts have been made even by the regulator viz. The Reserve Bank of India (RBI) in this regard by identifying large stressed accounts for reference to National Company Law Tribunal (NCLT) under the new Insolvency and Bankruptcy Code (IBC). The same has started yielding results and some of the stressed/NPA accounts have achieved successful resolution & other accounts are also going through various stages of the Corporate Insolvency Resolution Process. However, many accounts lost the benefit of "stand still" clause and slipped to NPA category due to withdrawal of earlier resolution schemes viz. Joint Lenders' Forum, Corporate Debt Restructuring, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring, S4A etc. by RBI vide its guidelines issued in February, 2018 resulting in surge in NPA level in the FY 2017-18.

The Gross NPAs increased from ₹7,553 crore as on March 31, 2017 to ₹8,672 crore as on March 31, 2018, however, due to aggressive provisioning, the Net NPAs have shown a reduction at ₹5,127 crore as on March 31, 2018 vis-à-vis ₹5,882 crore as on March 31, 2017. While the Gross NPA and Net NPA stood at 40.97% and 29.56% respectively at the end of the FY 2017-18, the Provision coverage ratio improved from 42.03% as on March 31, 2017 to 55.52% as at the end of FY18. It is pertinent to highlight that in such a challenging time, Your

Company responded adequately by making higher recoveries in the FY 2017-18 as under :-

(₹ in crore)

Sl. No.	Resolution Strategy	Amount
1.	Recovery from NPAs	854
2.	Sale of unquoted shares	130
3.	Recovery from Stressed Assets	949
	Total	**1,933**

Your Company remains committed to expedite resolution of stressed and non-performing assets and maximize recoveries by making all out efforts through various strategies viz. one time settlements/ restructuring, sale of assets under SRFA & ESI, assignment of loans and other legal remedies available in the system.

(C) Legal

On the legal front, Your Company has a full-fledged qualified and experienced legal team who carry out the legal functions for facilitation of sanctions and disbursements and has ensured compliance with statutory requirements during the year. Further, Your Company initiated prompt legal measures for recovery against the borrowers and was able to defend successfully before various judicial forums in India in the suits filed against it, during the FY 2017-18.

Your Company has also been successful in obtaining a favourable order from the Hon'ble Supreme Court of India in the matter of sale of assets of hotel property at Goa. The Hon'ble Supreme Court of India vide its order dated 19th March, 2018 has upheld the sale made by IFCI of the hotel at Goa under SRFA&ESI Act.

(D) Sugar Development Fund

Your Company has been acting as the "Nodal Agency" of the Government of India since inception of the Sugar Development Fund (SDF) for the purpose of disbursement, follow up and recovery of SDF loans sanctioned for modernisation / expansion of sugar factories, setting up of bagasse based cogeneration power projects, anhydrous alcohol or ethanol projects, zero-liquid discharge (ZLD) distillery projects and cane development scheme. Cumulative sanctions and disbursements under SDF up to March 31, 2018 stood at ₹6,670 crore and ₹5,409 crore respectively. The Agency Commission booked in FY 2017-18 was ₹10.75 crore (excluding Service Tax).

(E) Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC)

The Department of Social Justice & Empowerment under the aegis of Ministry of Social Justice & Empowerment, Government of India, has sponsored the "Credit Enhancement Guarantee Scheme for Scheduled Castes" under its social sector initiatives.

The objective of the Scheme is to promote entrepreneurship amongst the Scheduled Castes, by providing Credit Enhancement Guarantee to Member Lending Institutions (MLIs), who shall be providing financial assistance to these entrepreneurs. The Government of India has initially allocated a corpus of ₹200 crore for the Scheme while contributing annually ₹0.01 crore, Government may further contribute depending upon utilization of funds. IFCI has been designated as the Nodal Agency under the Scheme, to issue the guarantee cover in favour of Member Lending Institutions, who shall be encouraged to finance Scheduled Caste entrepreneurs to boost entrepreneurship amongst the marginal strata of the Society.

The Scheme has commenced operations from the FY 2015-16 with registration of 25 Member Lending Institutions under it. Upto the FY 2017-18, loans aggregating to ₹27.27 crore have been sanctioned by some of the Member Lending Institutions against which the total guarantee cover of ₹18.95 crore has been provided by IFCI. Your Company is making all out efforts to promote this Scheme through wide publicity by conducting seminars, conferences and awareness programmes in co-ordination with various Chapters of Dalit Indian Chamber of Commerce and Industry (DICCI) and attending State Level Bankers Committee (SLBC) Meetings. The corpus of the fund has increased to ₹240 crore as on March 31, 2018.

IFCI has launched a web portal of the above mentioned scheme (www.ifcicegssc.in) on 14th February, 2017 and the link is also available on website of Your Company i.e. www.ifciltd.com. Further, promotion of the CEGSSC Scheme is made through social media, linkedin, Facebook, twitter etc.

(F) Human Resources

Your Company believes that competent, energised and involved Human Resources pool provides foundation for performance driven culture and sustainable growth of any organisation. This tenet guides the Human Resource practices in Your Company.

In order to enhance competencies in different critical spheres, Your Company has continued to lay focus on development of knowledge, skills and attitudes through various interventions. Training & Development activities, regular interaction with key functionaries for sharing vision, mission, strategic, tactical and operational direction of the company along with exposure of employees to challenging assignments have been key pillars on which development of Human resources has progressed.

Your Company covered around 80% of its employees in various trainings/conferences. In all, there were 390 nominations, in the in-house training/workshops and external trainings, covering topics of functional and behavioral nature. Eight employees were also nominated to attend international trainings/conferences.

Further, optimum utilization of Human Resources pool has also been a major focus area. In order to streamline various processes within the organization and reduce redundancies, rationalization of allocation of work and resources was done through organization restructuring.

To generate spirit of involvement in the company, Your Company organized various employee engagement activities like celebration of various occasions, birthdays etc. Responsiveness of Human Resource services to employees was also improved through introduction of online services regarding various facilities to employees during the year. Your Company also shows promptness in resolving grievances of employees through a well-established system.

Your Company also believes that employees who superannuate from IFCI, are its brand ambassadors with immense knowledge about its working and they need to be engaged in a constructive manner. Keeping this in view, Your Company has developed a portal for retired employees and also extended facilities like Holiday Homes to these employees. This has resulted in more positive engagement and in settlement of various issues and court cases which were pending for a long time.

(G) Information Technology

Information Technology (IT) has transformed the conduct of business in every sector of the economy. Financial sector is one such area where IT has been instrumental in enhancing the quality, efficiency and speed of delivery of financial services.

The in-house team of IT professionals in Your Company has developed system namely Centralised Integrated Information System (CIIS) which largely consists of applications supporting major business functions as well as non-core functions. The system has been running successfully for over 20 years without any glitch & the system has constantly been upgraded in line with requirements. During the FY 2017-18, to meet the current

and emerging business needs, the existing software applications were upgraded with enhanced/added features. New modules were developed in-house for different functions / products for better and effective seamless control over the processes being implemented and also to improve efficiency.

During the FY 2017-18, IT team of Your Company successfully developed and implemented Goods and Services Tax (GST) application along with automated returns generation w.e.f. July 1, 2017. The GST applications were also implemented in subsidiaries of Your Company viz. IFCI Venture Capital Funds Ltd. & IFCI Factors Ltd. The in-house system is periodically audited by external expert agencies for effective control and operating effectiveness of security mechanisms.

(H) Right to Information

Your Company has implemented the Right to Information Act, 2005 from 2013 onwards following the applicability of the RTI Act, 2005 to IFCI and has been providing desired information to the applicants under the provision of RTI Act. Necessary disclosures under Section 4 of the RTI Act has already been posted on the website of Your Company i.e. www.ifciltd.com.

Your Company has nominated one Central Public Information Officer at Head Office, nine Assistant Central Public Information Officers at Regional Offices & one First Appellate Authority and Transparency Officer at Head Office under the provision of RTI Act.

During the FY 2017-18, Your Company has received 95 applications and 13 first appeals and were disposed of within the stipulated time frame.

(I) Promotion of Rajbhasha

During the year, Your Company continued its efforts to promote the use of Hindi in its official work. With a view to motivating and encouraging the officers to use Hindi in official work, Hindi workshops and competitions were organized at Head Office as well as other offices of the company. Special workshop was also conducted with the help of officials of Hindi Newspaper, "Business Standard". Many officers of Your Company participated in various Hindi Competitions organized by Town Official Language Implementation Committee.

The Official Language Committee at Corporate Office monitored the use of Hindi in all Regional Offices and provided necessary guidelines. All the computers have Unicode facility and the website of Your Company has also been made bilingual for the benefit of the shareholders and to further promote use of Hindi.

(J) Nominee Directors

Your Company appoints Nominee Directors on the Boards of some of the assisted concerns by stipulating condition for appointment of Nominee Director under certain situations as per the Board approved Policy, wherever it is considered necessary to do so. This is in line with the established practice of lending Institutions and Banks to monitor the performance of the companies where they have provided financial assistance. The underlying objective of making such appointment is to help build professional management and facilitate effective functioning of the Board as well as formulation of proper corporate policies and strategies to improve productive efficiency and promote long term growth of the assisted companies, keeping in view the overall interest of the shareholders and financial institutions. The feedback received from Nominee Directors act as a tool for credit monitoring.

PERFORMANCE OF SUBSIDIARIES AND ASSOCIATES PROMOTED BY IFCI

SUBSIDIARIES

Stock Holding Corporation of India Ltd. (SHCIL)

SHCIL, one of the largest Depository Participants, besides being the country's largest premier Custodian in terms of assets under custody, provides post trading and custodial services to institutional investors, mutual funds, banks, insurance companies, etc. It acts as a Central Record Keeping Agency (CRA) for collection of stamp duty in 19 States and Union Territories on Pan India basis. It is one of the largest Professional Clearing Member of the country. It distributes Fixed Deposits, Bonds & NCDs of reputed Institutes & Corporates, Mutual Fund Schemes, Initial Public Offers (IPOs) and National Pension System (NPS) etc. and is a corporate agent registered with IRDA for distribution of insurance products. SHCIL has its registered office at Mumbai, a world class main operations office at Navi Mumbai and operates through its 188 retail branches all over India and has been profit making and dividend paying company right from its inception.

SHCIL has two wholly owned subsidiaries viz. (i) SHCIL Services Ltd. (SSL) and (ii) StockHolding Document Management Services Ltd. (StockHolding DMS).

- SSL, the broking arm of SHCIL, is providing stock broking services to retail and institutional clients across the country. SSL offers services in Cash & F&O segment of BSE & NSE.
- StockHolding DMS is a Microsoft Gold certified partner for all its products and services and is ISO 9001:2008 and CMMI Level-3 certified company. DMS provides End to End Document Management Solutions.

As on date IFCI holds 52.86% shareholding in SHCIL, making it a subsidiary Company of IFCI.

IFCI Infrastructure Development Ltd. (IIDL)

IIDL was set up by IFCI in the year 2007 as its wholly owned subsidiary to venture into the real estate and infrastructure sector as an institutional player.

IIDL has completed a Serviced Apartments known as **"Fraser Suites"** which is being run successfully through Frasers Hospitality Pte Ltd., Singapore. The project has Gold Standard, 9 storey and 92 luxurious Serviced Apartments comprising studios, one bedroom & two bedroom suites. It offers an ideal living environment that will impress even the most tech-savvy guests thus making it one of the most sought after luxury apartments.

On the residential front, IIDL has successfully developed two projects viz. 21st Milestones Residency, Ghaziabad, Uttar Pradesh and IIDL Aerie at Panampilly Nagar, Kochi, Kerala.

It was awarded a prestigious Financial City project spread over an area of 50 acres near Bengaluru International Airport, Karnataka for development. It has developed the said project and sub-leased the plots to Banks/Institutions for further development.

As on date IFCI holds 100% shareholding in IIDL, making it a subsidiary of IFCI.

IFCI Venture Capital Funds Ltd. (IVCF)

IVCF is at present managing 5 SEBI-registered private equity (PE) funds/Alternate Investment Funds (AIF) viz. India Automotive Component Manufacturers Private Equity Fund-1-Domestic (IACM-1-D), Green India Venture Fund (GIVF), India Enterprise Development Fund (IEDF), Venture Capital Fund for Scheduled Castes (VCF-SC) and Venture Capital Fund for Backward Classes (VCF-BC) with an aggregate corpus of ₹848 crore. IVCF derives income from the fund management activities by way of management fee on the corpus/ outstanding amount of funds and by way of profit on these investments. Out of the above, three funds namely GIVF, IACM-1-D and IEDF are likely to close soon and all efforts are being made for optimizing recovery from outstanding investments.

The "Venture Capital fund for Scheduled Castes" (VCF-SC), is a Government of India initiative of Ministry of Social Justice and Empowerment (MoSJE) being the implementing agency. VCF-SC is a first of its kind Venture Capital Fund in India dedicated to promote entrepreneurship among the Scheduled Castes by providing

concessional finance to them. During the year, Government contributed an amount of ₹40 crore for VCF-SC fund. As a result, the corpus of VCF-SC fund has increased to ₹330 crore including contribution of ₹50 crore by Your Company. Recently Government of India had mandated IVCF to manage the 'Venture Capital Fund for Backward Classes' (VCF-BC) and ₹10 crore initial corpus has been received.

With a view to tapping further opportunities in PE/ VC space, IVCF is in the process of raising the next round of funds viz. Small & Medium Enterprises Advantage Fund (SMEAF) and Green India Venture Fund II (GIVF-II) for which Your Company has consented to act as the "Settlor" and "Sponsor" along with commitment of contribution of ₹50 crore in each of the Funds. The Funds, having a target corpus of ₹500 crore each, are floated as Trust Funds, registered under SEBI as Category II Alternative Investment Fund (AIF). The fund raising process for GIVF-II and SMEAF is being undertaken. Another Fund on Affordable Housing is also likely to be launched shortly.

Being an NBFC, IVCF also extends corporate loans to companies by raising funds through bank loans and bonds, with security of mortgage of property and/or shares of listed companies.

As on date IFCI holds 98.59% shareholding in IVCF, making it a subsidiary of IFCI.

IFCI Financial Services Ltd. (IFIN)

IFIN is primarily involved in the business of Stock Broking, Currency Trading, Depository Participant Services, Merchant and Investment Banking, Insurance (Corporate agent for both life and General Insurance), Mutual Fund Products Distribution and Corporate Advisory Services.

IFIN is a registered member of SEBI, National Stock Exchange of India Limited (NSE), BSE Limited (BSE), Metropolitan Stock Exchange of India Limited (MCX-SX), National Commodity and Derivatives Exchange Limited (NCDEX), NSDL and CDSL. IFIN has three wholly-owned subsidiaries namely IFIN Securities Finance Ltd, IFIN Commodities Ltd and IFIN Credit Ltd.

IFIN Securities Finance Ltd, an NBFC is primarily engaged in the business of margin funding, providing loan against shares & property, promoter funding etc. to various clients. Being an NBFC, it is registered with RBI. IFIN Commodities Ltd, a registered member of the Multi Commodity Exchange of India Ltd (MCX), NCDEX and National Spot Exchange Limited (NSEL), is primarily engaged in the business of providing commodity market related transaction services. IFIN Credit Ltd is not engaged in any major business activity.

As on date, IFCI holds 94.78% shareholding in IFIN, making it a subsidiary of IFCI.

IFCI Factors Ltd. (IFL)

IFL is a major provider of factoring services in India. IFL also offers Corporate Loans for a tenor of upto five years.

The Government of India had notified a total of 196 systematically important NBFCs (including IFL), as 'Secured Lenders' under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFA & ESI).

It is now focusing upon standard factoring deals with quality debtors and has done away with riskier variants. At the same time IFL is also targeting MSME customers having acceptable risk profile having quality debtors.

In view of Insolvency and Bankruptcy Code (IBC), 2016 being enacted, IFL, expects strengthening of recovery mechanism and reduction in NPAs. In terms of IBC, 2016, IFL has submitted its claims before the Resolution Professionals, in certain cases. It has also secured a line of $20 million from Exim Bank which would augment its Export Factoring business.

As on date, IFCI holds 99.89% shareholding in IFL, making it a subsidiary of IFCI Ltd.

MPCON Ltd. (MPCON)

MPCON is a premier consulting organization having base in Central India, providing quality consulting services. The company consolidated its project consultancy business and also enhanced its presence in the training and capacity building spheres. It has bagged skilling projects in 13 states of the country including Madhya Pradesh and Chhattisgarh from various Central & State Government Departments/ Corporations. Having status as NSDC partner, it is working with National Safai Karamcharis Finance & Development Corporation (A Government of India Undertaking, under the Ministry of Social Justice and Empowerment), National Handicapped Finance and Development Corporation (Department of Empowerment of Persons with Disabilities, Ministry of Social Justice and Empowerment, Government of India), Department of Science & Technology, Ministry of Science & Technology, Government of India, Development Commissioner (Handicraft), Ministry of Textiles, Government of India etc. for skilling division. Apart from Training and Skilling Development, the financial inclusion project has been expanded further to cover areas beyond Madhya Pradesh and started Corporate & Project Advisory services. It has also provided its expertise in other spheres of consultancy services such as Document Management System, Solid & Liquid Waste Management, Renewable Energy, Rural Development through specialization in CSR impact studies for NMDC and implementation of CSR for big PSU's like NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd.

As on date, IFCI holds 79.72% shareholding in MPCON, making it a subsidiary of IFCI.

ASSOCIATES

KITCO Ltd. (KITCO)

KITCO is one of the premier Engineering, Management & Project consultancy firm in India. Some of the other fields where KITCO is a prominent player are Energy Studies, Skill Certification and Placement Services. The Company is also a dedicated provider of professional technical consultancy services to Small and Medium Enterprises (SME) sector. At present, KITCO is having 10 divisions viz., Infrastructure, Tourism, Aviation, Urban Planning, Process Engineering, Human Resource Development, Management and Financial Consultancy, Technical Services, Sea ports and Environmental Engineering. KITCO is the first consultancy organization in the State having EIA accreditation. The strength of KITCO is a core team of well qualified and experienced professionals in various branches of engineering and in management, media, marketing, economics, finance etc. numbering more than 260.

KITCO is continuing consultancy services for construction of three new medical colleges in Kerala. It is rendering consultancy services to its prestigious clients like Kannur International Airport Ltd, Cochin International Airport Limited and other airports, Directorate of Sports and Youth Affairs etc.

KITCO has been allotted major assignments during the year including providing consultancy services for construction of theatres for Kerala State Film Development Corporation, DPR for AMRUT Project- SWD-Kochi Corporation, Design and Engineering Consultancy Services for Development/ Re-development of Ernakulam Railway Station & land parcels for National Buildings Constructions Corp Ltd, Comprehensive Development at Aralam Farm, Kannur by Scheduled Tribes Development, the assignment for the preparation of DPR for Setting up of a Pharmaceutical Manufacturing Unit in Vietnam initiative by EXIM Bank, Consultancy service for Bengaluru Airport (BIAL), Design & Construction Service for Infra facilities for new AERDC complex at Bengaluru during the year.

As on date, IFCI holds 20.26% shareholding in KITCO, making it an Associate of IFCI.

JOINT VENTURE

IFCI Sycamore Capital Advisors Pvt. Ltd. (ISCAPL)

Your Company has 50% interest in ISCAPL incorporated in November 2011 which is under voluntary liquidation and Official Liquidator has been appointed. The liquidator of ISCAPL repaid the amount of ₹2.64 crore in the year 2016-17 towards Fully Convertible Debentures subscribed by the Your Company. Adequate provisions have been made against the equity investment, considering the probability and quantum of share in distribution upon liquidation of the Company. ISCAPL has not been considered for the purpose of consolidation of financial statements.

SOCIETIES

Institute of Leadership Development (ILD)

ILD, was sponsored by IFCI as a society registered under the Rajasthan Societies Registration Act, 1958.

The campus was provided with the world class infrastructural/ technical facilities besides developing its picturesque settings amidst lush green Aravali ranges thereby making it a perfect integrated centre for teaching, learning, training, research in all areas across all sectors of leadership development and organising conferences/ Seminars/ Conclaves of national and international repute. The Institute is working on 'no profit no loss basis'.

Apart from Leadership programs, Education, Training, Research, Consultancy, Social change, Skill Development Trainings, Entrepreneurship development, Conferences, Seminars, Workshops and Interventions, Knowledge Creation, Awareness Programmes, Dialogue and Discourse are the key activities pursued by ILD.

During the year 2017-18, ILD, as Nodal agency, imparted skill training in textiles, technology, fashion technology, hospitality etc. to 2000 urban youth of various Districts of Rajasthan. ILD conducted 20 orientation workshops for the Panchayat Elementary Education Officers under the UNICEF sponsored Leadership Orientation Training Programme for the Panchayat Elementary Education Officers. ILD also conducted two programmes of two week duration on Renewal Energy -Solar for the ITI instructors from Electronic and Electrical field under the MOU signed amongst Government of Rajasthan, Schneider Electric India Foundation (SEIF) and ILD. Further, ILD also conducted training programmes for Entrepreneurship Development Institute of India (EDII), Rajasthan State Industrial Development & Investment Corporation of India (RIICO), Tourism Finance Corporation of India Ltd. (TFCI) and Assets Care & Reconstruction Enterprise Ltd. etc., during the year under report.

Management Development Institute (MDI)

MDI Gurgaon, one of the leading Business Schools in India is consistently ranked among the top B-schools of the country by reputed agencies and publications. MDI has the distinction of being the first internationally accredited Indian Business School having received international accreditation by Association of MBAs (AMBA) London in 2006.

MDI continues to be a flourishing cauldron of excellence in management education, high quality research, executive development and value added consultancy. More than 91,000 managers have been trained over 44 years of its existence. More than 100 specially designed executive development programmes are conducted for top, senior and middle level managers of different organizations every year.

Having established its footprints worldwide, MDI's vision is to become one of the top business schools in the world by incorporating the world's best academic practices in all its programmes for full time students and corporate executives. The institute as of now has 60 plus collaborative partnerships with leading B-schools in several regions of the world.

MDI's offerings are continuously updated in keeping with the ever changing global business environment, while setting high standards for all our stakeholders.

This year's Annual Convocation of MDI Gurgaon, held on 24th March, 2018 was graced by the presence of Shri G M Rao, Group Chairman, GMR Group. Total of 489 students from various Post Graduate Management Programmes and 5 Fellow Scholars received their diplomas on this momentous occasion. 24 Medals were awarded to the meritorious students for different courses.

This year the placement of students was marked with not only 100% placement but a substantial increase in the average compensation. The highest international salary offered was ₹55 lakh per annum and the highest domestic salary touched ₹35 lakh per annum. The season witnessed an average salary of ₹19.17 lakh per annum. A total of 119 companies visited the campus for recruitment, out of which 28 companies were first time recruiters at MDI. Our students have been placed in almost all areas across all sectors

Rashtriya Gramin Vikas Nidhi (RGVN)

RGVN having its headquarters in Guwahati, Assam is an autonomous, non-profit organisation registered under the Society's Registration Act XXI of 1860. RGVN is a national level multi – state development and support organization working in the states of Assam, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur, Tripura, Sikkim, Odisha, Jharkhand and Bihar, poverty stricken pockets of Eastern Uttar Pradesh, coastal Andhra Pradesh and Chhattisgarh. RGVN's core strength comes from its network of NGOs and Self Help Groups, which are capable of handling large development projects. One of its domain has been hived off into an NBFC called RGVN (North East) Microfinance Ltd. which has also been given small finance bank license by the RBI. Over the years, RGVN has been able to groom and support small Community – based Organizations involved in a variety of livelihood enhancement programmes.

However, over the last few years, RGVN has effected a significant policy shift in its operations by implementing projects directly with funding support from Central and State Governments, Banks, Financial Institutions and Corporate Houses under their CSR activities or other social Programmes. International Donor Agencies have also contributed to its funding for poverty reduction projects. To effectively enhance the quality of life in the rural areas, RGVN is now working on the following major verticals including agriculture & livelihood generation, financial literacy & inclusion, drinking water, sanitation & hygiene, solar lighting and handloom & weaving.

IFCI Social Foundation (ISF)

IFCI has always strived to conduct its business holistically and responsibly. At IFCI, along with economic performance, community and social stewardship have been key factors for its holistic business growth. IFCI has been an early adopter of Corporate Social Responsibility (CSR) initiatives and has been involved in socially relevant activities ever since its inception in 1948.

Today, it continues to work towards social and community development and areas needing focus and attention, through the **IFCI Social Foundation (ISF)**, a registered Trust, established in 2014. ISF is functioning as an arm of IFCI for CSR activities of the IFCI Group. It aims at improving the socio-economic well-being of the society, particularly the underprivileged and vulnerable sections of the society, who are deprived to live upto the potential that they possess. It aims to create assets so as to deliver sustainable and measurable societal benefit to all the geographical regions of the country, without any regional, linguistic, caste, creed, religious or other barriers.

IFCI and ISF through its CSR projects have covered almost 19 states and Union Territories in India. ISF has been making efforts to take up long gestation, high impact projects from the budget allocated for CSR

by IFCI and its subsidiaries. The trust is registered for exemptions u/s 12A & 80G of the Income Tax Act.

Some of the major CSR projects supported by ISF during FY 2017-18 are as under:

- Partnered with Hope Ek Asha for setting up Day Care Centre for Alzheimer patients.
- Partnered with Rama Krushna Temple Trust for construction of Shelter House and toilets – to give shelter to villagers during natural calamities in Odisha.
- Partnered with Save our Soul India under Swachhta Action Plan for construction of toilets and cleanliness drive in Nehru Place and Paschim Vihar.
- Partnered with Rashtriya Gramin Vikas Nidhi under Swachhta Action Plan for construction of 400 toilets in Bihar, Jharkhand, UP and Odisha.
- Partnered with Institute of Leadership Development for setting up Centre of Excellence in Textiles at Jaipur.
- Empowering women by giving means for livelihood by providing ASU Machines to Women weavers of Pochampalli sarees.
- Partnered with Aroh Foundation for construction of toilets in schools at Bihar.
- Partnered with Sulabh Sanitation Foundation Mission for construction of household toilets.
- Partnered with Akshayapatra by providing 3 meal vending vans.
- Providing infrastructure and stationery in schools situated in remote villages of Andhra Pradesh.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

Consequent to the transfer of shareholding by Your Company, North India Technical Consultancy Organisation Ltd., Himachal Consultancy Organisation Ltd. and Tourism Finance Corporation of India Limited, have ceased to be the associate companies. Details on performance and financial position of subsidiaries, associates and joint venture during the FY 2017-18 are provided in **Annexure-II**

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:-

1.1 Macro-Economic Scenario & Developments:

The world economy grew at a fast pace in 2017 at 3.8% since 2011 as compared to 3.2% growth registered in 2016. The economic activity in 2017 was supported by a recovery in investment, picked up in second half of 2017 and ended on a high note with more than 4% growth, the strongest since the second half of 2010. Financial conditions also remained supportive, despite the recent volatility in equity markets and increase in bond yields following signs of firming inflation in advanced economies. However, financial stability is at a risk due to volatility of equity markets, downward trend in bond prices and international trade wars making the road ahead bumpy and could impede the growth trend. In South Asia, growth slowed to an estimated 6.5% in calendar year 2017 owing to temporary disruptions on account of adverse weather conditions across the region.

In India, growth slowed for the first 2 quarters of FY 2017-18, partly reflecting adjustments by businesses to GST.

In the second quarter of FY 2017-18, the slowdown in economic activity bottomed out at 6.3% (year-on-year) growth. With gradual stabilization of GST impact, in Q3 of FY 2017-18, GDP grew at 7% and it further accelerated to 7.7% in Q4 of FY 2017-18. Domestic demand continued to drive growth, with strong private consumption and a public infrastructure spending push in India. Overall FY 2017-18 was a mixed year for the Indian economy, as the implementation of GST affected the urban consumption through loss of output and employment in labor-intensive unorganized sector in the 1st half of FY 2017-18. However, Government's continued support through expenditure boosted the industrial growth and pick-up in demand was observed in the 2nd half of FY 2017-18. Similarly, the growth in non-food credit was observed after nearly 2 years, specifically, growth in industry was observed from December 2017 onwards.

Further, expansion in capital goods production and revival of construction activity is expected to support the growth trajectory of India's GDP in FY 2018-19. Other initiatives such as recapitalization of public sector banks as well as the steps towards NPA resolution under the Insolvency and Bankruptcy Code are also expected to contribute to economic growth. On the other hand, the banking sector risks can be an impediment to sustainable growth.

1.2 Banking Sector:

The Scheduled Commercial Banks' (SCB) credit growth picked up on a year on-year basis across bank groups between September 2017 and March 2018. However, deposit growth decelerated for PSBs impacting the deposit growth of all SCBs. Their Capital to Risk-Weighted Assets Ratio (CRAR) as well as the Tier-I leverage ratio declined marginally between September 2017 and March 2018. SCBs' profit after tax plummeted mainly due to higher risk provisions in 2018. The share of net interest income (NII) in total operating income increased from 63.7% in 2016-17 to 65.2% in 2017-18, whereas, their other operating income (OOI) declined. Among the components of OOI share of profit/loss due to securities trading showed significant decline in 2017-18 over 2016-17. Cost of interest bearing liabilities as well as return of interest earning assets for SCBs' declined in 2017-18 as compared with 2016-17. Profitability ratios of SCBs' turned negative mainly due to PSBs. The Asset quality of the SCBs' also deteriorated during the FY 2017-18. The Gross Non-Performing Advances (GNPA) ratio rose from 10.2% in September 2017 to 11.6% in March 2018. However, their Net Non-Performing Advances (NNPA) ratio registered only a smaller increase during the period due to increase in provisioning. The GNPA ratio in the industry sector rose from 19.4% to 22.8% during the same period whereas stressed advances ratio increased from 23.9% to 24.8%.

1.3 NBFC Sector:

Non-Banking Financial Companies (NBFCs) have been consistently increasing their share of lending in the Indian financial sector. While the Banks had the first mover advantage and were a main source of funding, off-late they have been saddled with their own issues such as high NPAs in the large ticket corporate and infrastructure lending. The NBFCs have been growing at a faster pace on account of their customised offerings, better market understanding and doorstep delivery to the customers. In 2017, NBFCs increased their share in the total credit market to 16%, from 13% in 2015. GNPAs of the NBFC sector as a percentage of total advances decreased from 6.1 percent in 2016-17 to 5.8 percent in 2017-18 .The CRAR of NBFC sector increased from 22.0 per cent in 2016-17 to 22.9 per cent in 2017-18.

As of March 2018, there were 11,402 NBFCs registered with The Reserve Bank of India, of which 156 were deposit accepting (NBFCs-D), and 249 were systemically important non-deposit accepting NBFCs (NBFCs ND-SI). All NBFC-D and NBFCs-ND-SI are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

1.4 Initiatives and Developments at IFCI

Your Company continued with the initiatives taken during previous year in the areas of information technology, cost cutting,

employee empowerment and took further initiatives during the year under report with primary objectives of consolidation of business and cost reduction. As per decision taken by the Board of Your Company, two more small regional offices at Chandigarh and Jaipur were closed in FY 2017-18 in continuation to closure of seven small regional offices at Bhopal, Bhubaneshwar, Kochi, Lucknow, Patna, Raipur and Vijayawada in calendar year 2017 as per an earlier Board decision with an objective to reduce cost and effectively utilize the existing manpower. An organizational restructuring exercise was undertaken during the year under report, so as to ensure optimum utilisation of human resources and various functions were centralized with a view to increase speed and efficiency.

During FY 2017-18, the main focus was on improvement in asset quality. Therefore, the policies were revamped and lending was limited to the companies having good track records and higher credit ratings.

During the year under consideration, Your Company has been appointed for a period of 3 years, extendable for a further period of 3 years to act as a Verification Agency by the Ministry of Electronics & IT (MeitY), Government of India, for verification of claim applications under Modified Special Incentive Package Scheme (M-SIPS), with fee structure linked to incentives disbursed. A capex expenditure of ₹32,000 crore has been approved by MeitY for about 160 cases on which 20% to 25% capital subsidy is committed by Government of India out of the fund amount of ₹10,000 crore allocated towards the Scheme. Approximately ₹170 crore has been disbursed so far under the Scheme as on 31st March, 2018 out of which, Your Company has enabled disbursements of ₹128 crore for about 18 cases during the FY 2017-18. During the FY 2018-19, an amount of ₹500 crore is targeted for disbursement of subsidy under the Scheme. This non-fund based activity not only fetches fee income, but also enhances the brand image of Your Company.

Your Company was also mandated to be nodal agency to manage the Venture Capital Fund for Scheduled Castes which is in operation since January, 2015, in order to promote entrepreneurship among the Scheduled Castes (SC) and to provide concessional finance. The Fund is being managed by one of the subsidiaries of Your Company namely IFCI Venture Capital Funds Ltd (IVCF). since inception. The total Corpus under the scheme as on 31st March, 2018 is ₹330.01 crore out of which Your Company has provided ₹50 crore and balance has been provided by Ministry of Social Justice and Empowerment, GoI. As on 31st March, 2018, aggregate sanctions funds of ₹240 crore to 66 companies and disbursements worth ₹169 crore to 52 beneficiaries has taken place under the scheme.

Based on IFCI Venture's performance with regard to VCF-SC, the Ministry of Social Justice and Empowerment (MoSJE), Government of India has mandated IVCF, a subsidiary of Your Company to manage the 'Venture Capital Fund for Backward Classes'. The target corpus of ₹200 crore has been earmarked towards the scheme and the scheme has been set up as Category II Alternative Investment Fund under the SEBI (Alternative Investment Funds) Regulations, 2012. The fund has already received an initial contribution of ₹10 crore from MoSJE, GoI towards the corpus in FY 2017-18. IVCF has also contributed ₹5 crore as Sponsor Investor. Marketing efforts have already been initiated for creating awareness of the said Fund. The scheme related details can also be viewed on website of IVCF at www.ifciventure.com/Venture-Capital-Fund-for-Backward-Classes.pdf.

During the year under consideration, IFCI exited from some of the non-core assets with a view to leverage good returns on long term investments and to focus on its core business activities.

Focus on the use of Information Technology to streamline and standardize the various processes continued during current year. Various new applications in credit monitoring and other areas were developed by IT Dept. Website of IFCI as well as that of IFCI Social Foundation was also revamped to enhance the user experience, by utilising in-house capabilities. A portal for retired employees was also launched in order to facilitate dissemination of required information and online application for various purposes. Further, automation was updated for accounting and taxation, so as to strengthen regulatory compliances under GST regime.

2. Strengths, Weakness, Opportunities & Challenges

Over the long existence for seven decades, Your Company has gained rich experience and developed core expertise in serving the corporate clients. Your Company has provided financial assistance across all major sectors of economy and built a well-diversified portfolio in infrastructure, real estate, manufacturing, services, and NBFC sector.

Your Company is uniquely positioned as one of the 'sector agnostic' large NBFC, which would be advantageous for harnessing emerging opportunities across sectors. While keeping in view the Government's initiatives to boost infrastructure development and to provide thrust to the core industries, Your Company plays a pivotal role to fill the investment gap by financing these segments due to the core competencies developed over the years.

Your Company faces stiff competition in lending business as the borrowing cost is higher compared to the banks and peer NBFCs, due to lower credit rating. Further downgrading of credit rating of Your Company during the year has added pressure on resource raising at competitive cost. Also, worsening of the legacy asset quality leading to high provisioning requirements, net losses and consistent shrinkage in the loan portfolio adds to the constraints being faced by Your Company. However, the new loans sanctioned in FY 2017-18 were of better quality, the average credit rating being "A".

As Government of India is the Promoter and the largest equity shareholder, it offers additional comfort and confidence to the stakeholders of Your Company. In this direction, the Government has reposed its confidence and commitment with further equity infusion of ₹100 crore during financial year 2017-18.

In the wake of the fall in overall consumption and investment in the economy, the entire financial sector is grappling with sustained pressure on portfolio quality and dwindling balance sheets besides an all-time high NPAs. Your Company is also affected with this phase of economic cyclic pressures accentuated by recent policy developments for cleaning of stressed assets expeditiously. To phase out the above challenges, Your Company has given focused attention to contain further slippage in the portfolio and has, therefore, constituted a dedicated team to expedite recovery from non-performing accounts. Your Company is optimistic for faster resolution of non-performing accounts after introduction of time bound and efficient resolution process under Insolvency and Bankruptcy Code, 2016. Further, Your Company has been making sincere efforts in reducing lending rate to competitive levels to attract higher rated borrowers and downsizing the financial exposures to the corporate borrowers in order to improve the asset quality and to reduce concentration risk. The immediate objective of Your Company is to reduce the level of NPAs through aggressive recovery and improvement in quality of portfolio.

3. Segment-wise or Product-wise Performance

During FY 2017-18, Your Company strived to perform better, despite facing challenging macro-economic and subdued credit

offtake. Your Company sanctioned project finance as well as corporate loans of various maturities, with emphasis on lower maturities. It also continued providing short term loans to corporates with good track record and higher credit ratings. During the year, Your Company sanctioned and disbursed short term loans worth ₹710 crore and ₹475 crore, respectively which constituted 9.84% and 10.71% share in the aggregate sanctions and disbursements at ₹7,216 crore and ₹4,434 crore, respectively. The overall sanctions and disbursements were well diversified across borrower groups as well as sectors.

4. Outlook

4.1 Global developments & outlook:

Global growth outlook for 2018 remains positive despite some recent softness. Spillover risk from advanced financial markets to emerging markets, however, has increased. Tightening of liquidity conditions in the developed markets alongside expansionary US fiscal policy and a strong US dollar have started to adversely impact emerging market currencies, bonds and capital flows. Firming commodity prices, evolving geopolitical developments and rising protectionist sentiments pose added risks.

The International Monetary Fund (IMF) projects global economic growth to be robust during 2018. Growth is expected to be broad-based with the Advanced Economies (AEs) growing above their potential and Emerging Markets and Developing Economies (EMDEs) also posting higher growth. Latest indicators such as Purchasing Managers' Index (PMI) and Organisation for Economic Cooperation and Development (OECD) Composite leading indicators suggest some moderation in the underlying drivers of economic growth. On balance, however, the global economic growth outlook remains positive. Consequently, financial conditions in advanced economies have tightened. A stronger US dollar is rattling emerging market currencies. At the same time, crude oil prices, partly reflecting geopolitical risks, have firmed up. Thus, the underlying global macro-financial conditions coupled with geopolitical uncertainty have potentially increased spillover risk to EMDEs.

Driven by an investment-led recovery in AEs, global trade growth rebounded in 2017 after two years of weakening. However, notwithstanding talks of inward looking policies, trade intensity of global growth rose in 2017. The IMF Direction of Trade Statistics indicates that the decline in exports to AEs which was evident till January 2016 has been arrested. On the other hand, in the backdrop of growing trade tensions with the US, China posted a trade deficit in March, 2018 which has, however, since been reversed. Going forward, changing protectionist rhetoric into reality could pose a significant risk to global growth.

4.2 Domestic developments & outlook:

India's growth prospects appears promising, with household consumption expected to remain strong, exports expected to recover, and investment projected to revive with the support of structural reforms. Continuing improvements in infrastructure are further expected to aid growth. A normal monsoon is projected for FY 2018-19 which would auger well for agriculture and allied sectors and would help in generating stable rural demand. Due to improvement in capacity utilization in manufacturing sector owing to pick up in demand, both credit offtake and investments are expected to improve in FY 2018-19.

As per World Economic Outlook, the Emerging and Developing Asia region grew by 6.5% in 2017. Similar level of growth rate i.e. 6.5% is expected in 2018 as well.

India's Gross Domestic Product (GDP) growth at 7.7% in Q4: 2017-18 shows that the Indian economy is well on the recovery track on the back of a sharp pick-up in gross fixed capital formation. Further, there has been an uptick in capacity utilization with some industries such as steel closing the gap. The aggregate demand composition indicates a broad-based growth with revival of investment.

Growth in India is expected to be balanced with both rural and urban consumption projected to support the economic activity. Private investment is also expected to revive on account of expansion in formal economy due to GST, increase in infrastructure spending, subsidy reforms, fiscal consolidation and a stable balance of payment situation. The present situation of higher debt in capital intensive sectors, is expected to be mitigated with the help of the efforts of the Government and RBI. Further, the Government's focus on enhancing ease of doing business are expected to create an environment conducive to attract higher levels of foreign direct investment. The recapitalization package for public sector banks announced by the Government of India is expected to strengthen the balance sheets of public sector banks so that they can continue to provide requisite credit support to various sectors of the economy.

The major risks to the aforesaid outlook include fiscal slippage, further deterioration in asset quality of public sector banks, rise in crude oil prices and tightening of global liquidity.

Also, the Government has shown a significant commitment to fiscal consolidation. Gross fiscal deficit of the Central Government was brought down from 4.1% of GDP in 2014-15 to 3.9% in 2015-16 and further to 3.5% in 2016-17, and remained at 3.5% in 2017-18. It is budgeted to decline to 3.3% of GDP in 2018-19. There could, however, be challenges on the fiscal front unless there is a buoyancy in tax receipts and/or a restraint on expenditure.

5. Risks and Concerns

Risk is an inherent part of business of any financial institution, including IFCI, which makes it susceptible to credit risks that arise when a borrower is expecting future cash flows to pay a current debt. Effective management of credit risk is a critical component of comprehensive risk management and necessary for long term success of a financial institution. The goal of credit risk management is to maximize a FI's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

In order to address risks, Your Company has put in place an Integrated Risk Management Policy (IRMP) which addresses Credit Risk, Market Risk & Operational Risk as a part of comprehensive risk management framework which is integrated with its business model.

The General Lending policy, IRMP (comprising Credit Risk Management, Market Risk Management, Operational Risk Management and Asset-Liability Management) of Your Company are reviewed periodically, keeping in view the changing economic and business environment. The Risk Management Vision Statement and Qualitative Risk Appetite Statements of IFCI have also been put in place. Parameters included in the Quantitative Risk Appetite statement are tested periodically.

Integrated Risk Management Department (IRMD) manages transaction level risks by way of carrying out risk assessment of all new credit proposals and assigning an internal risk rating after due consideration by the Rating Committee. Portfolio level risks are assessed by way of monitoring exposure against prudential limits, annual rating migration analysis, rating distribution, portfolio rating highlighting the portfolio quality, mapping of internal & external ratings, analysis of NPA cases and Risk Adjusted Return on Capital (RAROC) estimation. IRMD also ensures compliance of all pre-disbursement terms and conditions of sanction, prior to disbursements of loans.

Market and Liquidity risks are monitored by Risk and Asset Liability Management Committee of Executives (RALMCE), through analysis of dynamic liquidity position, structural liquidity gaps and interest rate sensitivity positions. The mid-office function of Integrated Treasury has started reporting to IRMD and acts as an independent risk monitoring functionary. Scientific methodology for fixing IFCI Bench mark Rate for long and short term loans has been evolved. Methodology for risk based pricing and fixing risk premium over benchmark rate for each rating grade has also been put in place.

To manage the operational risks, there are adequate internal controls and systems in place, aided and assisted by internal audit, remote back-up of data, disaster management policy, IT security, physical security and suitable insurance of insurable assets of Your Company, as well as of the assets mortgaged to Your Company.

Besides, mechanism for stress testing of loan portfolio and liquidity position has also been put in place, to assess likely impact on CRAR, profitability and liquidity. Impact of interest rate risk on net interest income and market value of equity of IFCI, under stress scenarios are also assessed on a periodic basis and remedial measures taken, as deemed necessary.

In line with the industry best practices and to ensure proper credit evaluations and monitoring standards, Your Company carries out credit audit of all standard exposures. The main objectives of the credit audit exercise includes, detection of weaknesses in outstanding exposures, initiation of timely corrective action, compliance with internal sanction and disbursement norms and follow-up and monitoring of cases, which serves as a tool for senior management to assess portfolio quality with constant endeavor for asset quality improvement.

Risk management is expected to play a more prominent role in future because of ongoing liberalization, deregulation and global integration of financial markets, which would add newer dimensions to risks faced by the Banks and NBFCs. Inter-relationships and associations amongst various risk categories and mushrooming of new risks, will require more proactive and efficient management of risks which will determine the strength and resilience of financial institutions. Your Company would continue to work on various initiatives aimed at strengthening credit risk standards, post sanction monitoring of the portfolio to mitigate any adverse impact on the loan portfolio of Your Company. Your Company would also strive to develop a strong culture for risk management and awareness within the organisation.

6. Internal Control Systems and Internal Audit

Your Company has adequate Internal Control Systems commensurate with size, scale and complexity of its business and allied operations. The efficacy of these internal controls is being verified by the Internal Audit Department on a regular basis through "Risk based Internal Audit" process. The internal audits are being carried out by the Internal Audit Department through external established and reputed Chartered Accountant Firms. The periodicity of such audits varied from quarterly to yearly depending upon the criticality and materiality of transactions after scope was approved by the Audit Committee of Directors. Based on the observations of internal auditors, corrective actions were undertaken by the process owners in their respective areas thereby strengthening the control systems.

7. Material Development in Human Resources, Industrial Relations Front, including number of people employed

Your Company believes that a pool of competent, involved, energised and satisfied Human Resources provides foundation for performance driven culture and sustainable growth of any organisation. Your Company has continued to lay focus on development of knowledge, skills and attitudes through various interventions. Training & Development activities, regular interaction with key functionaries for sharing vision, mission, strategic, tactical and operational direction of the company along with exposure of employees to challenging assignments have been key pillars on which development of Human resources has progressed. Your Company covered around 80% of its employees in various trainings/conferences. In all, there were 390 nominations, in the in-house training/workshops and external trainings, covering topics of functional and behavioral nature. Eight employees were also nominated to attend international trainings/conferences. Apart from training and development, Your Company also gave sufficient attention to healthcare of its employees and their families and initiated various measures to create an environment of happiness and satisfaction for enhanced productivity.

As on March 31, 2018, the number of people employed was 242.

8. Environmental Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation.

Your Company has made sincere efforts for conservation of foreign exchange. During the year under report, the amount of foreign exchange outgo was only to the tune of ₹3.99 crore mainly on account of payment of interest on foreign currency borrowings. Your Company has also put in sincere efforts to protect and conserve the environment and promote community development. Besides, Your Company has been actively engaged in financing of renewable energy projects which are sustainable and environment friendly. Further, Your Company has, through its CSR Projects contributed to environment cleanliness by constructing number of toilets in unreachable areas.

9. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee of Directors formulates the CSR Policy and recommends to the Board of Directors on activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee recommended the amount to be incurred on the activities and earmarked funds for the envisaged priority areas, as per vision of the Company for a particular financial year. To associate with the CSR Activities of IFCI and its Subsidiaries and Associates, a Trust, by the name of "IFCI Social Foundation" has been established. The investment in CSR activities is mostly project based and for every project, time frame and periodic milestones are set at the outset. Some of the CSR activities undertaken includes contribution to The Akshaya Patra Foundation for purchase of 3 meal distribution Vans in Bhubaneswar, Vishakhapatnam, and Mangalgiri, A.P.; Contribution to Rashtriya Gramin Vikas Nidhi, for construction of toilets in UP, Bihar, Jharkhand and Odisha under Govt.'s Swachhta Action Plan; Contribution to Kalyanam Karoti for construction of toilet complex for differently abled students (both boys and girls) as part of Govt.'s Swachhta Action Plan; Contribution to Asu Machines for providing innovative Asu machines to women weavers of Pochampalli tradition in the state of Telangana; Contribution to Ramakrushna Temple Trust for building of Shelter house/ Shed and toilet for socially and economically backward people of Tunda Village of District Cuttack, Odisha, etc.

Cautionary Statement

Certain Statements in Management Discussion and Analysis describing the Company's objectives, estimates and expectations

may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

OWNERSHIP / CAPITAL STRUCTURE / CHANGE IN SECURITIES

An allotment of 3,39,55,857 number of equity shares of face value of ₹10/- each was made to The Government of India (GoI) on March 31, 2018 on preferential basis. Also, during the Financial Year 2017-18, 3,88,43,100 number of preference shares were redeemed as per schedule. As on March 31, 2018, GoI, being the Promoter, held 52.94% in the paid-up share capital of Your Company. Apart from this, there has been no other change in the capital structure of the Company.

The Change in the debt structure of the Company is as under:

Total number of securities at the beginning of the year	Issued during the year	Redemption made during the year	Total number of securities at the end of the year
422,14,18,212	–	36,93,152	421,77,25,060

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy-The Company's operations do not involve any manufacturing or processing activities. It provides financial assistance to the industries, thereby requires normal consumption of electricity. Accordingly, the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 are not applicable on the Company.

Technology Absorption-Information Technology (IT) has transformed the conduct of businesses in every sector of the economy. Financial sector is one such area where IT has been instrumental in enhancing the quality, efficiency and speed of delivery of financial services.

During the FY 2017-18, to meet the current and emerging business needs, the existing software applications were upgraded with enhanced/added features. New modules were developed in-house for different functions / products for better and effective seamless control over the processes being implemented and also to improve efficiency.

Your Company has also taken other technologically progressive measures for digitisation of records and digital receipt or remittance of money.

Foreign Exchange Earnings

The details in respect of foreign expenditure / earnings are as follows:

(₹ in crore)

Particulars	**Year End 31.03.2018**	Year End 31.03.2017
Expenditure in Foreign Currencies:		
Interest on borrowings	**3.57**	3.69
Other Matters	**0.42**	0.21
TOTAL	**3.99**	3.90
Earning in Foreign Currencies:		
Earning in Foreign Currency	**NIL**	NIL

INTERNAL FINANCIAL CONTROLS

Your Company has adequate Internal Control Systems commensurate with size, scale and complexity of its business and allied operations. The efficacy of these internal controls is being verified by the Internal Audit Department on a regular basis through "Risk based Internal Audit" process. The internal audits are being carried out by the Internal Audit Department through external established and reputed Chartered Accountant Firms. The periodicity of such audits varied from quarterly to yearly depending upon the criticality and materiality of transactions after the scope was approved by the Audit Committee of Directors. Based on the observations of internal auditors, corrective actions were undertaken by the process owners in their respective areas thereby strengthening the control systems.

In association with an external consultant of repute, the framework of Internal Financial Control was designed and implemented in FY 2016-17. The operative effectiveness of such controls were tested by Internal and Statutory Auditors during the financial year and was found to be satisfactory. The areas of controls with gaps were identified and bridged or decided for closure within finite period.

DECLARATION BY INDEPENDENT DIRECTOR

As on March 31, 2018, there was no Independent Director on the Board of the Company. However, during the Financial Year 2017-18, the declaration of Independence was obtained from Prof Arvind Sahay who ceased to be an Independent Director w.e.f. September 12, 2017.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED OR RESIGNED DURING THE YEAR

During the year 2017-18, Dr Emandi Sankara Rao (DIN: 05184747) was appointed as Managing Director and Chief Executive Office (MD & CEO) of the Company w.e.f. August 17, 2017. Further, on October 30, 2017, Prof N Balakrishnan (DIN: 00181842) and Prof Arvind Sahay (DIN: 03218334) were appointed as Additional Directors by the Board, and being eligible they have offered themselves to be appointed at the ensuing AGM as Directors whose offices are liable to retire by rotation.

Shri Sanjeev Kaushik, DMD (DIN: 02842527) ceased to be on the Board of the Company w.e.f. December 12, 2017 upon completion of his tenure. Besides, Shri R N Dubey (DIN: 07561054), Government Director ceased to be on the Board of the Company w.e.f. April 01, 2018 vide order of the Government of India dated May 03, 2018. The Government of India vide its Order dated May 11, 2018, nominated Dr Bhushan Kumar Sinha (DIN: 08135512) on the Board of the Company. Accordingly, Dr Bhushan Kumar Sinha was appointed as Director on the Board of the Company w.e.f. May 21, 2018.

Apart from the above, there has been no other change in the Composition of the Board of Directors and Key Managerial Personnel during the year under report.

However, the Board of Directors at its Meeting held on May 23, 2018, had designated Ms Jhummi Mantri, as the interim Chief Financial Officer (CFO) w.e.f. May 24, 2018 in place of Shri B N Nayak.

DIRECTOR LIABLE TO RETIRE BY ROTATION

Ms Kiran Sahdev (DIN: 06718968) whose office is liable to retire by rotation at this Annual General Meeting, and being eligible has offered herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of the Meetings of the Board of Directors forms part of the Corporate Governance Report appearing separately in the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

The details of Composition of Audit Committee forms part of the Corporate Governance Report appearing separately in the Annual Report. There has been no instance where the Board has not accepted recommendations of the Committee.

COMPLIANCE

During the Financial Year 2017-18, Your Company was in compliance of submission of all returns / data / statements as advised by RBI, SEBI and other Regulatory Authorities.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Companies Act, 2013.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as stipulated under Listing Regulations is forming part of the Annual Report. Certificate from Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated in Listing Regulations and under Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 has been obtained and is annexed at the end of Corporate Governance Report.

DOCUMENTS PLACED ON THE WEBSITE

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations, the Company is required to place various Policies / Documents / Details on the Website of the Company. The Company has a functional website i.e. www.ifciltd.com and all the requisite information are being uploaded thereat.

DISCLOSURE OF NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, wherever applicable, the Company has put in place a Nomination and Remuneration Policy. Vide Notification No. F.No. 1/2/2014-CL.V dated June 5, 2015, in case of Government Companies, Section 134(3)(e) of the Companies Act, 2013 shall not apply. Accordingly, the requisite Policy has not been made part of Board's Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of the Companies Act, 2013, the extract of the Annual Return in the prescribed format of Form MGT – 9 is at **Annexure – III.**

CORPORATE SOCIAL RESPONSIBILITY

The Disclosure of contents of Corporate Social Responsibility Policy in the Board's Report pursuant to the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 is at **Annexure -IV.**

PARTICULARS OF EMPLOYEES AND REMUNERATION

The requisite details, envisaged under the provisions of Rule V of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed with this report at **Annexure-V.**

DISCLOSURE ON RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions during FY 2017-18 in the prescribed Form AOC-2 is provided in **Annexure-VI.**

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

I. Approval by Audit Committee

1. All Related Party Transactions (RPTs) (including any subsequent modifications thereof) shall require prior approval of the Audit Committee of Directors.
2. The Audit Committee of Directors may grant omnibus approval for the RPTs proposed to be entered into by the Company.

The Conditions for granting Omnibus approval are as under:

All related party transactions shall require approval of the Audit Committee and the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:-

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-
   (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
   (b) the maximum value per transaction which can be allowed;
   (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
   (d) review, on quarterly basis or at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approval made;
   (e) transactions which cannot be subjected to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
   (a) repetitiveness of the transactions (in past or in future);
   (b) justification for the need of omnibus approval.
3. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.
4. The omnibus approval shall contain or include the following:-
   (a) name of the related parties;
   (b) nature and duration of the transactions;
   (c) maximum amount of transaction that can be entered into;
   (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
   (e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

   Provided that where the need for related party transaction cannot be foreseen and the aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction.
5. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
6. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
7. Any other conditions as the Audit Committee may deem fit.

II. Approval by Board of Directors Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, IFCI shall not enter into any contract or arrangement with a related party with respect to:

(a) Sale, purchase or supply of any goods or materials;
(b) Selling or otherwise disposing of, or buying, property of any kind;
(c) Leasing of property of any kind;
(d) Availing or rendering of any services;
(e) Appointment of any agent for purchase or sale of goods, materials, services or property;
(f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
(g) Underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that nothing of the above shall apply to any transactions entered into by IFCI in its ordinary course of business other than transactions which are not on an arm's length basis.

Explanation:

The expression **"office or place of profit"** means any office or place: Where such office or place is held by a Director, if the Director holding it receives from IFCI anything by way of remuneration over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent free accommodation, or otherwise;

Where such office or place is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from IFCI anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

The expression **"arm's length transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

III. Approval by Shareholders

1. Except with the prior approval of the company by a special/ordinary resolution, as may be specified under the Companies Act, 2013 or the Regulations, IFCI shall not enter into a transaction(s), where the transaction(s) to be entered into:
   (a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of Section 188 of the Companies Act 2013, with criteria as mentioned below:
      (i) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the company or ₹100 crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of Section 188;
      (ii) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the company or ₹100 crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of Section 188;
      (iii) leasing of property of any kind amounting to 10% or more of the net worth of the company or 10% or more of turnover of the company or ₹100 crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of Section 188;
      (iv) availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the company or ₹50 crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of Section 188.

      Explanation: It is hereby clarified that the limits specified in sub-clauses (i) to (iv), as above, shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
   (b) Is for appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹2.5 lakh as mentioned in clause (f) of sub-section (1) of Section 188; or
   (c) Is for remuneration for underwriting the subscription of any securities or derivatives thereof of the company exceeding 1% of the net worth as mentioned in clause (g) of sub-section (1) of Section 188.

   Explanation:
   (1) The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding financial year.
   (2) In case of a wholly owned subsidiary, the special resolution passed by IFCI shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and IFCI.
2. All the related parties shall abstain from voting on such resolutions.
3. No Member of IFCI shall vote on such Special/ Ordinary Resolution (as the case may be), to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

Proviso: The above clauses II and III, with respect to the Approval of Board and Shareholder's, respectively will not be applicable in the following cases:

1. Transactions entered into between two Government Companies.
2. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Qualifications, Reservation or Adverse Remark or Disclaimer made by the Statutory Auditors

There were no qualifications or reservations or adverse remarks made by the Statutory Auditors of Your Company for the standalone financial statements. However, the auditors have made following observations:

For Standalone Financial Statements:

Emphasis of Matter:

We draw attention to Note No 33 of the standalone financial statements related to change in appropriation policy of the company regarding amount recovered from borrowers which has resulted in increase of net loss by ₹32.17 crore.

For Consolidated Financial Statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated loss and their consolidated cash flow for the year ended on that date, subject to the qualified opinion and disclaimer reported by Statutory Auditors of one subsidiary company i.e. M/s IFCI Factors limited which are reproduced herein below:

Basis of Qualified opinion

A. Company has identified two cases as NPA i.e. (i) Concast Steel and Power Limited (₹15.69 crore) (ii) Concast Exim Limited (₹10.30 crore) during the year as on 31.12.2017 which were identified by us in the previous year i.e. 2016-17 as on 31.03.2017 and made provisions @15%. In our opinion, 100% provision of the unsecured portion amounting of ₹19.29 crore should have been made since an asset becomes doubtful that has remained sub-standard for a period exceeding 12 months for the financial year ending March 31, 2018. Hence ₹15.54 crore less provision has been made on account of NPA. So the income as well as advances has been overstated by ₹15.54 crore. Our audit opinion on the financial statements for the year ended March 31, 2018 was also qualified in respect of this matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the issues stated in the "Basis for Qualified opinion" paragraph above the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2018 and its Loss and its cash flow for the year ended on that date.

In this regard, the Management's response was that as per books of accounts of IFCI Factors Ltd, they have classified the cases as NPA on 31st December 2017 and accordingly 15% provision has been made as per their policy.

Basis of Disclaimer of Opinion

A. Note No. 25 to the financial statements regarding recognition of Deferred Tax Assets on account of provisions of Non-Performing Assets. In case of Deferred Tax Assets of ₹95.58 crore as on 31.03.2018, in the opinion of management there is reasonable certainty of availability of future taxable income to realize the deferred tax assets. Considering the past accumulated losses and further stressed standard assets and nature of factoring business, we are unable to comment on the sufficiency of the future taxable profits of the company which can realize the deferred tax assets.

As a result of this matter, we are not been able to obtain sufficient appropriate audit evidence on the said matter to state whether any adjustments would be required to the information included in the financial statements and impact thereof.

Disclaimer of Opinion:

Because of significance of these matter described in the basis of Disclaimer of Opinion paragraph, we are unable to express our opinion for the same.

With respect to the disclaimer of Opinion, the Management's response was that there is reasonable certainty of availability of future taxable income to realize the deferred tax assets.

Emphasis of Matter

(a) The holding company holds investment in six companies to the extent of 20% or more of their respective total share capital and accordingly these companies are the associates of the holding company as per the Companies Act, 2013. For the reasons stated in the Note No. 26.1 of the financial statement, these associates have not been consolidated in the preparation of the consolidated financial statements of the Group. Our report is not modified on the matter.

(b) We draw attention to Note No. 31 of the consolidated financial statements related to litigation of subsidiary company. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts of subsidiary company. Our report is not modified in respect of this matter.

AUDITORS

M/s KPMR & Associates (DE0637) (Firm Reg. No. 02504N) was appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of Your Company for FY 2017-18. C&AG has appointed M/s KPMR & Associates (DE0637) (Firm Reg. No. 02504N) as Statutory Auditors for the Financial Year 2018-19 as well.

Qualifications, Reservation or Adverse Remark or Disclaimer made by the Secretarial Auditor

M/s Navneet K. Arora & Co LLP Company Secretaries was appointed as Secretarial Auditor of the Company for the Financial Year 2017-18. The observations of the Secretarial Auditor are as under:

1. Constitution of the Board, Audit Committee, & Nomination & Remuneration Committee without appointment of minimum number of Independent Directors by the Administrative Ministry of the Government of India during the period from 01st April 2017 to 31st March 2018, due to cessation of Independent Directors namely Smt Savita Mahajan (DIN- 06492679) Shri K S Sreenivasan (DIN-05273535) and Shri S V Ranganath (DIN- 00323799) after completion of their tenure w.e.f 1st April 2017 and Corporate Social Responsibility Committee after completion of tenure of Prof Arvind Sahay (DIN- 03218334) w.e.f 12th September, 2017. Further, no Meeting of the Independent Directors was held during the financial year for carrying out the evaluation of performance of Directors, due to non-availability of minimum number of independent directors on the Board of the Company.
2. Delay in filing of e-returns in Form No(s). NBS-7 for the quarter ended 30th June 2017, 30th September 2017 & 31st December2017with Reserve Bank of India.
3. Imposition of Penalty by the Securities and Exchange Board of India (SEBI):

SEBI Adjudication Officer vide Order no. RA/JP/257/2017 dated 22nd December, 2017, in exercise of its powers, imposed a penalty of ₹14 lakh on the Company U/S 15 A (b) of the SEBI Act, 1992, in the matter of Glodyne Technoserve Limited for violation of certain provisions w.r.t. disclosures requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The point –wise management reply to the observations made by the Secretarial Auditor as above is as under:

1. In terms of Section 149(6) of the Companies Act, 2013, the Department of Financial Services (DFS), Ministry of Finance (MOF), Government of India (GOI) being the administratively in charge of the Company, is the Competent Authority to appoint Independent Directors (IDs). Requests were made for appointment/nomination of IDs on the Board of the Company. The appointments were awaited.
2. The e-return NBS-7 was filed only after Board approval of the accounts for the respective periods. Reserve Bank of India was informed of the same, who had not objected to the request of the company, considering the facts. Further, the Company being a listed entity, the result which is part of NBS-7 return, cannot be disclosed prior to the same is provided to Stock Exchanges, where the shares of the Company are listed.
3. The Company had filed appeal against the above order before Securities Appellate Tribunal (SAT), Mumbai and vide its order dated 25th April, 2018, SAT was pleased to quash and set aside the order passed by Adjudicating Officer of SEBI dated 22nd December, 2017 imposing the penalty of ₹14 lakh on IFCI Limited and restored the matter to the file of the Adjudicating Officer (AO) of SEBI for fresh decision on merit in accordance with Law, on the ground that SEBI

has inadvertently not considered certain pleadings of IFCI Limited.

The Secretarial Audit Report for FY 2017-18 in Form MR-3 is annexed at **Annexure-VII.**

PERFORMANCE EVALUATION

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Nomination and Remuneration Committee and the Board. Since, there was only 1 Independent Director on the Board of the Company for part of the financial year 2017-18 who ceased to hold office w.e.f. September 12, 2017, no Meeting of the Independent Directors could be held. Communications requesting appointment of requisite number of Independent Directors have been sent to the Ministry of Finance, being the Administrative Ministry.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

An Internal Complaint Committee has been formed and the Members of the said Committee, at present are as under:

1. Ms Parul Khosla – External Member
2. Ms Jhummi Mantri, General Manager
3. General Manager (Human Resources) – Presiding Officer
4. Ms Anamika Ranawat, Deputy General Manager (Law)
5. Mr Ravish Jain, Assistant General Manager

In the absence of any of the aforesaid Members, Ms Sapna Jain, AGM (Law) would be the alternate Member.

DISCLOSURE ON LOAN, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

As the Company is primarily engaged in the business of financing Companies in the capacity of being a Non-Banking Financial Company, the provisions of Section 186 [except for sub-section (1)] of the Companies Act, 2013 are not applicable to the Company.

RISK MANAGEMENT POLICY

Disclosure indicating development and implementation of a Risk Management Policy is provided in the Management Discussion and Analysis Report forming part of this Report.

DISCLOSURE ON RECEIPT OF COMMISSION BY A DIRECTOR FROM SUBSIDIARY COMPANY

No Director of the Company, including the MD&CEO and DMD, was paid any commission during the FY 2017-18 from any of the subsidiary of Your Company, on whose Boards they were Directors as nominees of Your Company.

PUBLIC DEPOSITS

Your Company did not raise any public deposit during the year. There was no public deposit outstanding as at the beginning or end of the Financial Year 2017-18.

DISCLOSURE OF SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURT IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

In the matter of Blue Coast Hotels, upon the default of the borrower in the repayment of dues of the IFCI Ltd., IFCI had sold the mortgaged assets in the year 2015 for an amount of ₹515.44 crore (approx.) to ITC Limited under the provisions of SRFAESI Act, 2002. Upon challenge by the borrower, the sale was set aside by the Hon'ble High Court of Bombay vide its Order dated 23.03.2016. Being aggrieved, IFCI had filed SLP before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India, vide its Order dated 19.03.2018, had dismissed all the objections raised by the borrower and had confirmed the sale of the mortgaged property in favour of ITC Limited. As a consequence, the matter of dispute has been fully settled.

VIGILANCE

During 2017-18, Vigilance manual of the company was reviewed by the Board and updated for due compliance of CVC guidelines. Vigilance Department conducted regular structured meetings with IFCI management and meetings with Head of subsidiary Companies to discuss vigilance matters and to acquaint them with latest CVC circulars and guidelines.

During the year, Vigilance Department organized following training /workshop programmes for vigilance awareness in the company:

(i) Preventive Vigilance on Credit Appraisal.

(ii) CVC guidelines for procurement of good and services.

(iii) Preventive Vigilance with the theme of learnings from recent frauds.

The Vigilance Department also undertook following initiatives for improvement in system and procedures in the company:

(i) Vigilance manual reviewed and updated for due compliance with CVC guidelines.

(ii) Integrity Pact approved by the Board of Directors.

(iii) e-Auction route for sale of fixed assets made compulsory and e-Procurement made mandatory.

(iv) Various systemic improvements pertaining to due diligence process while accepting Valuation of Security, non-acceptance of unlisted equity as security, avoidance of moratorium in Short Term / Corporate Loans and timely creation of security before disbursement were suggested.

CHANGE IN NATURE OF BUSINESS AND MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND REPORTING DATE.

There has been no change in the business of the Company during the reporting period. Further, there have been no material changes and commitments which affect the financial position between the end of financial year and date of Board's Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

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

(ii) 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;

(iii) 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;

(iv) The Directors had prepared the annual accounts on a going concern basis;

(v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(vi) 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.

Details of Debenture Trustees

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant details of the Debenture Trustees are as under:

Name of Debenture Trustee	Contact Details
Axis Trustee Services Limited	2nd Floor – E, Axis House Bombay Dyeing Mills Compound Pandurang Budhkar Marg Worli, Mumbai – 400025 E-mail: debenturetrustee@axistrustee.com Website: www.axistrustee.com
IDBI Trusteeship Services Limited	Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate Mumbai – 400001 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.in
Centbank Financial Services Limited	3rd Floor (East Wing) Central Bank of India, MMO Building 55 M G Road Mumbai – 400001 E-mail: info@cfsl.in Website: www.cfsl.in

Comments of Comptroller & Auditor General of India

The comments of Comptroller & Auditor General of India (C&AG) and the response of the Management are at **Addendum**.

Appreciation

Your Directors wish to express gratitude for the cooperation, guidance and support from the Ministry of Finance, various other Ministries and Departments of the Government of India, The Reserve Bank of India, The Securities and Exchange Board of India, Stock Exchanges and other regulatory bodies, The Comptroller & Auditor General of India and State Governments. Your Directors also acknowledge the valuable assistance and continued cooperation received from all banks, financial institutions, overseas correspondent banks, other members of the banking fraternity and investors. Your Directors would also like to express their appreciation for the efforts and dedicated service put in by the employees of Your Company at all levels.

Dr Emandi Sankara Rao
Managing Director &
Chief Executive Officer
DIN: 05184747
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Dated: July 27, 2018

Annexure - I

IFCI Limited - Equity Dividend Distribution Policy

1. Introduction:

1.1 Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

1.2 As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their website.

1.3 The Policy is not an alternative to the right of the Board for recommending dividend, which is made after considering all the relevant circumstances and other factors as may be considered relevant by the Board. This Policy shall serve as guiding Principles while the Board considers declaration / recommendation of dividend.

1.4 The objective of Dividend Policy is to specify in broad terms the external and internal factors including financial parameters that will be considered while declaring dividend and the circumstances under which the shareholders of the company may or may not expect dividend, etc.

1.5 This Dividend Policy is in line with the provisions of the Listing Regulations, Companies Act and other guidelines, to the extent applicable to the company.

2. Effective Date:

This Policy is effective from the date of its approval by the Board of Directors of the Company i.e. 11.02.2017.

3. Manner and Timelines for Dividend Payout:

3.1 Interim dividend(s)

3.1.1. Interim dividend(s), if any, shall be declared by the Board.

3.1.2. The payment of dividend shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

3.1.3. In case no final dividend is declared, interim dividend paid during the year, if any, will be confirmed in the Annual General Meeting.

3.2 Final dividend

3.2.1. Recommendation, if any, shall be done by the Board, usually in the Board Meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company, in Annual General Meeting.

3.2.2. The payment of dividend shall be made within 30 days from the date of declaration, to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

4. Factors Considered while declaring dividend:

While considering the declaration or recommendation of dividend, following factors shall be considered:

4.1 External Factors

4.1.1 Economic Environment

In case of uncertain economic and business scenario / condition, the Company will endeavour to retain larger part of profits to build up reserves to sustain future growth.

4.1.2 Statutory and Regulatory Norms

Changes in regulatory norms with respect to payment of dividend may affect the dividend pay-out by the Company. Also changes in the provisioning norms may affect the available profits for distribution of dividend.

4.1.3 Capital Markets

In the times of favourable markets, dividend pay-out can be liberal. However, in case of unfavourable market conditions where the availability of credit is restricted, the Company may resort to conservative dividend pay-out in order to conserve cash flows.

4.2 Internal Factors

4.2.1 Profit earned during the year

Pursuant to the provisions of Section 123 of the Companies Act, 2013, dividend shall not be declared or paid by a Company for any Financial Year except out of profits of the Company for that Financial Year or out of profits of the Company for any previous financial year /years arrived after providing for depreciation in accordance with the Companies Act, 2013.

4.2.2 Capital to Risk-weighted Assets Ratio (CRAR)

IFCI being a Non-Banking Financial Company (NBFC), it is required to maintain a minimum CRAR of 15% (with a minimum Tier I Capital of 10%). Hence, the tentative CRAR shall also factor while declaring or recommending dividend so that the minimum of CRAR is maintained throughout.

4.2.3 Investment need in Subsidiaries / Joint Ventures

IFCI at present has both Subsidiaries and Step-Down Subsidiaries. Hence, the future need of infusion of funds in the subsidiaries is also an internal factor which may have a bearing on the dividend pay-out by the Company, directly, due to cash flow and indirectly, due to impact on CRAR.

4.2.4 Liquidity Position and Future Cash Flow Requirements

Payment of dividend has direct impact on the Cash Flows of the Company. Accordingly, payment of dividend will largely depend upon the availability of cash balance. Further, pay-out of dividend will also be ascertained by the liability to service debt of the Company.

5. Circumstances under which the Shareholders may or may not expect dividend:

5.1 The dividend declaration decision of the company will be based on a balanced approach to declare dividend with the objective of rewarding the shareholders appropriately and at the same time retaining the profits for its business growth.

5.2 The Company has always endeavoured to reward the shareholders by paying dividends regularly. However, due to unfavourable business condition and / or inadequacy of sufficient profits for any financial year or owing to any of the above mentioned internal and external factors, the Board of the Company in the best interest of the Company, may decide to retain the profits of the Company instead of distributing the same among the shareholders.

6. Retained Earnings Utilization:

The retained earnings will be deployed in line with the objects of the company as detailed in the Memorandum of the company. The profits being retained in the business shall be continued to be deployed in promoting the objectives of the Company viz. financing and other related activities. The retained earnings may also be utilized for further expansion of the business of the company. Also, the decision of utilization of the retained earnings of the Company shall be based on the factors like Strategic and long term plans of the company etc.

7. Financial Parameters / Regulatory and Other Guidelines that shall be considered while declaring dividend:

Following are the parameters that shall be considered while declaring dividends:

(i) Earnings per share of the Company

(ii) Need for debt reduction for having optimum debt: equity ratio

(iii) Liquidity position of the Company and expected cash flow in next six months

(iv) Dividend pay-out history

(v) Future expansion plans and the capital expenditure requirement including acquisition or diversification to be made by the Company from time to time

(vi) Need for ploughing back of profits into Business

(vii) Other reasons, which in the view of the Board of Directors of the Company or as per applicable regulations may be required to be considered from time to time before declaration of dividend

(viii) Companies Act, 2013 & applicable Rules thereof

(ix) SEBI Regulations / Guidelines

8. Parameters with regard to various classes of shares:

All Equity shares shall rank pari-passu for the purpose of Dividend as IFCI has only one class of equity shares. Other classes of shares shall be eligible for dividend as per the terms of issue of such shares from time to time.

9. Amendments:

The Board of Directors of the Company reserves the rights to amend, modify or review this policy in whole or in part, at any point of time, as may be deemed necessary.

10. Disclosure: This policy shall be disclosed in the Annual Report and hosted on the website of the Company at www.ifciltd.com.

ANNEXURE – II

Table 1 : Performance & Financial Position of Subsidiaries (₹ crore)

Particulars	IIDL	IFL *	IVCF	IFIN	SHCIL	MPCON	Total
	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
Total Income	53.5	63.67	87.46	20.71	431.92	43.77	701.03
Total Expenses	50.77	55.82	53.18	19.69	357.27	42.9	579.63
Profit Before Provisions	2.73	7.85	34.28	1.02	74.65	0.87	121.4
Provisions / Write Off	0.18	62.34	22.42	(0.28)	2.84	0.04	87.54
Exceptional Items / Prior Period	–	–	–	–	–	–	–
Profit/ (Loss) Before Tax	2.55	(54.49)	11.86	1.30	71.81	0.83	33.86
Profit/ (Loss) After Tax	3.72	(36.53)	5.22	1.05	65.81	0.61	39.88
Equity Capital	477.10	254.44	60.37	41.53	21.05	1.00	855.49
Reserves & Surplus	95.94	(127.51)	162.62	29.89	714.11	6.52	881.57
Networth	573.04	126.93	222.99	71.42	735.16	7.52	1737.06

* Equity Capital Includes CCCPS of ₹175.08 crore

Table 2 : Performance & Financial Position of Step-down Subsidairies (₹ crore)

Particulars	IRPL	IFIN Credit	ICOM	ISFL	SSL	SDMSL	Total
	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
Total Income	3.30	0.15	1.01	5.16	54.99	60.34	124.95
Total Expenses	0.21	0.16	1.31	2.18	41.51	55.42	100.79
Profit Before Provisions	3.09	(0.01)	(0.30)	2.98	13.48	4.92	24.16
Provisions / Write Off	–	–	(0.01)	1.99	0.14	1.66	3.78
Exceptional Items / Prior Period	–	–	(0.03)	(0.08)	–	–	(0.11)
Profit/ (Loss) Before Tax	3.09	(0.01)	(0.27)	1.07	13.34	3.26	20.48
Profit/ (Loss) After Tax	2.45	(0.01)	(0.27)	0.53	9.49	2.69	14.88
Equity Capital	0.08	2.50	5.00	30.01	6.09	43.25	86.93
Reserves & Surplus	22.88	(0.54)	0.05	3.99	54.26	26.34	106.98
Networth	22.96	1.96	5.05	34.00	60.35	69.59	193.91

Table 3 : Performance & Financial Position of Associates (₹ crore)

Particulars	KITCO	Total
	31.03.2018	31.03.2018
Total Income	60.04	60.04
Total Expenses	45.22	45.22
Profit Before Provisions	14.82	14.82
Provisions / Write Off	1.05	1.05
Exceptional Items / Prior Period	–	–
Profit/ (Loss) Before Tax	13.77	13.77
Profit/ (Loss) After Tax	8.72	8.72
Equity Capital	9.84	9.84
Reserves & Surplus	53.44	53.44
Networth	63.28	63.28

Annexure - III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN: - L74899DL1993GOI053677

(ii) Registration Date: May 21, 1993

(iii) Name of the Company: IFCI Limited

(iv) Category/Sub-Category of the Company: Company Limited by Shares/Union Government Company

(v) Address of the Registered office and Contact Details: IFCI Tower, 61 Nehru Place, New Delhi-110019
Contact: +91-11-41732000, Email – complianceofficer@ifciltd.com

(vi) Whether Listed Company: Yes

(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: MCS Share Transfer Agent Ltd, F-65, Okhla Industrial Area, Phase-I, New Delhi – 110020, Contact: 011-41406149, Email ID: admin@mcsregistrars.com : Website: www.mcsregistrars.com.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Services	% to Total Turnover of the Company
1.	Other Credit Granting Services	64920	97.05*

*Net Income from Operations has been considered.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Stock Holding Corporation of India Ltd. (SHCIL) Regd. Off. :Centre Point, Unit No.301, 3rd Floor, Dr B Ambedkar Road, Parel Mumbai- 400 012	U67190MH1986GOI040506	Subsidiary	52.86	2(87) of the Companies Act, 2013
2.	IFCI Infrastructure Development Ltd. (IIDL) Regd. Off.: IFCI Tower, 61, Nehru Place New Delhi - 110 019	U45400DL2007GOI169232	Subsidiary	100.00	2(87) of the Companies Act, 2013
3.	IFCI Venture Capital Funds Ltd. (IVCF) Regd. Off.: IFCI Tower, 61, Nehru Place New Delhi - 110 019	U65993DL1988GOI030284	Subsidiary	98.59	2(87) of the Companies Act, 2013
4.	IFCI Factors Ltd. (IFL) Regd. Off.: 10th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110 019	U74899DL1995GOI074649	Subsidiary	99.89	2(87) of the Companies Act, 2013
5.	IFCI Financial Services Ltd. (IFIN) Regd. Off.: IFCI Tower, 61, Nehru Place New Delhi - 110 019	U74899DL1995GOI064034	Subsidiary	94.78	2(87) of the Companies Act, 2013
6.	MPCON Ltd. (MPCON) Regd. Off.: Ground Floor, 35, Rajeev Gandhi Bhawan Parisar-2, Shyamla Hills, Bhopal - 462002	U74140MP1979GOI001502	Subsidiary	79.72	2(87) of the Companies Act, 2013
7.	IIDL Realtors Pvt. Ltd. (IRPL) Regd. Off.: 13th Floor, IFCI Tower, 61 Nehru Place, New Delhi - 110 019	U70100DL2005GOI223060	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
8.	IFIN Commodities Ltd. (ICOM) Regd. Off.: 142, Mahatma Gandhi Road Nungambakkam, Chennai - 600 034	U93000TN2009GOI070524	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
9.	IFIN Credit Ltd. (IFIN Credit) Regd. Off.: 142, Mahatma Gandhi Road Nungambakkam, Chennai - 600 034	U67190TN1995GOI032057	Step-down Subsidiary	–	2(87) of the Companies Act, 2013

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
10.	IFIN Securities Finance Ltd. (ISFL) Regd. Off.: Continental Chambers (3rd Floor), 142, Mahatma Gandhi Road Nungambakkam, Chennai - 600 034	U65991TN1989GOI017792	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
11.	SHCIL Services Ltd. (SSL) Regd. Off.: SHCIL House, P-51, T.T.C. Industrial Area MIDC, Mahape Navi Mumbai- 400 710	U65990MH1995GOI085602	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
12.	StockHolding Document Management Services Ltd. (SDMSL) Regd. Off.: Plot No. P-51, T.T.C. Industrial Area, MIDC Mahape, Navi Mumbai- 400 710	U74140MH2006GOI163728	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
13.	KITCO Ltd. (KITCO) Regd. Off.: No.33/1676H, Femith's Puthiya Road N H Bypass, Vennala, Cochin-682 028	U74140KL1972GOI002425	Associate	20.26	2(6) of the Companies Act, 2013

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
(a) Individual/HUF	–	–	–	–	–	–	–	–	–
(b) Central Govt	923000000	–	923000000	55.53	956955857	–	956955857	56.42	0.89
(c) State Govt(s)	–	–	–	–	–	–	–	–	–
(d) Bodies Corp.	–	–	–	–	–	–	–	–	–
(e) Banks/FI	–	–	–	–	–	–	–	–	–
(f) Any Other…..	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):	923000000	–	923000000	55.53	956955857	–	956955857	56.42	0.89
(2) Foreign									
(a) NRI's- Individuals	–	–	–	–	–	–	–	–	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corp.	–	–	–	–	–	–	–	–	–
(d) Banks/FI-	–	–	–	–	–	–	–	–	–
(e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (2) :	–	–	–	–	–	–	–	–	–
TOTAL Shareholding of Promoter (A)= (A)(1)+(A)(2)	923000000	–	923000000	55.53	956955857	–	956955857	56.42	0.89
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	14915574	13500	14929074	0.90	37808933	8300	37817233	2.23	1.33
(b) Banks/FI	104700888	2760500	107461388	6.47	90190840	2758700	92949540	5.48	(0.99)
(c) Central Govt.	–	–	–	–	–	–	–	–	–
(d) State Govt.(s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	106685458	13300	106698758	6.42	106685458	13300	106698758	6.29	(0.13)
(g) FIIs	160976092	21800	160997892	9.69	107662825	21100	107683925	6.35	(3.34)
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Other (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):	387278012	2809100	390087112	23.47	342348056	2801400	345149456	20.35	(3.13)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
(a) Bodies Corporate									
i. Indian	39630451	233302	39863753	2.39	61742260	190002	61932262	3.65	1.26
ii. Overseas	3000	–	3000	–	3000	–	3000	–	–
(b) Individuals									
i. Individual shareholders Holding Nominal share capital upto ₹1 Lakh	199073243	19573847	218647090	13.16	209670252	13699294	223369546	13.17	0.01
ii. Individual shareholders holding Nominal share capital in excess of ₹1 Lakh	81456972	172100	81629072	4.91	93293510	152300	93445810	5.52	0.61
(c) Other (Equity shares transferred to IEPF)	–	–	–	–	6078349	–	6078349	0.36	0.36
i. Trust & Foundations	186880	900	187780	0.01	217736	600	218336	0.01	–
ii. Non-Resident Individuals	8238928	380500	8619428	0.52	8459876	380600	8840476	0.52	–
Sub-total (B) (2)	328589474	20360649	348950123	20.99	379464983	14422796	393887779	23.23	2.24
Total Public Shareholding (B)= (B)(1) + (B) (2)	715867486	23169749	739037235	44.47	721813039	17224196	739037235	43.58	(0.89)
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A+B+C)	**1638867486**	**23169749**	**1662037235**	**100.00**	**1678768896**	**17224196**	**1695993092**	**100.00**	**–**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1.	President of India	923000000	55.53	Nil	956955857	56.42	Nil	0.89

(iii) Change in Promoter's Shareholding:

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	**President of India**				
	At the Beginning of the Year	**923000000**	**55.53**	**–**	**–**
	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	33955857 – Allotment of equity shares made to Government of India on preferential basis on March 31, 2018	2.002	956955857	56.42
	At the End of the Year	**–**	**–**	**956955857**	**56.42**

(iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2018:

Note:

(i) (P) denotes Purchase of shares and (S) denotes sale of shares.

(ii) All the increase / decrease in shareholding is due to Transfer only.

Sl. No.	For each of the Top 10 shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	**Life Insurance Corporation of India**				
	At the Beginning of the Year	61944644	3.65	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	–	–	61944644	3.65
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	61944644	3.65
2.	**General Insurance Corporation of India**				
	At the Beginning of the Year	16502700	0.97	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	–	–	16502700	0.97
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	16502700	0.97
3.	**Canara Bank**				
	At the Beginning of the Year	14757146	0.87	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	12.05.17 – 5700 (P) 27.10.17 – 35000 (P) 23.03.18 – 40700 (S)	– – –	14762846 14797846 14757146	0.87 0.87 0.87
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	14757146	0.87
4.	**Central Bank of India**				
	At the Beginning of the Year	11149326	0.66	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	–	–	11149326	0.66
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	11149326	0.66
5.	**Vanguard Emerging Markets Stock Index Fund**				
	At the Beginning of the Year	7449552	0.44	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	21.04.17 – 1075628 (P) 12.05.17 – 753932 (P) 25.08.17 – 835291 (P) 01.09.17 – 778544 (P)	0.06 0.04 0.05 0.05	8525180 9279112 10114403 10892947	0.50 0.55 0.60 0.64
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	10892947	0.64
6.	**The Oriental Insurance Company Limited**				
	At the Beginning of the Year	10245438	0.60	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	–	–	10245438	0.60
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	10245438	0.60

Sl. No.	For each of the Top 10 shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
7.	**Vanguard Total International Stock Index Fund**				
	At the Beginning of the Year	8983149	0.53	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	05.01.18 – 1184156 (P)	0.07	10167305	0.61
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	10167305	0.61
8.	**Punjab National Bank**				
	At the Beginning of the Year	9152100	0.54	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	–	–	9152100	0.54
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	9152100	0.54
9.	**Societe Generale**				
	At the Beginning of the Year	10142000	0.60	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	14.04.17 – 66000 (P)	–	10208000	0.60
		12.05.17 – 22000 (P)	–	10230000	0.60
		26.05.17 – 176000 (S)	0.01	10054000	0.59
		02.06.17 – 22000 (P)	–	10076000	0.59
		09.06.17 – 44000 (P)	–	10120000	0.60
		23.06.17 – 44000 (P)	–	10164000	0.60
		04.08.17 – 352000 (P)	0.02	10516000	0.62
		08.09.17 – 264000 (P)	0.02	10780000	0.64
		30.09.17 – 182087 (S)	0.01	10597913	0.63
		06.10.17 – 182087 (P)	0.01	10780000	0.64
		13.10.17 – 110000 (P)	0.01	10890000	0.65
		03.11.17 – 396000 (P)	0.02	11286000	0.67
		10.11.17 – 396000 (P)	0.02	11682000	0.69
		08.12.17 – 330000 (S)	0.02	11352000	0.67
		30.12.17 – 1626000 (S)	0.10	9726000	0.57
		12.01.18 – 422000 (S)	0.02	9304000	0.55
		02.02.18 – 132000 (S)	0.01	9172000	0.54
		23.02.18 – 264000 (S)	0.02	8908000	0.52
		16.03.18 – 88000 (P)	0.01	8996000	0.53
		31.03.18 – 44000 (S)	–	8952000	0.53
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	8952000	0.53

Sl. No.	For each of the Top 10 shareholders	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
10.	Ishares Core Emerging Markets Mauritius Co				
	At the Beginning of the Year	4736874	0.28	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	14.04.17 – 4991 (P)	–	4741865	0.28
		21.04.17 – 278864 (P)	0.02	5020729	0.30
		28.04.17 – 223945 (P)	0.01	5244674	0.31
		05.05.17 – 53570 (P)	–	5298244	0.31
		12.05.17 – 133925 (P)	0.01	5432169	0.32
		19.05.17 – 171132 (P)	0.01	5603301	0.33
		02.06.17 – 1157312 (P)	0.07	6760613	0.40
		09.06.17 – 71745 (P)	–	6832358	0.40
		16.06.17 – 122930 (P)	0.01	6955288	0.41
		30.06.17 – 32230 (P)	–	6987518	0.41
		07.07.17 – 25784 (P)	–	7013302	0.41
		14.07.17 – 6446 (P)	–	7019748	0.41
		21.07.17 – 38676 (P)	–	7058424	0.42
		28.07.17 – 58014 (P)	–	7116438	0.42
		04.08.17 – 116028 (P)	0.01	7232466	0.43
		11.08.17 – 64460 (P)	–	7296926	0.43
		01.09.17 – 32230 (P)	–	7329156	0.43
		08.09.17 – 19338 (P)	–	7348494	0.43
		15.09.17 – 83798 (P)	–	7432292	0.44
		22.09.17 – 45122 (P)	–	7477414	0.44
		06.10.17 – 12892 (P)	–	7490306	0.44
		13.10.17 – 186934 (P)	0.01	7677240	0.45
		20.10.17 – 109582 (P)	0.01	7786822	0.46
		03.11.17 – 25784 (P)	–	7812606	0.46
		24.11.17 – 32230 (P)	–	7844836	0.46
		01.12.17 – 32230 (P)	–	7877066	0.46
		15.12.17 – 38676 (P)	–	7915742	0.47
		22.12.17 – 12892 (P)	–	7928634	0.47
		30.12.17 – 31710 (P)	–	7960344	0.47
		12.01.18 – 234654 (P)	0.01	8194998	0.48
		19.01.18 – 177576 (P)	0.01	8372574	0.49
		26.01.18 – 57078 (P)	–	8429652	0.50
		02.02.18 – 101472 (P)	0.01	8531124	0.50
		23.02.18 – 234654 (P)	0.01	8765778	0.52
		28.02.18 – 19026 (P)	–	8784804	0.52
		02.03.18 – 116517 (S)	0.01	8668287	0.51
		09.03.18 – 12498 (P)	–	8680785	0.51
		16.03.18 – 181221 (P)	0.01	8862006	0.52
		23.03.18 – 18747 (P)	–	8880753	0.52
		31.03.18 – 37494 (P)	–	8918247	0.53
	At the End of the Year (or on the date of separation, if separated during the year)	–	–	8918247	0.53

Note: The percentage shareholding & changes thereof, of the Top 10 Shareholders has been calculated on the basis of total paid up Equity share Capital of the Company as on March 31, 2018.

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors hold any shares in the Company.
Shareholding of the Chief Financial Officer and Company Secretary is as under:

Sl. No.	For each of the KMP i.e. Chief Financial Officer and Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	**Shri B N Nayak, CFO**				
	At the Beginning of the Year	14,716	–	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	14,716	–
	At the End of the year	–	–	14,716	–
2.	**Smt Rupa Sarkar, Company Secretary**				
	At the Beginning of the Year	8,657	–	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	8,657	–
	At the End of the Year	–	–	8,657	–

(V) INDEBTEDNESS

Indebtedness of the Company including interest Outstanding/Accrued but not due for payment (₹crore)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2,857.26	2,0041.41	–	22,898.67
(ii) Interest due but not paid	–	–	–	–
(iii) Interest Accrued but not due	94.56	807.64	–	902.20
Total (i+ii+iii)	**2,951.82**	**20,849.05**	**–**	**23,800.87**
Change in indebtedness during the financial year				
Addition	–	1,382.12	–	1,382.12
Reduction	–	4,234.11	–	4,234.11
Net Change	**–**	**(2,851.99)**	**–**	**(2,851.99)**
Indebtedness at the end of the financial year				
(i) Principal Amount	2,857.26	17,189.42	–	20,046.68
(ii) Interest due but not paid	–	–	–	–
(iii) Interest Accrued but not due	110.46	977.01	–	1,087.47
Total (i+ii+iii)	**2,967.72**	**18,166.43**	**–**	**21,134.15**

Note 1: Indebtedness includes Foreign Currency Loans

Note 2: Interest accrued but not due includes both current and non-current under Long Term Liabilities

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Dr Emandi Sankara Rao (Managing Director & CEO)	Shri Sanjeev Kaushik (Whole-Time Director)	Total Amount
		Amount (₹)	Amount (₹)	Amount (₹)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	16,48,078.00	–	16,48,078.00
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	–	–	–
	(c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	–	–	–
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	- As % of profit	–	–	–
	- Others, specify			

Sl. No.	Particulars of Remuneration	Dr Emandi Sankara Rao (Managing Director & CEO)	Shri Sanjeev Kaushik (Whole-Time Director)	Total Amount
		Amount (₹)	Amount (₹)	Amount (₹)
5.	- Others, please specify	–	–	–
	- Tax Borne by IFCI	–	–	–
	- PF Contribution	1,53,719.00	–	1,53,719.00
	Total (A)	**18,01,797.00**	**–**	**18,01,797.00**
	Ceiling as per the Act	**10% of net profit of the Company as computed under Section 198 of the Companies Act, 2013 for the FY 2017-18.**		

Note:

1. Dr Emandi Sankara Rao was appointed as MD & CEO w.e.f. August 17, 2018
2. Shri Sanjeev Kaushik, Whole Time Director designated as Deputy Managing Director ceased to be on the Board w.e.f. December 12, 2017. He was not paid any remuneration for the period.

B. Remuneration to Other Directors: (In ₹)

Non-Executive Directors	Prof N Balakrishnan	Prof Arvind Sahay	Total Amount
Fees for attending Board / Committee Meetings	1,40,000.00	2,40,000.00	3,80,000.00
Commission	–	–	–
Others, please specify	–	–	–
Total			**3,80,000.00**
Ceiling as per the Act	**1% of net profit of the Company as computed under Section 198 of the Companies Act, 2013 for the FY 2017-18.**		

Note: (i) Sitting Fee for Board Meeting is ₹20,000/- and for Committee Meeting is ₹10,000/-.

(ii) No sitting fees was payable during the financial year, to any other Director except to Prof N Balakrishnan and Prof Arvind Sahay.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in ₹)

Sl. No.	Particulars of Remuneration	Details of CFO	Details of CS	Total Amount
1.	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	30,97,995.00	27,60,102.00	58,58,097.00
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	8,46,390.00	6,78,642.00	15,25,032.00
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	1,50,982.00	6,154.00	1,57,136.00
2.	Stock Options	–	–	–
3.	Sweat equity	–	–	–
4.	Commission	–	–	–
	- As % of profit	–	–	–
	- Others, specify	–	–	–
5.	Others, please specify			
	- Tax Borne by IFCI	38,787.00	1,507.00	40,294.00
	- PF Contribution	94,920.00	81,550.00	1,76,470.00
	Total	**42,29,074.00**	**35,27,955.00**	**77,57,029.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Dr Emandi Sankara Rao
Managing Director & Chief Executive Officer
DIN: 05184747
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Dated: July 27, 2018

Annexure - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs undertaken and reference to the web-link to the CSR policy.

(i) IFCI Ltd. (IFCI) since its inception in 1948 had a vision to empower the community through socio-economic development of the country as a whole. In its continued efforts to make a difference to the society at large, during the Financial Year (FY) 2017-18, IFCI has undertaken Corporate Social Responsibility (CSR) activities, through IFCI Social Foundation (ISF) with a vision as per CSR Policy.

(ii) The CSR Policy for FY 2017-18 (available at: https://www.ifciltd.com/?q=content/our-csr-policy) was approved by the Board of Directors with the following objectives:

- Support activities aimed at development of human capital, rural areas, promotion of water conservation, caring for the elderly, girl child and promoting sports related activities and enhancing the quality of life and well-being of the people.
- Support activities, which help, create a cleaner, greener and healthier environment and thereby enhance IFCI's perception as a socially responsible entity.
- Support training to promote rural, nationally recognized, Paralympic and Olympic sports.

(iii) During FY 2017-18, in accordance with Schedule VII of Section 135 of Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR activities were undertaken by ISF, a registered Trust founded by IFCI Ltd. in a focused manner in sync with the CSR objectives of the Company. The entire CSR budget allocation of IFCI Ltd., aggregating to ₹6.06 crore was entrusted with ISF for carrying out CSR activities on behalf of IFCI. The projects sanctioned by the Board of Trustees of ISF during FY 2017-18 were targeted towards achieving the objectives laid down in the CSR Policy of IFCI Ltd.

(iv) During the period under review i.e. FY 2017-18, ISF had spent an aggregate amount of ₹2.83 crore on behalf of IFCI from the budgeted allocation. The balance amount will be spent gradually in sync with the physical progress of the sanctioned CSR projects since payments are linked to progress on a milestone achievement basis. Apart from the above, ₹0.22 crore was spent on capacity building and administrative expenses.

(v) Further, ₹4.60 crore was spent on account of previous years' sanctions, of which ₹2.17 crore was spent directly by IFCI for projects sanctioned in earlier years, Whereas ₹2.43 crore was spent by ISF for projects sanctioned in FY 2015-16 and 2016-17.

(vi) CSR activities undertaken during the year: (Amount Spent on CSR Activities)

A. CSR projects undertaken directly by IFCI:

Out of Sanctions of FY 2017-18

NIL; as the CSR expenditure was carried out by ISF

Out of Sanctions of FY 2016-17

- ₹0.57 crore to Arogya Sandhan Charitable Trust, South 24 Paraganas (West Bengal) for construction of 2nd Floor of Residential Home for Mentally challenged persons with a Vocational Training Centre and a Special School.
- ₹0.93 crore to Institute of Leadership Development, Jaipur for conducting Employment Oriented Skill Training Programme (EOSTP) at Bhilwara (Rajasthan) for 400 unemployed youth of Rajasthan State for generating livelihoods in the Textile Industries.
- ₹0.43 crore to Bhartiya Yuva Shakti Trust (BYST), New Delhi for BYST-IFCI Programme for youth entrepreneurship development of 600 candidates and other activities for development of youth entrepreneurship.
- ₹0.02 crore to Naandi Foundation for installation of one unit of Community Water Filtration Centre in the rural regions of Faridabad/ Palwal/ Rewari Districts of Haryana State to provide safe drinking water at affordable rates.

Out of Sanctions of FY 2015-16

- ₹0.10 crore to Sports Authority of India for sponsoring Sports Training Centre under Ministry of Youth Affairs & Sports - Part funding of National Coaching Conclave held at Netaji Subhas National Institute of Sports (NSNIS), Patiala.
- ₹0.12 crore to Society for Welfare of the Handicapped for installation of Solar Steam Cooking System at the roof-top of girls' hostel for 230 deaf and blind students.

B. CSR Projects through IFCI Social Foundation (ISF):

The whole amount of the CSR budget for the FY 2017-18 has been transferred to ISF. Hence, there is no corpus left with IFCI Ltd. to be spent for undertaking CSR activities for FY 2017-18. Accordingly, for the purpose of CSR Reporting in the Annual Report, the entire amount of ₹6.06 crore was entrusted to ISF has been considered as spent.

Out of Sanctions of FY 2017-18

- ₹2.50 crore to Institute of Leadership Development - RISU for infrastructure related capital expenditure (including installation of equipment for various courses in connection with setting up of Rajasthan ILD Skill University (RISU).
- ₹0.25 crore to Save our Soul under Swachhta Action Plan for construction of toilets and renovation of road in the vicinity of IFCI Tower, Nehru place and also in the neighborhood area of IFCI Residential Colony, Paschim Vihar.
- ₹0.05 crore to Ramakrushna Temple Trust for building of Shelter House/Shed and toilet for socially and economically backward people of Village Tunda, Cuttack, Odisha, a flood affected region.
- ₹0.03 crore to Kalyanam Karoti, Mathura for construction of toilet complex with two toilets for differently abled students (both boys and girls) and two toilets for general boys and girls as part of Govt.'s Swachhta Action Plan.

Out of Sanctions of FY 2016-17

- ₹0.58 crore to National Backward Classes Finance & Development Corporation for conducting Skill Development Programs of 600 youth in collaboration with Apparel Made-ups & Home Furnishing Sector Skill Council (AMHSSC) in Odisha, WB, Bihar, Jharkhand and Tripura.

- ₹0.12 crore to The Akshaya Patra Foundation for providing food and education to over 4300 under privileged children in Bengaluru, Jaipur and nearby locations for one year and procurement of vehicles for distribution of Meals.
- ₹0.03 crore to Kalyanam Karoti for meeting one year school expenses of 40 Hearing Impaired students of Special School of mentally challenged, Deaf and Dumb children called "SAMBAL" at Mathura (U.P.), a unit of Kalyanam Karoti.
- ₹0.05 crore to IIMPACT- Running expenses of 5 learning centres in 5 villages (Hardauli, Mau Natkhat, Rampur, Samuhi and Tikreegaurya) of Ghatampur Block, Distt. Kanpur, UP towards education of girl child from backward parts of the country for one year.
- ₹0.09 crore to Expression Children Homes Organization of India for purchase of Books & Magazines (Hindi/English) of the Publication Division of Ministry of Information & Broadcasting for dissemination to economically weaker sections, community youths and schools (Government / unaided).
- ₹0.26 crore to Lotus Petal Charitable Foundation (LPCF) for sponsorship of Vidyananda Primary School at Gurugram (Haryana) being run by LPCF.
- ₹0.27 crore to National Human Rural Development Institute (NHRDI), Odisha, for renovation of Ground & 1st Floors of existing school building of London School of Economic Society (LSES) at Balipatna, at Khordha (Odisha) set up by NHRDI.
- ₹0.04 crore to The All India Movement (AIM) for Sewa for sponsorship of 12 students of Free Student Homes (FSHs) (6 Boys & 6 Girls under the category "Complete Care of one child for one year"), located at Muradnagar (UP) & Yelahanka, Bengaluru.
- ₹0.15 crore to Rashtriya Gramin Vikas Nidhi (RGVN) – for enhancement of productivity and establishment of People's Institutions in Goalpara District, Assam – Agriculture and Livestock Sector covering 500 poor farmers belonging to SC, ST and other backward classes in 5 villages.
- ₹0.24 crore to Bhartiya Yuva Shakti Trust, New Delhi for "BYST-IFCI Youth Entrepreneurship Development Programme in NCR" amongst under privileged youth between the ages of 18 to 35 years for turning job seekers into job creators.

Out of Sanctions of FY 2015-16

- ₹0.03 crore to HARDICON Ltd. for Employment Oriented Skill Development Programs (EOSDP) for 200 candidates belonging to economically weaker sections (SC/ST/OBC) at Kurukshetra & Yamuna Nagar (Haryana).
- ₹0.34 crore to Rashtriya Gramin Vikas Nidhi for Village Development Project – for construction of 20 Toilet Complex with water facility in Village Phoolpur, District Allahabad, (UP). Each Complex comprising of 4 units of toilets – 2 each for boys & girls. (In all, 80 units of toilets and 80 units of urinals). In addition, 20 hand pumps to be installed for providing water facility.
- ₹0.07 crore to Patiala Foundation for construction of Sewage Treatment Plant (STP) and use of treated water for irrigation and development of horticulture/plantation at children home complex at Hoshiyarpur, Punjab.
- ₹0.11 crore to MPCON Ltd. for adoption of 2 villages viz. Rajiv Nagar and Rangpura Kesari Village at District Raisen (MP) for providing infrastructure support, awareness on environment & health care issues and strengthening of women self-help groups etc.
- ₹0.05 crore to NITCON Ltd. for adoption of village Nimbua, Mohali, Punjab for development of basic infrastructure and common public facilities by providing solar street lights, bus queue shelter, fencing of school boundary, construction of toilets and bathroom in the village community center etc.

2. The composition of the CSR Committee:

In pursuance of Section 135 of the Companies Act 2013, IFCI has constituted a CSR Committee of the Board of Directors, as under :

(i) Dr E S Rao, MD & CEO - Chairman of the Committee
(ii) Shri Anshuman Sharma
(iii) Ms Kiran Sahdev
(iv) Prof N Balakrishnan

3. Average Net Profit of the company for last 3 financial years :

The calculation of the "average net profit" of IFCI Ltd., in accordance with the provisions of Section 198 of the Companies Act, 2013 and the rules mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided below:

(₹ crore)

Year	Net Profit	Average Net Profit for last three financial years
2014-15	337.03	291.60
2015-16	633.66	
2016-17	(95.88)	

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹5.84 crore

5. Details of CSR spend during the financial year:

a. Total amount to be spent for the year: ₹5.84 crore

Total amount spent during the year: ₹6.06 crore (being the amount actually transferred to ISF)

b. Amount unspent, if any: NIL

Manner in which the amount has been spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1.Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency
					Direct	Overhead		
1.	Through IFCI Social Foundation (ISF)	Development of Rural Areas/ Sustainable Development / Development of Human Capital/ Water Conservation/ Promotion of sports activities / etc.	Local - Delhi	6.06 crore	6.06 crore	–	6.06 crore	Through implementing agency
Total				**6.06 crore**	**6.06 crore**	**–**	**6.06 crore**	

* Office of IFCI Social Foundation

- For the FY 2017-18, the entire CSR expenditure for IFCI Ltd. was entrusted to the IFCI Social Foundation (ISF) which was established as a "Trust". Accordingly, the entire corpus required to be earmarked for undertaking the CSR activities i.e. ₹6.06 crore was transferred to ISF. ISF, in turn disburses the amount on the sanctioned projects in phased manner as payments are based on milestone achievement basis.
- Out of the CSR fund sanctioned during FY 2015-16, an amount of ₹0.82 crore has been cancelled as the requisite milestone was attained without the requirement of further fund transfer. Accordingly, the amount of ₹0.82 crore will be added in the CSR Corpus for FY 2018-19.
- A brief of the CSR spending undertaken during the FY 2017-18 has been depicted above.

6. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years or any part thereof, the company shall provide the reasons for not spending the amount:

During the year 2017-18, the entire CSR activities was entrusted to the IFCI Social Foundation. Accordingly, IFCI had transferred the total amount earmarked for CSR expenditure to the ISF. Hence, there is no amount which the Company has failed to spend on CSR.

7. A responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The IFCI Social Foundation, during FY 2017-18, has taken due care to sanction the CSR projects and activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. IFCI's CSR Policy for FY 2017-18 was approved by the Board of Directors on the recommendation of the CSR Committee of Directors at its meeting held on October 30, 2017. It is hereby stated that the implementation and monitoring of the said policy, is in compliance with the CSR objectives and policy of the company.

Dr Emandi Sankara Rao
Managing Director & Chief Executive Officer
Chairman – Corporate Social Responsibility Committee
DIN: 05184747
Address: IFCI Tower
61 Nehru Place
New Delhi – 110019

Dated: July 27, 2018

Annexure – V

BOARD'S REPORT DISCLOSURE

PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18:

The ratio of the remuneration of MD&CEO to the median remuneration of the employees of the Company for the FY 2017-18 is 0.73

No other Director was paid remuneration during the year 2017-18.

(ii) The percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18:

The percentage increase in the remuneration of the MD&CEO in the Financial Year is – 36.89%.

The percentage increase in the remuneration of the Chief Financial Officer and Company Secretary was 5.81% and (5.42%) respectively.

(iii) The percentage increase in the median remuneration of employees in the financial year 2017-18:

The percentage increase in the median remuneration of employees in the financial year is 0.94%.

(iv) Number of permanent employees on the rolls of the Company as on March 31, 2018 (excluding contract employees).

The Number of permanent employees on the rolls of the Company as on March 31, 2018 (excluding contract employees) is 241.

(v) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The percentage increase in the remuneration of the managerial personnel is (9.25%). The percentage increase in the remuneration of the employees other than the managerial personnel is 0.94%.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

(vii) The names of the top 10 employees in terms of remuneration drawn and the name of every employee, who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees;

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month;

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company,

The statement referred to in (vii) above shall also indicate –

(i) designation of the employee;
(ii) remuneration received;
(iii) nature of employment, whether contractual or otherwise;
(iv) qualifications and experience of the employee;
(v) date of commencement of employment;
(vi) the age of such employee;
(vii) the last employment held by such employee before joining the company;
(viii) the percentage of equity shares held by the employee in the company; and
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager

Not Applicable.

ANNEXURE - VI

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]

1. Details of contracts or arrangements or transaction not at arm's length basis. - **NIL**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts / arrangements / transactions
   (c) Duration of contracts / arrangements / transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) Date(s) of approval by the Board
   (g) Amount paid as advances
   (h) Date on which the special resolution was passed in the General Meeting as required under first proviso to Section 188

2. Details of material contracts or arrangements or transaction at arm's length basis.
There were no contracts or arrangements or transactions at arm's length basis which were material in nature.
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts / arrangements/ transactions
   (c) Duration of the contracts / arrangements / transactions
   (d) Salient terms of the Contracts or arrangements or transactions including the value
   (e) Date(s) of approval by the Board
   (f) Amount paid as advances

Dr Emandi Sankara Rao
Managing Director & Chief Executive Officer
DIN: 05184747
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019
Dated: July 27, 2018

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

ANNEXURE – VII

SECRETARIAL AUDIT REPORT

[For the Financial Year ended on 31st March 2018]

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

IFCI LIMITED

Regd. Office: IFCI Tower

61, Nehru Place, New Delhi - 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFCI LIMITED (CIN No. L74899DL1993GOI053677)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion there on.

Based on our verification of **IFCI LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance -Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2018** according to the provisions of:

(i) The Companies Act, 2013 **(the Act)** and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; No Transaction other than repayment of the subsisting Kfw Frankfurt line of credit (foreign currency) was held during the financial year hence applicable to the Company during the audit period to that extent only;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

[No such Transaction was held during the financial year hence the Regulations stated at (v)- (e) to (h) above were not applicable on the Company during the audit period].

(vi) Labour, Environment & Other specific applicable Acts / Laws for which Secretarial Audit was conducted as an overview test check basis audit and was generally based / relied upon on the documents provided to us, management confirmation certificate & other audit report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:

(a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.

(b) The Payment of Gratuity Act, 1972.

(c) The Contract Labour (Regulations and Abolition) Act, 1970.

(d) The Maternity Benefit Act, 1961.

(e) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

(f) Environment (Protection) Act, 1986 read with The Environment (Protection) Rules, 1986 & Hazardous Waste (Management Handling &Transboundary Movement) Rules, 2008 and other Environment Laws.

(g) Reserve Bank of India Act 1934 read with applicable Non Banking Financial Companies (Reserve Bank) Directions as amended till date.

(h) Right to Information Act, 2005.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of listed equity shares and Bonds / Debentures with BSE Ltd and National Stock Exchange of India Limited.

The Equity Shares of Company were also listed with Ahmedabad Stock Exchange Limited (ASE) wherein the Company had applied for delisting of securities pursuant to resolution passed by the Shareholders at their Annual General Meeting held on 10th September 2001 and 12th September 2003 and the matter was still pending for delisting with the aforesaid Stock Exchange during the Audit Period. However, SEBI vide Exit Order dated April 02, 2018, had allowed ASE to exit as a Stock Exchange. Thus, IFCI ceased to be listed on ASE as on the date of this report.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We report that during the period under review the Company has complied with the provisions of the Act, rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following observations:

1. *Constitution of the Board, Audit Committee, & Nomination & Remuneration Committee without appointment of minimum number of Independent Directors by the Administrative Ministry of the Government of India during the period from 01st April 2017 to 31st March 2018, due to cessation of Independent Directors namely Smt Savita Mahajan (DIN-06492679) Shri K S Sreenivasan (DIN-05273535) and Shri S V Ranganath (DIN-00323799) after completion of their tenure w.e.f 1st April 2017 and Corporate Social Responsibility Committee after completion of tenure of Prof Arvind Sahay(DIN- 03218334) w.e.f 12th September, 2017. Further, no Meeting of the Independent Directors was held during the financial year for carrying out the evaluation of performance of Directors, due to non- availability of minimum number of independent directors on the Board of the Company.*

   As per information and explanation given to us, in terms of Section 149(6) of the Companies Act, 2013, the Department of Financial Services (DFS), Ministry of Finance (MOF), Government of India (GOI) being the administratively in charge of the Company, is the Competent Authority to appoint Independent Directors (IDs), requests were made for appointment/nomination of IDs on the Board of the Company. The appointments were awaited.

2. *Delay in filing of e-returns in Form No(s). NBS-7 for the quarter ended 30th June 2017, 30th September 2017 & 31st December 2017 with Reserve Bank of India.*

   As per information and explanation given to us, the e-return NBS-7 return was filed only after Board approval of final accounts for the respective periods. Reserve Bank of India was informed of the same, who had not objected to the request of the company considering the facts. It was also explained to us that the Company being a listed entity, the result which is part of NBS-7 return, cannot be disclosed prior to the same is provided to Stock Exchanges, where the shares of the Company are listed.

3. *Imposition of Penalty by the Securities and Exchange Board of India (SEBI):*

   SEBI Adjudication Officer vide Order no. RA/JP/257/2017 dated 22nd December,2017, in exercise of its powers, imposed penalty of ₹14 lakh on the Company U/S 15 A (b) of the SEBI Act,1992, in the matter of Glodyne Technoserve Limited for violation of certain provisions w.r.t. disclosures requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

   As informed by the Management, the Company had filed appeal against the above order before Securities Appellate Tribunal(SAT), Mumbai and vide its order dated 25th April,2018, SAT was pleased to quash and set aside the order passed by Adjudicating Officer of SEBI dated 22nd December,2017 imposing the penalty of ₹14 lakh on IFCI Limited and restored the matter to the file of the Adjudicating Officer (AO)of SEBI for fresh decision on merit in accordance with Law, on the ground that SEBI has inadvertently not considered certain pleadings of IFCI Limited.

We further report that:

1. Adequate notice is given to all Directors to schedule the Board and Committee Meetings as per the statutory provisions, and agenda and detailed notes on agenda which were sent at shorter notice were taken up after obtaining the requisite permission of the Chairman and with the consent of the majority of the Directors / Committee Members present in the meeting respectively in compliance of clause 1.3.7 of the Secretarial Standard -1 of ICSI and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
2. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
3. The Company has obtained requisite approval, permission, confirmation from the Registrar of Companies, NCT of Delhi & Haryana, Securities & Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, and other regulated bodies, wherever required, in respect of issue & allotment of equity shares to Government of India on Preferential basis and has duly complied with the applicable provisions of the laws, rules and guidelines.
4. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that with due compliance of applicable provisions under the Companies Act 2013 and rules made thereunder and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, during the audit period;

(a) The Company has passed special resolution to alter its Articles of Association for inserting the provision to carry out consolidation and re-issuance of debt securities.

(b) The Company has passed special resolution under section 42 and 71 of Companies Act, 2013 to enable the Company to offer or invite subscriptions for securities but not limited to bonds and convertible debentures upto ₹5000 crore on private placement during the period of 1 (One) year within the overall borrowing limits of the Company.

(c) The Company has redeemed its 38,843,100 (Three crore Eighty-eight lakh Forty-three Thousand One Hundred) number of (0.10%) Cumulative Redeemable preference Shares of ₹10/- each.

(d) The Company has issued and allotted 3,39,55,857 (Three crore Thirty-Nine Lakh Fifty Five Thousand Eight Hundred and Fifty Seven) number of equity shares of the Company of the face value of ₹10 (Rupees Ten) each ("Equity Shares") on preferential basis, at a price of ₹29.45 (Rupees Twenty-nine and Forty-Five Paise only) (including a premium of ₹19.45 (Rupees Nineteen and Forty Five Paise only) per Equity Share to the Government of India.

We further report that during the audit period, there were no instances of:

(a) Public / Sweat Equity.

(b) Merger / Amalgamation / Reconstruction etc. and

(c) Foreign Technical Collaborations.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005

Place: New Delhi
Date: 14th June 2018

[Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report].

Annexure –"A"

To,
The Members
IFCI LIMITED
Regd Office: IFCI Tower
61 Nehru Place, New Delhi -110019

Our report of even date is to be read along with this letter as under:

(1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005

Place: New Delhi
Date: 14th June 2018

ADDENDUM

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 LIMITED FOR THE YEAR ENDED 31 MARCH, 2018

The preparation of financial statements of IFCI Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act 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 23 May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Limited for the year ended 31 March, 2018 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.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

Balance Sheet

A.1 Assets

Non-Current Investment (Note-11)

Provision for the Diminution in value ₹913.35 crore

A reference is invited to C&AG's Comment No. A.3(i) for the years 2015-16 and Comment No. A.2 for the years 2016-17 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per 'Accounting Standard 13–Accounting for Investments' and therefor short provision has been made towards diminution in the value of non-current investment.

Despite violation of 'AS 13–Accounting for Investments' being pointed out, the Company has not made any provision / inadequate provision of ₹533.78 crore for diminution in value of non-current investment in respect of four companies[1] despite erosion in net worth, continuous cash losses/net losses, negative earnings per share, accumulated losses, steep and continuous fall in share price, defaults in buyback commitments by buyback entities and default in payment/servicing of return, reference/ admission to National Company Law Tribunal, uncertainty over project completion etc.

This has resulted in overstatement of non-current investment, understatement of provision for diminution in value of investment and understatement of loss for the year by ₹533.78 crore

A.2 Assets

Long Term Loans and Advances

Loans (Note No. 13) ₹14,143.30 crore

Allowance for bad and doubtful assets - ₹3,825.23 crore

Allowance for bad and doubtful assets was understated and long term loan and advances were overstated by ₹151.93 crore due to:

(i) Incorrect classification of loan given to Videocon Industries Limited (VIL) in September 2013 as sub-standard instead of doubtful category (C1) as at 31 March 2018 due to wrong appropriation of repayments partly towards principal as well as interest in violation of Accounting Policy of the Company for the year 2016-17. This policy required appropriation of recoveries towards other debits, interest overdue across the due dates and principle overdue across the due dates in that order. Appropriation in violation of Accounting Policy led to shift in first date of default to December 2016 instead of March 2016 and incorrect classification of loan account as sub-standard. Considering first date of default as March 2016, loan was required to be classified as doubtful on 31 March 2018 as per Accounting Policy and RBI Prudential norms 2016[2] and a provision of ₹180.45 crore was to be made against which a provision of ₹38.35 crore was created. This has resulted in short provision of ₹142.10 crore.

(ii) Out of security valuing ₹36.75 crore considered against the outstanding loan of ₹30.02 crore given to Neesa Leisure Limited in July 2010, security valuing ₹26.41 crore was under dispute. This required 100 percent provision to the extent to which the advance was not covered by the realizable value of security i.e. ₹19.68 crore (outstanding loan of ₹30.02 crore *less* security available for ₹10.34 crore) and 50 *percent* provision of the value of secured portion of loan (₹10.34 crore) i.e. ₹5.17 crore to be made in terms of para 13(1) of RBI guidelines dated 1 September 2016 against which Company has made provision of ₹15.02 crore. This has resulted in short provision of ₹9.83 crore.

This also resulted in understatement of loss for the year by ₹151.93 crore.

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

(Nandana Munshi)
Director General of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 14.08.2018

1 GTL Infrastructure Limited, IFCI Factors Limited, Athena Chhattisgarh Power Private Limited and Videocon Industries Limited.

2 As per RBI Prudential norms 2016, continued default of four months and more would turn loan account into Non Performing Asset (NPA-sub-standard) and continuation of loan account as NPA for one year or more would turn loan account in doubtful category.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED 31 MARCH, 2018

The preparation of consolidated financial statements of IFCI Limited for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 12 July, 2018 which supersedes their earlier Audit Report dated 23 May, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of IFCI Limited for the year ended 31 March, 2018 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure-A, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-B for the year ended on that date. 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. The Audit Report has been revised by the Statutory Auditor to give effect to one of my audit observations raised during supplementary audit.

In additions, I would like to highlight the following significant matters under section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Consolidated Profitability

Balance Sheet

A.1 Assets

Non-Current Investment (Note-11)

Provision for the Diminution in value ₹919.55 crore

A reference is invited to C&AG's Comment No. A.3(i) for the years 2015-16 and Comment No. A.2 for the years 2016-17 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per 'Accounting Standard 13–Accounting for Investments' and therefor short provision has been made towards diminution in the valve of non-current investment.

Despite violation of 'AS 13–Accounting for Investments' being pointed out, the Company has not made any provision / inadequate provision of ₹334.57 crore for diminution in value of non-current investment in respect of three companies[1] despite erosion in net worth, continuous cash losses/net losses, negative earnings per share, accumulated losses, steep and continuous fall in share price, defaults in buy back commitments by buyback entities and default in payment/servicing of return, reference/ admission to National Company Law Tribunal, uncertainty over project completion etc.

This has resulted in overstatement of noncurrent investment, understatement of provision for diminution in value of investment and understatement of loss for the year by ₹334.57 crore.

A.2 Assets

Long Term Loans and Advances

Loans - Non-current (Note No. 13) ₹14,387.91 crore

Allowance for bad and doubtful Assets ₹3,825.23 crore

Allowance for bad and doubtful assets was understated and long term loan and advances were overstated by ₹151.93 crore due to:

(i) Incorrect classification of loan given to Videocon Industries Limited (VIL) in September 2013 as sub-standard instead of doubtful category (CI) as at 31 March 2018 due to wrong appropriation of repayments partly towards principal as well as interest in violation of Accounting Policy of the Company for the year 2016-17. This policy required appropriation of recoveries towards other debits, interest overdue across the due dates and principle overdue across the due dates in that order. Appropriation in violation of Accounting Policy led to shift in first date of default to December 2016 instead of March 2016 and incorrect classification of loan account as sub-standard. Considering first date of default as March 2016, loan was required to be classified as doubtful on 31 March 2018 as per Accounting Policy and RBI Prudential norms 2016[2] and a provision of ₹180.45 crore was to be made against which a provision of ₹38.35 crore was created. This has resulted in short provision of ₹142.10 crore.

1 GTL Infrastructure Limited, Athena Chhattisgarh Power Private Limited and Videocon Industries Limited.

2 As per RBI Prudential norms 2016, continued default of four months and more would turn loan account into Non Performing Asset (NPA-sub-standard) and continuation of loan account as NPA for one year or more would turn loan account in doubtful category.

(ii) Out of security valuing ₹36.75 crore considered against the outstanding loan of ₹30.02 crore given to Neesa Leisure Limited in July 2010, security valuing ₹26.41 crore was under dispute. This required 100 percent provision to the extent to which the advance was not covered by the realizable value of security i.e. ₹19.68 crore (outstanding loan of ₹30.02 crore *less* security available for ₹10.34 crore) and 50 *percent* provision of the value of secured portion of loan (₹10.34 crore) i.e. ₹5.17 crore to be made in terms of para 13(1) of RBI guidelines dated 1 September 2016 against which Company has made provision of ₹15.02 crore. This has resulted in short provision of ₹9.83 crore.

This also resulted in understatement of loss for the year by ₹151.93 crore.

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

(Nandana Munshi)
Director General of Commercial Audit &
Ex-officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 14.08.2018

ANNEXURE A:

Name of the Companies of which supplementary audit is conducted:

Sl. No.	Name of Company	Relation
1.	MPCON Limited	Subsidiary
2.	IFCI Infrastructure Development Limited	Subsidiary
3.	Stockholding Corporation of India Limited	Subsidiary

ANNEXURE B:

Name of the Subsidiaries/Associates of which supplementary audit not conducted:

Sl. No.	Name of Company	Relation
1.	IFCI Venture Capital Funds Limited	Subsidiary
2.	IFCI Factors Limited	Subsidiary
3.	IFCI Financial Services Limited	Subsidiary
4.	KITCO Limited	Associate

CONSOLIDATED COMMENTS ON OBSERVATIONS OF C&AG FOR FINANCIAL YEAR 2017-18

C&AG Observations	Management Comments
A.1 Assets **Non-Current Investment (Note-11)** **Provision for the Diminution in value ₹913.35 crore** A reference is invited to C&AG's Comment No. A.3(i) for the years 2015-16 and Comment No. A.2 for the years 2016-17 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per 'Accounting Standard 13–Accounting for Investments' and therefor short provision has been made towards diminution in the value of non-current investment. Despite violation of 'AS 13–Accounting for Investments' being pointed out, the Company has not made any provision / inadequate provision of ₹533.78 crore for diminution in value of non-current investment in respect of four companies[1] despite erosion in net worth, continuous cash losses/net losses, negative earnings per share, accumulated losses, steep and continuous fall in share price, defaults in buyback commitments by buyback entities and default in payment/servicing of return, reference/ admission to National Company Law Tribunal, uncertainty over project completion etc. This has resulted in overstatement of non-current investment, understatement of provision for diminution in value of investment and understatement of loss for the year by ₹533.78 crore	As per AS-13, for long term investments, provisioning is required to be made for diminution in value of investment which is 'other than temporary'. However, the AS, though provides subjective guidance, does not specify any objective parameter(s) for determination of diminution as other than temporary. Therefore, an internal policy with objective parameters was formulated and approved by the Board of Directors of IFCI to assess the nature of diminution and make full provisions for diminution assessed as 'other than temporary' and partial but progressively increasing provision for other significant but not 'other than temporary' diminution. As per this Policy, the market price trend (in case of quoted equity shares) and book value trend (in case of unquoted equity shares) of a scrip over sufficient time period and other major adverse events are considered to recognise any diminution as 'other than temporary' and make provision accordingly. Our Comments on the four companies mentioned by C&AG are as under: - - **GTL Infrastructure Limited (GIL)** – The Company is engaged in providing telecom towers on shared basis to multiple telecom operators. Post-restructuring, its revenue consistently increased till FY 2018 with the networth being positive at ₹3,210 crore on 31/03/2018. However, one of its major client Aircel, contributing 43% to its revenue, stopped the 2G operations due to various telecom policy and regulatory changes and filed for bankruptcy resulting in GIL's tenancy base declined to 26,637 from 51,587 in December 17. GIL is re-negotiating its arrangements with existing remaining customers - Vodafone, Idea, Reliance Jio, Bharti Airtel, BSNL and has taken steps for realignment of debt with revised cash flows, including reduction in fixed costs, for remaining EBITDA positive. Further, its share price is expected to rise once the proposal of lenders to sell their loans to an ARC at current fair value goes through. Hence, the diminution was not treated as 'other than temporary' but provision of ₹32.55 crore was made as per the Policy. - **IFCI Factors Limited** –This is a subsidiary of IFCI. The Company's loan and factoring assets created before FY 2014 have been almost fully provided and the NPA level of assets created from the year FY 2014 onwards is very low. Considering the upward trend in quality, EXIM Bank has sanctioned $20 million Line of Credit (LOC) in FY 2018 for export factoring. As per projection of IFL, with its new LOC and aggressive recoveries, it hopes to turn around in the coming years. Accordingly, the diminution in IFCI's investment has not been considered as 'other than temporary' but ₹34.62 crore of provision has been made as per the Policy. - **Athena Chhattisgarh Power Private Limited (ACPPL)** - The lenders had invoked SDR in ACPPL and invited bids for sale of equity wherein an offer was received from Adani Group. IFCI had proposed to offer its equity investment to the new investor after finalization of deal with the lenders. Under the circumstances, the shares were continued to be valued on the basis of book value, which, as per the available audited balance sheet of 31/03/2016, was ₹9.92 per share as against the cost of ₹9.91 per share. There being no diminution, no provision was made. However, this will be assessed again in FY 2019 depending upon the outcome of sale and provisions shall be made, if so required.

1 GTL Infrastructure Limited, IFCI Factors Limited, Athena Chhattisgarh Power Private Limited and Videocon Industries Limited.

C&AG Observations	Management Comments
	- **Videocon Industries Limited** – The Company owns oil fields, through group company Videocon Hydrocarbon Holdings Ltd (Videocon) in Brazil, Indonesia and East Timor. These assets are estimated to be worth ₹40,000 crore and the Company is planning to sell its stake in Brazilian oil blocks to raise ₹30,000 crore and reduce debt, which would increase share value. Hence, the diminution was not treated 'other than temporary' but provision of ₹48.49 crore was made against investment of ₹71.45 crore as per the Policy. The case will be reviewed again in FY 2019 for additional provision, if any, depending upon the developments.
A.2 Assets **Long Term Loans and Advances** **Loans (Note No. 13) ₹14,143.30 crore** **Allowance for bad and doubtful assets - ₹3,825.23 crore** Allowance for bad and doubtful assets was understated and long term loan and advances were overstated by ₹151.93 crore due to: (i) Incorrect classification of loan given to Videocon Industries Limited (VIL) in September 2013 as sub-standard instead of doubtful category (C1) as at 31 March 2018 due to wrong appropriation of repayments partly towards principal as well as interest in violation of Accounting Policy of the Company for the year 2016-17. This policy required appropriation of recoveries towards other debits, interest overdue across the due dates and principle overdue across the due dates in that order. Appropriation in violation of Accounting Policy led to shift in first date of default to December 2016 instead of March 2016 and incorrect classification of loan account as sub-standard. Considering first date of default as March 2016, loan was required to be classified as doubtful on 31 March 2018 as per Accounting Policy and RBI Prudential norms 2016[2] and a provision of ₹180.45 crore was to be made against which a provision of ₹38.35 crore was created. This has resulted in short provision of ₹142.10 crore. (ii) Out of security valuing ₹36.75 crore considered against the outstanding loan of ₹30.02 crore given to Neesa Leisure Limited in July 2010, security valuing ₹26.41 crore was under dispute. This required 100 percent provision to the extent to which the advance was not covered by the realizable value of security i.e. ₹19.68 crore (outstanding loan of ₹30.02 crore *less* security available for ₹10.34 crore) and 50 *percent* provision of the value of secured portion of loan (₹10.34 crore) i.e. ₹5.17 crore to be made in terms of para 13(1) of RBI guidelines dated 1 September 2016 against which Company has made provision of ₹15.02 crore. This has resulted in short provision of ₹9.83 crore. This also resulted in understatement of loss for the year by ₹151.93 crore.	(i) The accounting policy for appropriation of receipts is a general guiding policy for appropriations in the normal course of business. However, in the extra ordinary circumstances viz. formulation of corrective action plan under joint lenders' forum etc. lenders may take a different view w.r.t. appropriation of receipts as was done in this case in view of the discussions held in the Joint Lenders' meeting held on 04.06.2016. Accordingly, the Competent Authority of IFCI, under delegations of power as duly approved by the Board of IFCI, approved change in appropriation mechanism and the Board was appraised of the same. Hence, the company was classified as sub-standard asset based on the first default date in December, 2016. (ii) The cancellation of allotment of Jamdoli Property by JDA was challenged by the lenders before the Hon'ble High Court of Jaipur who directed the lenders to approach Appellate Tribunal JDA first. Accordingly, lenders have now filed their appeal before Appellate Tribunal, JDA and the matter is under consideration of the Tribunal. w.r.t. cancellation of the properties by RIICO, the fact that the allottee company has filed writ petition before Hon'ble High Court of Jaipur seeking relief against cancellation of allotment by RIICO and the same is pending for disposal by the High Court, has been acknowledged by RIICO vide order dated 06.07.2018. As the matters pertaining to cancellation of allotments of the mortgaged properties are subjudice, these properties have been considered as valid securities for the lenders and the provision has been made accordingly.

DR E S RAO
Managing Director and
Chief Executive Officer
DIN: 05184747

JHUMMI MANTRI
General Manager and
Chief Financial Officer

RUPA SARKAR
Company Secretary

Date: 25.08.2018

2 As per RBI Prudential norms 2016, continued default of four months and more would turn loan account into Non Performing Asset (NPA-sub-standard) and continuation of loan account as NPA for one year or more would turn loan account in doubtful category.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. IFCI believes in maintaining highest standards of Corporate Governance as essential to its existence. IFCI is fully committed to practicing best corporate governance and upholding the highest ethical standards in conducting business.

2. BOARD OF DIRECTORS:

(A) Composition, Category and Attendance of the Board of Directors:

As on March 31, 2018, the Board of the Company consisted of 6 (Six) Directors, out of whom 5 (Five) Directors were Non-Executive Directors while 1 (one) was Managing Director & Chief Executive Officer (MD & CEO).

The composition of the Board was not in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (DPE Guidelines), in the absence of Independent Director on the Board. The composition of the Board, Number of Board Meetings held, Attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committees across all Companies in which he/she is a Director as on March 31, 2018 is given here-in below:

Sl. No.	Name of Director	Category	Attendance Category			No. of Directorships/Committee Memberships/ Chairmanships across all Companies		
			No. of Board Meetings during the year FY 2017-18		At AGM held on October 30, 2017	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1	Dr E S Rao(*)	Managing Director & Chief Executive Officer	5	5	Yes	3	1	–
2	Shri R N Dubey	Nominee Director – Government of India	8	4	No	–	1	–
3	Shri Anshuman Sharma	Nominee Director – Government of India	8	7	No	–	2	–
4	Ms Kiran Sahdev	Non-Executive Director	8	6	Yes	–	1	1
5	Prof N Balakrishnan (**)	Additional Director	3	3	NA	1	–	–
6	Prof Arvind Sahay (**)	Additional Director	3	3	NA	1	1	1
DIRECTOR RETIRED / RESIGNED DURING THE FY 2017-18								
1	Prof Arvind Sahay (@)	Independent Director	3	3	NA	1	–	1
2	Shri Sanjeev Kaushik (^)	Deputy Managing Director	6	4	No	6	2	–

(*) **Dr E S Rao,** appointed on Board w.e.f 17.08.2017

(**) **Prof N Balakrishnan and Prof Arvind Sahay,** were appointed on Board w.e.f 30.10.2017

(***) **Shri S V Ranganath, Smt Savita Mahajan** and **Shri K S Sreenivasan** ceased to be on Board w.e.f 01.04.2017, upon completion of their tenure as Independent Directors.

(@) **Prof Arvind Sahay,** ceased to be on Board w.e.f. 12.09.2017, upon completion of his tenure as Independent Director.

(^) **Shri Sanjeev Kaushik,** ceased to be on Board from 12.12.2017

NOTES:

1. Number of Meetings represents the Meetings held during the period in which the Director was Member of the Board.

2. Number of other Directorships/ Committee memberships / Chairmanships indicated above is exclusive of the Directorships on the Board of Private Ltd. Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

3. In case of Directors Retired / Resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director.

4. None of the Directors are related to each other or to any Key Managerial Personnel of the Company.

5. None of the Directors on the Board are Members of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2018 have been made by the Directors. Further, for the purpose of reckoning the limit for Committee(s) Chairmanship/Membership, only Audit Committee and Stakeholders' Relationship Committee have been considered.

6. The independence of a Director is determined by the criteria stipulated under the Listing Regulations, wherever applicable. As on March 31, 2018, there were no Independent Directors on the Board of the Company.

(B) Number of Board Meetings held and dates:

During the financial year 2017-18, the Board of Directors met 8 (eight) times. The dates of the Meetings held in 2017 were May 19, June 29, August 10, September 25, October 30, November 14, and February 05 and March 07, in 2018.

(C) Details of appointment of new Directors / re-appointment of a Director forms part of the Notice of Annual General Meeting.

(D) None of the Non-Executive Directors held shares of the Company as on March 31, 2018.

(E) Familiarization Programme for Independent Director

Familiarization programme is an ongoing process. The Company endeavors to undertake Familiarization Programmes for the Directors of the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, Business model of the Company and so on. The detail of such familiarization programme has been disclosed on the website of the Company, at www.ifciltd.com.

3. AUDIT COMMITTEE:

(A) Terms of Reference: The terms of reference of the Audit Committee is to see the effectiveness of operations of the audit function of the Company, review the systems and procedures of internal control, oversee the Company's financial reporting process, review with the management the periodical and annual financial statements before submission to the Board and ensure compliance with the regulatory guidelines. The Committee is also responsible for objectively reviewing the reports of the internal auditors and statutory auditors and ensuring adequate follow up action by the management. The Committee also proposes the fixation of their fees.

The Committee further carries out the scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, evaluation of internal financial control and risk management, monitoring the end use of funds raised through public offers, overseeing of the vigil mechanism and approval or any subsequent modification of transactions of the Company with related parties.

(B) Composition, Meetings and Attendance of the Committee: As on March 31, 2018, the Audit Committee of IFCI consisted of four Directors. The Chairman of the Committee is a Non-Executive Director. The composition of the Audit Committee and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof Arvind Sahay (*)	Chairman	30.10.2017	4	4
2.	Shri R N Dubey	Member	15.07.2016	6	1
3.	Shri Anshuman Sharma	Member	13.09.2017	4	4
4.	Ms Kiran Sahdev	Member	24.04.2017	6	3
DIRECTOR WHO CEASED TO BE MEMBER DURING FY 2017-18					
1.	Prof Arvind Sahay	Chairman	12.09.2017	2	2

(*) the tenure of Prof Arvind Sahay as Independent Director ceased on September 11, 2017. He was subsequently appointed as an Additional Director on October 30, 2018.

Note: Number of Meetings represents the Meetings held during the period in which the Director was Member of the Committee.

The Statutory Auditors and other senior executives are invited to participate in the Meetings of the Audit Committee wherever necessary, as decided by the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

During the financial year 2017-18, the Audit Committee of Directors of IFCI met 06 (Six) times. In 2017, the Meetings were held on May 19, August 10 and November 14 and on January 02, February 05 and March 07, in 2018.

4. NOMINATION AND REMUNERATION COMMITTEE

(A) Terms of Reference: The Company has constituted a Nomination and Remuneration Committee of Directors. The powers, role and terms of reference of the Nomination and Remuneration Committee are as per the requirement of the Listing Regulations and as per the provisions of the Companies Act, 2013. As during the year, HR Committee has been merged with the Nomination and Remuneration Committee of Directors (NRC), the NRC shall have added mandate for Policy on HR matters including career management and succession planning.

(B) Nomination and Remuneration Policy: The objective of Nomination and Remuneration Policy is to ensure rationale and objectivity in the remuneration of the Directors, Senior Management and employees of the Company. The Policy also intends to bring in a pragmatic methodology in screening of candidates who may be recommended to the position of Directors and to establish effective evaluation criteria to evaluate the performance of every Director and the overall Board of the Company. The Policy also serves as a guiding principle to ensure good Corporate Governance as well as to provide sustainability to the Board of Directors of the Company.

Performance Evaluation: The Nomination and Remuneration Policy of IFCI Ltd. has laid down the criteria for conducting performance evaluation of Board of Directors including Independent Directors. The criteria for performance evaluation cover their role, functions and various other attributes.

(C) Composition, Meetings and Attendance of the Committee: As on March 31, 2018, the Committee consisted of four Directors all of whom were Non-Executive Directors. During the year, 3 (three) Meetings of the Committee were held on June 16 and October 30 in 2017 and on March 07 in 2018. The composition of the Committee and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof Arvind Sahay	Member	30.10.2017	1	1
2.	Shri R N Dubey	Member	15.07.2016	3	1
3.	Ms Kiran Sahdev	Member	24.04.2017	3	3
4.	Shri Anshuman Sharma	Member	13.09.2017	2	2
DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y. 2017-18					
1.	Prof Arvind Sahay(*)	Member	12.09.2017	1	1

(*) His tenure as an Independent Director

(D) Following are the details of the remuneration paid to the managerial personnel during the financial year 2017-18:

1. Dr E S Rao, Managing Director and Chief Executive Officer, from 17.08.2017 to 31.03.2018*

Particulars	(₹ lakh)
Salary & Allowances (excluding Perquisites)	16.48
Perquisite Allowance (inclusive of Tax borne by IFCI on perquisites)	0.00
Contribution to PF & Other Funds	1.54
Perquisites as per IT Act Sec – 17(2)	0.00
Perquisites as per IT Act Sec – 17(3)	0.00
TOTAL	**18.02**

*Dr Rao's full terms and conditions of appointment are awaited from the Government of India.

2. Shri Sanjeev Kaushik, Deputy Managing Director, from 01.04.2017 to 12.12.2017

No payment has been made to Shri Sanjeev Kaushik, towards Salary, Allowances or under any other head by IFCI.

(E) The Company pays sitting fees of ₹20,000/- per Meeting for the Board and ₹10,000/- per Meeting of Committee thereof, to the Non-Executive and Independent Directors excluding Government and Nominee Directors. The Non-Executive and Independent Directors do not receive any remuneration besides the sitting fees.

(F) As per the disclosure made by the Directors of the Company, none of them hold any share or any other convertible instruments of IFCI Ltd as on March 31, 2018.

(G) There are no Stock options being held by the Directors of the Company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(A) Stakeholders' Relationship Committee of Directors of IFCI consisted of four Directors as on March 31, 2018. During the financial year 2017-18, the Committee met two times on May 19

and October 30, 2017. The composition of the Committee and Attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Ms Kiran Sahdev	Chairperson	24.04.2017	2	2
2.	Dr E S Rao	Member	17.08.2017	1	1
3.	Shri Anshuman Sharma	Member	01.07.2016	2	–
4.	Prof Arvind Sahay	Member	30.10.2017	–	–
DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y. 2017-18					
1.	Shri Sanjeev Kaushik	Member	12.12.2017	2	1

Note: Number of Meetings represents, Meetings held during the period in which the Director was Member of the Committee.

(B) Name & Designation of Compliance Officer

Smt Rupa Sarkar, General Manager & Company Secretary

Email: complianceofficer@ifciltd.com

(C) The number of complaints received from the shareholders and bondholders of the listed securities, during financial year 2017-18 and the number of pending complaints are shown below:

Equity Shares & Bonds	
No. of Complaints received during the financial year 2017-18	7239*
Pending as on March 31, 2018	–

(*) Excluding complaints / issues in respect of which cases are pending in courts / CDRF.

The Company has redeemed IFCI Family Bonds, issued under Public Issue in 1996 on completion of the tenure/exercise of call option. Payment of redemption amount has been made to the bondholders. The redemption cheques lying under stale cheques are being revalidated on receipt of request from bondholders. Family Bonds wherein redemption is not done even after 7 years from redemption date/ call option date, these funds are being transferred to IEPF. Application being received from investors to get refund from IEPF, are being processed.

(D) The Company has constituted a Committee of its executives for approval of the share transfers, transmissions and transpositions, etc. Generally, the Committee meets four times a month. All the requests for share transfers etc. were processed and the related share certificates were dispatched within 15 days from the date of receipt of complete documents thereof. Except for certain cases under litigation, there is no share transfer pending for more than 15 days.

(E) In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, officers, employees and other connected persons from trading in the securities of IFCI at the time when there is unpublished price sensitive information. The Company has obtained the relevant disclosures as on March 31, 2018 under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(F) The Board of Directors has laid down a Code of Conduct for it's Board Members and Employees and the same has been posted on the website of the Company.

6. DETAILS OF OTHER COMMITTEES:

The Company also has in place other Board level Committees. The number and dates of Meetings of such other Committees held during the financial year and attended by the Members is as under:

(A) Corporate Social Responsibility Committee-The Meetings of the Corporate Social Responsibility Committee during the Financial Year were held on June 29 and October 30, 2017. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	1	1
2.	Shri Anshuman Sharma	Member	2	–
3.	Ms Kiran Sahdev	Member	1	1
4.	Prof N Balakrishnan	Member	–	–
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Prof Arvind Sahay	Member	1	1
2.	Shri Sanjeev Kaushik	Member	2	1

(B) Executive Committee: The Meetings of the Executive Committee during the Financial Year 2017-18 were held on June 16, June 29, July 24, August 09, September 25, October 30, November 14 and December 22 in 2017 and February 06, March 07 and March 22 in 2018. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	7	7
2.	Ms Kiran Sahdev	Member	11	11
3.	Prof N Balakrishnan	Member	5	5
DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Shri Sanjeev Kaushik	Chairman	6	4

(C) Risk and Asset Liability Management Committee: The Meetings of the Risk and Asset Liability Management Committee during the Financial Year 2017-18 were held on June 29, October 30, in 2017 and January 02 and March 07 in 2018. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	3	3
2.	Shri R N Dubey	Member	4	1
3.	Ms Kiran Sahdev	Member	4	3
4.	Prof Arvind Sahay	Member	3	3
DIRECTOR WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Shri Sanjeev Kaushik	Chairman	2	1

(D) E-Governance Committee: The Meetings of the E-Governance Committee during the Financial Year 2017-18 were held on June 29 and December 22, in 2017 and March 07, in 2018. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Prof N Balakrishnan	Chairman	2	2
2.	Dr E S Rao	Member	2	2
3.	Shri Anshuman Sharma	Member	3	1
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Prof Arvind Sahay	Member	1	1
2.	Shri Sanjeev Kaushik	Chairman	1	1

(E) HR Committee: During the year the HR Committee was merged with the Nomination and Remuneration Committee (NRC). The Meeting of the HR Committee of Directors before getting merged

with the NRC was held on October 30, 2017. The composition and attendance of the Directors at said Meeting is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	1	1
2.	Shri Sanjeev Kaushik	Member	1	–
3.	Shri R N Dubey	Member	1	–
4.	Ms Kiran Sahdev	Member	1	1

(F) Review Committee on Wilful Defaulters and Fraud Reporting Committee – During the year the Review Committee on Wilful Defaulters was renamed as Review Committee on Wilful Defaulters and Fraud Reporting Committee. The Meetings of Review Committee on Wilful Defaulters and Fraud Reporting Committee during the Financial Year 2017-18 were held on June 16 and October 30, in 2017 and March 07, in 2018. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	2	2
2.	Ms Kiran Sahdev	Member	3	3
3.	Shri R N Dubey	Member	1	1
4.	Prof N Balakrishnan	Member	1	1
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Prof Arvind Sahay	Member	1	1
2.	Shri Sanjeev Kaushik	Chairman	2	1
3.	Shri Anshuman Sharma	Member	1	–

(G) Review Committee of Non-Cooperative Borrowers and Recovery & NPA Management Committee-During the year Recovery & NPA Management Committee was merged with Review Committee of Non-Cooperative Borrowers and renamed as Review Committee of Non-Cooperative Borrowers and Recovery & NPA Management Committee. The Meeting of Review Committee of Non-Cooperative Borrowers and Recovery & NPA Management Committee during the Financial Year 2017-18 were held on August 10 and October 30, in 2017. The composition of the Committee and attendance of the Directors at said Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2017-18	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Dr E S Rao	Chairman	1	1
2.	Ms Kiran Sahdev	Member	2	2
3.	Shri Anshuman Sharma	Member	1	–
4.	Prof Arvind Sahay	Member	–	–
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2017-18				
1.	Prof Arvind Sahay	Member	1	1
2.	Shri Sanjeev Kaushik	Chairman	2	1

7. GENERAL BODY MEETING:

Location and time, where last three Annual General Meetings held:

Sl. No.	AGM Date	Location	Time
1.	30.10.2017	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	10:30 A.M.
2.	28.09.2016	Mavlankar Auditorium, Constitution Club of India, Rafi Marg, Delhi – 110001	10:30 A.M.
3.	21.09.2015	Air Force Auditorium, Subroto Park, New Delhi - 110 010	10:30 A.M.

No special resolution for the equity shareholders was put through Postal Ballot in the last year, as there were no such items, which required passing through Postal Ballot.

Details of special resolutions passed in the previous three Annual General Meetings:-

AGM Date	As per Companies Act	Particulars of special resolutions
30.10.2017	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
	u/s 14 of Companies Act, 2013	Approve insertion of Article 79A with marginal notes
28.09.2016	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
21.09.2015	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Bonds/ Debentures/Commercial Paper

Further, shareholders' approval was obtained by way of Special Resolution for issue of 3,39,55,857 number of equity shares amounting ₹99,99,99,988.65 by way of preferential issue to Government of India (GoI), at the Extra-Ordinary General Meeting (EGM) held on March 07, 2018.

8. DISCLOSURES:

(A) Related party transactions

Related party transactions during the year have been disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. The related party transactions were in the normal course of business and were done at arm's length. There were no materially significant related party transactions during the FY 2017-18. The Company also has in place a Policy on Materiality of Related Party Transactions (RPTs) and Dealing with RPTs and the same is placed on the website of the Company at www.ifciltd.com. The relevant disclosures as required under the provisions of the Companies Act, 2013 have also been disclosed as annexure to the Board's Report.

(B) Disclosure of Accounting Treatment

In preparation of the Financial Statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies have been set out in the notes to accounts.

(C) Risk Management

Business risk evaluation and management is an ongoing process within the Company and there is a Risk & Asset Liability Management Committee of Directors and a Risk & Asset Liability Management Committee of Executives, for overseeing the process. The Company has laid down an Integrated Risk Management Policy containing policies on Operational, Market, Credit and Asset-Liability Risks for assessment and minimization of risks associated with the Company.

(D) Management Discussion and Analysis Report

Management Discussion and Analysis forms part of the Board's Report and is given separately in the Annual Report.

(E) Details of Non-compliance with regard to Capital Market

There were no penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years, except one instance where SEBI Adjudication Officer vide Order no. RA/JP/257/2017 dated 22nd December, 2017, had imposed penalty

of ₹14 lakh on the Company U/S 15 A (b) of the SEBI Act,1992, in the matter of Glodyne Technoserve Limited for violation of certain provisions w.r.t. disclosures requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015. IFCI had filed appeal against the above order before Securities Appellate Tribunal (SAT), Mumbai. SAT vide its order dated 25th April, 2018, was pleased to quash and set aside the order passed by Adjudicating Officer of SEBI dated 22nd December, 2017 imposing the penalty of ₹14 lakh on IFCI Limited and restored the matter to the file of the Adjudicating Officer (AO) of SEBI for fresh decision on merit in accordance with Law, on the ground that SEBI has inadvertently not considered certain pleadings of IFCI Limited.

(F) Details of Compliance with requirements

1. The Company has duly complied with all the mandatory requirements of Corporate Governance stipulated in Listing Regulations, except w.r.t. the composition of the Board, Audit Committee, Nomination & Remuneration Committee, in the absence of Independent Director on the Board of IFCI. Letters were sent to the Department of Financial Services (DFS), Ministry of Finance (MOF), being the administrative Ministry requesting appointment/ nomination of Independent Directors. The said appointments are awaited.
2. The Company has duly complied with the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, though the name of IFCI is still not reflecting in the latest list of CPSEs available at www.dipam.gov.in, except w.r.t. the composition of the Board, Audit Committee, Nomination & Remuneration Committee, in the absence of Independent Director on the Board of IFCI.
3. Shri Sameer Kishore Bhatnagar, Practicing Company Secretary has certified the Corporate Governance Report for the Financial Year 2017-18 as stipulated in Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Guidelines on Corporate Governance for CPSE. The said certificate is appended to this report.

(G) Subsidiary Companies

The Company as on March 31, 2018 had 6 (six) subsidiaries viz. IFCI Financial Services Ltd., IFCI Venture Capital Funds Ltd., IFCI Infrastructure Development Ltd., IFCI Factors Ltd., MPCON Ltd. and Stock Holding Corporation of India Ltd. The Company also had 6 (six) step down subsidiaries viz. IFIN Commodities Ltd, IFIN Credit Ltd., IFIN Securities Finance Ltd., IIDL Realtors Pvt. Ltd., SHCIL Services Ltd. and StockHolding Document Management Services Ltd. The requirements under the Listing Regulations, as applicable, in respect of the above Companies, as and when required, have been duly complied with. The Company has also formulated a Policy for determining "material" subsidiary and the same has been placed on the website of the Company at www.ifciltd.com.

(H) CEO/CFO Certificate

The certification under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by CEO and CFO, to the Board forms part of this report.

(I) Whistle Blower Policy

The Company has in place a Vigil Mechanism in terms of the provisions of Section 177 (9) and (10) of the Companies Act, 2013, Listing Regulations and the guidelines on Corporate Governance for Central Public Sector Enterprises 2010. In this regard, the Board of Directors of the Company has approved a Whistle Blower Policy under which its Director(s) and employee(s) can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the IFCI's code of conduct or ethics policy and to provide adequate safeguards to them against any sort of victimization on raising an alarm. The Policy also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel has been denied access to the Audit Committee.

During the year under review, no instance of the protected disclosure has been made to the Designated Authority or to the Chairman of the Audit Committee.

(J) Training of Board Members

The Board has formulated a Director's Training Policy for its Board Members for the Business model of the Company as well as the risk profile of the business parameters of the Company and their responsibilities as Directors.

(K) Details of Adoption of Discretionary Requirements

The Company has complied with and adopted the following discretionary Requirements of Regulation 27(1) of Listing Regulations, 2015.

i) **Shareholder Rights:** The half-yearly declaration of financial performance is not sent individually to each household of shareholders but published in the newspapers and also disseminated to the Stock Exchanges where shares of the Company are listed.

(L) No Presidential Directives have been received by the Company since the Company became a Government Company.

(M) No item of expenditure has been debited in books of accounts, which are not for the purposes of the business, except expenses on CSR activity to the amount of ₹8.23 crore incurred for the FY 2017-18, pursuant to Section 135 of the Companies Act, 2013. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management. Further, the administrative & office expenses and financial expenses constitutes 7.91% and 92.09%, respectively for the financial year 2017-18 of total expenses as against 7.00% and 93.00% in 2016-17.

9. MEANS OF COMMUNICATION:

IFCI's quarterly / half-yearly / yearly financial results are published in the leading Hindi and English papers. The Financial Results for FY 2017-18 were published in Financial Express (English in all editions), Jansatta (Hindi in all editions), Business Standard (English in all editions), Business Standard (Hindi in all editions), Free Press Journal (English in Mumbai editions) and Amar Ujala (Hindi in Delhi NCR edition). Official press releases are also displayed on Company's website (www.ifciltd.com). All price sensitive information is made public at the earliest through intimation to stock exchanges. During the year, no presentation was made to institution investors or to the analysts.

10. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting: Date : Friday, September 28, 2018
Time : 10:30 A.M.
Venue : Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019

(ii) Financial Calendar (Tentative):

Results for quarter ending June 30, 2018	:	Second Week of September, 2018
Results for quarter ending September 30, 2018	:	Second week of December, 2018
Results for quarter ending December 31, 2018	:	Second week of February, 2019
Results for quarter ending March 31, 2019	:	Third week of May, 2019

(iii) Dates of Book Closure : Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive)

(iv) Dividend Payment Date : No dividend had been declared on the Equity Shares of the Company for the F.Y. 2017-18.

(v) Listing on Stock Exchange:

- Equity Shares

BSE Limited (BSE)
Department of Corporate Services
Phiroze JeeJeebhoy Tower
Dalal Street, Fort
Mumbai – 400 001

The National Stock Exchange of India Limited (NSE)
Exchange Plaza
Plot No. C/1, G Block, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051

Ahmedabad Stock Exchange Ltd
Kamdhenu Complex
Opp. Sahajanand College
Panjarapole, Ambawadi
Ahmedabad – 380015

Note: (i) During the Financial year 2003-04, IFCI had redeemed all the Family Bonds and advised the Stock Exchanges to discontinue the listing of the bonds. Bonds issued under Private Placement Basis under Series 47 to Series 61, Infrastructure Bonds (5 Series), Subordinated Bonds (5 Series), Tax Free Bonds and erstwhile SLR Bonds, are listed on BSE Ltd. Secured NCDs issued through public issue are listed both on BSE and NSE.

(ii) The Company had made an application to Stock Exchange at Ahmedabad, for de-listing of securities, approval from the said Stock Exchange was awaited. However, the Securities and Exchange Board of India vide exit order dated April 02, 2018, had allowed Ahmedabad Stock Exchange Limited to exit as a Stock Exchange. Thus, IFCI ceases to be listed on the Ahmedabad Stock Exchange Limited, on April 02, 2018. The Annual Listing Fee for the FY 2018-19 had been paid to the BSE and NSE.

(vi) Stock Code (Equity) : 500106 (BSE)
IFCI (NSE)
00563 (ASE)

ISIN number
– Equity Shares : INE039A01010

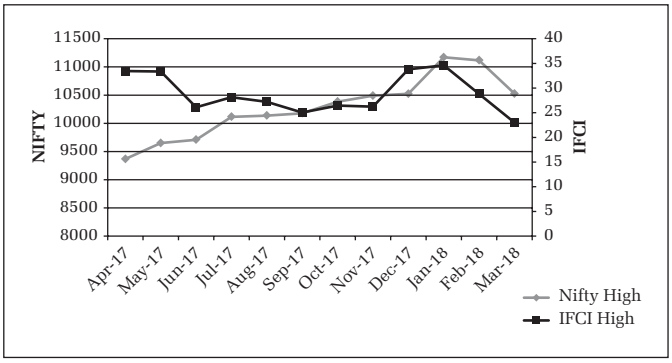
(vii) Market Price data: **(Price in ₹)**

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2017	33.45	27.95	32.55	27.95
May, 2017	33.35	23.50	33.40	23.55
June, 2017	26.10	23.40	26.05	23.40
July, 2017	28.15	24.10	28.15	24.20
August, 2017	27.20	20.60	27.35	20.60
September, 2017	25.05	22.20	25.05	22.25
October, 2017	26.45	22.25	26.75	22.30
November, 2017	26.25	23.00	26.25	23.00
December, 2017	33.80	22.75	33.25	22.80
January, 2018	34.60	27.90	34.55	27.95
February, 2018	28.80	22.30	28.75	22.40
March, 2018	23.00	19.05	23.10	19.10

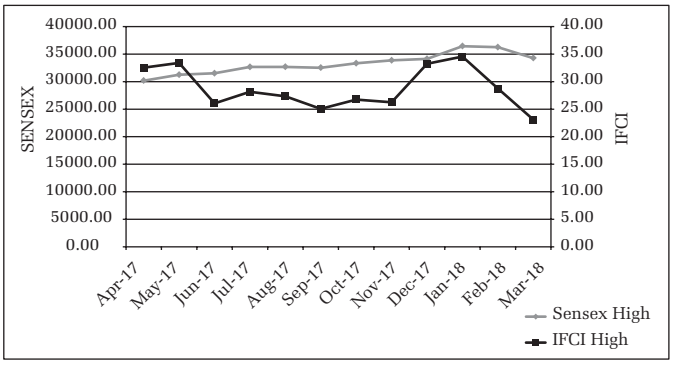
Source: NSE / BSE

(viii) Performance in comparison to broad based indices:

IFCI share price as compared to NSE NIFTY during the year:



IFCI share price as compared to BSE SENSEX during the year:



(ix) Registrar and Transfer Agent (including their correspondence details):

Both for Equity Shares and Family bonds
MCS Share Transfer Agent Limited
1st Floor, F-65, Okhla Industrial Area, Phase–I, New Delhi-110020
Website: www.mcsregistrars.com
Email: helpdeskdelhi@mcsregistrars.com
Contact Number: 011-41406149/51/52

For Infrastructure Bonds (series I & II)
Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor,
99 Madangir Behind LSC,
Near Dada Harsukhdas Mandir,
New Delhi-110062
Website: www.beetalfinancial.com
Email: ifcibonds@gmail.com
Contact Number: 011-29961281-83

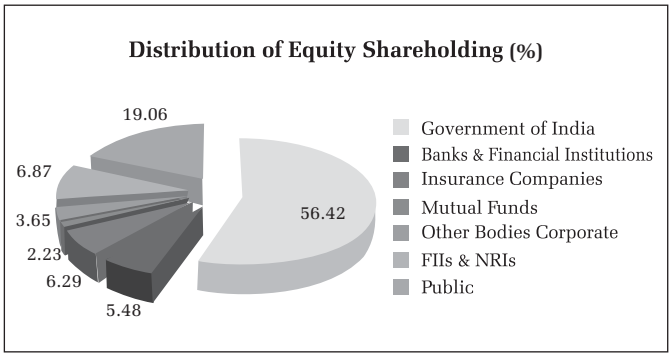
For Infrastructure Bonds (series III, IV & V) and Secured Non-Convertible Debentures Tranche I & II	Karvy Computershare Private Ltd Karvy Selenium, Tower B, Plot Number 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad - 500032 Website: www.karvycomputershare.com Email: einward.ris@karvy.com Contact Number: 040-67162222/1589
For Subordinate Bonds (series I & III)	Link Intime India Pvt. Ltd C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083 Website: www.linkintime.co.in Email: bonds.helpdesk@linkintime.co.in team.bonds@linkintime.co.in Contact Number: 022-49186000/6270
For Tax Free Bonds and any other query	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi – 110 019 CIN: L74899DL1993GOI053677 Website: www.ifciltd.com Email: ppbonds@ifciltd.com Contact: 011 - 41732000

(x) Share Transfer System:

At present, shares for transfer, which are received in physical form, are duly transferred within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects.

(xi) Distribution of Shareholding (as on March 31, 2018):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2018 is as under:



(A) Shareholding Pattern:

Shareholding Pattern of Equity Shares of IFCI as on March 31, 2018 and March 31, 2017 is given as under:

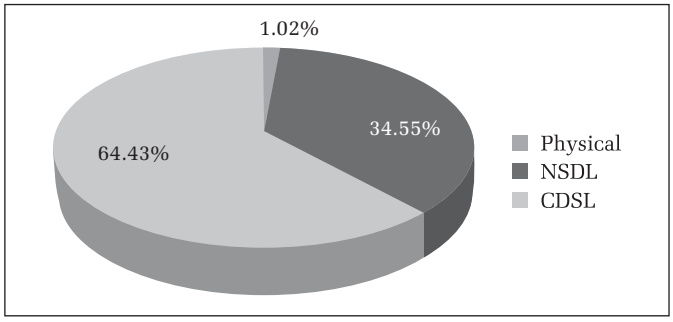
Category	As on 31.03.2018		As on 31.03.2017	
	No. of Equity Shares	%	No. of Equity Shares	%
Government of India	**95,69,55,857**	**56.42**	92,30,00,000	55.53
Banks & Financial Institutions	**9,29,49,540**	**5.48**	10,74,61,388	6.46
Insurance Companies	**10,66,98,758**	**6.29**	10,66,98,758	6.42
Mutual Funds	**3,78,17,233**	**2.23**	1,49,29,074	0.90
Other Bodies Corporate	**6,19,32,262**	**3.65**	3,98,63,753	2.40
FIIs & NRIs	**11,65,27,401**	**6.87**	16,96,20,320	10.21
Public	**32,31,12,041**	**19.06**	30,04,63,942	18.08
Total	**1,69,59,93,092**	**100.00**	**1,66,20,37,235**	**100.00**

(B) Distribution Schedule Range Analysis as on March 31, 2018:

Sl. No.	Category From	To	No. of Share holders	% of total Share holders	No. of Equity Shares	% Shares
1.	1	500	4,64,186	83.34	7,20,46,930	4.25
2.	501	1000	46,098	8.28	3,83,40,905	2.26
3.	1001	2000	23,191	4.16	3,59,89,128	2.12
4.	2001	3000	7,894	1.42	2,05,29,318	1.21
5.	3001	4000	3,741	0.67	1,35,89,740	0.80
6.	4001	5000	3,414	0.61	1,63,29,758	0.96
7.	5001	10000	4,684	0.84	3,50,57,162	2.07
8.	10001	50000	3,141	0.56	6,51,49,933	3.84
9.	50001	100000	322	0.06	2,31,96,194	1.37
10.	100001 and above		313	0.06	1,37,57,64,024	81.12
Total			**5,56,984**	**100.00**	**1,69,59,93,092**	**100.00**

(xii) Dematerialization of Shares and liquidity:

About 98.98% of the Equity Shares of the Company have already been dematerialized up to March 31, 2018. IFCI's Shares are listed at major Stock Exchanges of the Country and being traded actively.



(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:

There is no GDR/ADR or Warrants or any other Convertible Instrument, which are pending for conversion into equity shares.

(xiv) Registered Office: IFCI is a Public Financial Institution and a Government Company, having its Registered Office at IFCI Tower, 61 Nehru Place, New Delhi – 110 019.

Regional Offices at: : Ahmedabad, Bengaluru, Chandigarh, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune.

Declaration of Compliance with the Code of Conduct as provided in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to confirm that the Company has adopted a Code of Conduct for Board Members and its employees. The Code of Conduct as adopted is available on the Company's website. It is further confirmed that the Company has in respect of the Financial Year ended March 31, 2018, received from the employees of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Dr Emandi Sankara Rao
Managing Director & Chief Executive Officer
DIN: 05184747

CERTIFICATE IN TERMS OF REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is certified as under that:

(a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:
   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:
   (i) Significant changes in internal control over financial reporting during the year;
   (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

B N Nayak
Executive Director & Chief Financial Officer

Dr E S Rao
Managing Director & Chief Executive Officer

Date: May 21, 2018
Place: New Delhi

CERTIFICATION ON CORPORATE GOVERNANCE

TO THE MEMBERS OF M/S IFCI LIMITED

We have examined the compliance of conditions of Corporate Governance by IFCI Limited ("Company"), for the year ended on March 31, 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises, wherever applicable.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises, wherever applicable, except w.r.t. the composition of the Board, Audit Committee, Nomination and Remuneration Committee, in the absence of Independent Directors on the Board of M/s IFCI Limited.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sameer Kishore Bhatnagar
Practicing Company Secretary
M. No. 30997
COP No. 13115

Date : June 18, 2018
Place : Delhi

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1993GOI053677
Name of the Company	IFCI Limited (IFCI)
Registered address	IFCI Tower, 61 Nehru Place, New Delhi-110019
Website	www.ifciltd.com
E-mail id	complianceofficer@ifciltd.com
Financial Year reported	2017-18
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other credit granting services - NIC Code of the Product / Services)
List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Financial Products (ii) Investment Products (iii) Advisory Services
Total number of locations where business activity is undertaken by the Company:	
(i) Number of International Locations	None
(ii) Number of National Locations	9 (As on March 31, 2018)
Markets served by the Company - Local/State/National/International	National

Section B: Financial Details of the Company (as on March 31, 2018)

Paid up Capital (INR)	₹1920.99 crore (Equity and Preference)
Total Turnover (INR) *(Revenue from Operations)*	₹2,701.29 crore
Total profit after taxes (INR)	₹(1008.51) crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 2017-18, an amount of ₹6.06 crore was spent on CSR i.e. 1.32% of (Profit) After Tax for the FY 2016-17. The details of CSR spending have been provided in the Annual Report on CSR activities forming part of Board's Report.
List of CSR activities in which expenditure has been incurred:-	The details of CSR Activities undertaken during the FY 2017-18 have been provided in the Annual Report on CSR activities forming part of Board's Report. However, some major activities include: Upliftment of Socially & Economically Backward People, Cleanliness and renovation of area along with construction of Toilet and Drinking Water Machine in the vicinity of registered office of the Company, Construction of Toilets in schools of Mentally Challenged Children, Construction of residential block for differently abled persons, etc.

Section C: Other Details

PARTICULARS	**Yes/No**
Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information (as an March 31, 2018)

1. Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR policies

A Sub-Committee of Directors had been formed in this regard. The Committee comprised of three Directors viz., Dr Emandi Sankara Rao, Managing Director & CEO – Chairman of the Committee, Shri R N Dubey, Prof Arvind Sahay as Members and one Secretary to the Committee viz. Shri Biswajit Banerjee, Executive Director.

(b) Details of the BR head

Sl.No.	**Particulars**	**Details**
1.	DIN Number (if applicable)	NA
2.	Name	Shri Biswajit Banerjee
3.	Designation	Executive Director
4.	Telephone number	011- 41732000
5.	E-mail id	biswajit.banerjee@ifciltd.com

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly, they are as under:-

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sl. No.	Questions	Business Ethics/ Transparency And accountability	Product/Service Responsibility	Wellbeing of Employees	Stakeholder Engagement	Promote Human Rights	Respect, protect and restore Environment	Public Policy	Inclusive growth and equitable development	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	N	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	–	Y	–	Y	Y
3.	Does the policy conform to any national /international standards?	Y	Y	Y	Y	–	Y	–	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	–	Y	–	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	–	Y	–	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	Policy being an internal document is accessible to employees only	Policy being an internal document is accessible to employees only	#	–	Policy being an internal document is accessible to employees only	–	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	–	Y	–	Y	Y

Sl. No.	Questions	Business Ethics/ Transparency And accountability	Product/Service Responsibility	Wellbeing of Employees	Stakeholder Engagement	Promote Human Rights	Respect, protect and restore Environment	Public Policy	Inclusive growth and equitable development	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	–	Y	–	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	–	Y	–	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

#The links to the relevant Policies are mentioned in the **Annexure-1** to this Report.

b. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)					$		$		

$ IFCI being an NBFC, this principle is not applicable or has limited applicability. However, IFCI being a Government Company, it has the responsibility to follow all the directions/ guidelines provided by Government of India in these regard.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The Business Responsibility Committee met once during the Financial Year 2017-18. However, based on the requirement, the Committee may meet more than once.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The Business Responsibility Report for the Financial Year 2016-17 formed part of the Annual Report for the Financial Year 2016-17 which is uploaded on the website of the Company. The web-link of the same is as under:

  https://www.ifciltd.com/?q=content/financial-reports-0

  Also, the Business Responsibility Report for the Financial Year 2017-18 will also form part of the Annual Report for the Financial Year 2017-18 and will accordingly be hosted on the website of the Company.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, it extends to the Company only. The Company has in place a Code of Business Conduct and Ethics for IFCI's Board of Directors and Employees. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board and the Employees by the Stakeholders of the Company. The Board and Employees are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

IFCI also has in place a vigilance manual for internal circulation and a Vigil Mechanism. The Vigil Mechanism aims to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption or willful misuse of power or willful misuse of discretion by virtue of which demonstrable loss is caused to IFCI or demonstrable wrongful gain accrues to the public servant or to any third party, against any employee/ public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguard against victimization of the person making such complaint subject to the disclosure or complaint being made in good faith and in reasonable time.

IFCI has also developed the Fair Practice Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its business transactions.

Though the Policy relating to ethics, bribery and corruption do not specifically extend to Group/Joint Venture/Suppliers/ Contractors/NGOs/Others, however an undertaking is obtained from successful bidders before awarding of contract that they have not indulged in any corruption. Hence applicability of this Principle may be taken as extended to this limit.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

There were 8 Complaints pending at the start of the FY 2017-18. During the FY 2017-18, the Company received 4502 Complaints and a total of 4506 Complaints were resolved during the FY 2017-18 i.e. 99.91% of the total stakeholder's complaints.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

IFCI has financial products like Term Loan, Corporate Loan and Short Term Loan etc. for financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, IFCI stipulates conditions including environmental clearances viz., restriction on borrower producing or consuming ozone depleting substances.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Considering the nature of business of the Company and the products/initiatives referred to above, the questions below are:

(i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not Applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable to the Company's main product. However, for ancillary business or day to day smooth running of business we source from local and small vendors. MSMEs are extended the benefits as stipulated by Government of India in the form of nil earnest deposit, & others, while seeking bids for procurement of goods/services.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

No.

Principle 3

1. Please indicate the total number of employees.

As on March 31, 2018 there were 244 employees in the Company.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

2 employees were hired during the financial year 2017-18 on temporary / contractual / casual basis,

3. Please indicate the number of permanent women employees.

As on March 31, 2018, there were 79 permanent women employees.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2018, there were 2 differently abled employees.

5. Do you have an employee association that is recognized by management?

Yes.

6. What percentage of your permanent employees is members of this recognized employee association?

86.88% of the permanent employees were members of the recognized IFCI Officer's Association and 11.06% were members of IFCI SC/ST Employees Welfare Association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year 2017-18	No of complaints pending as on the end of the financial year 2017-18
1.	Child labour/forced labour/involuntary labour	Nil	
2.	Sexual harassment		
3.	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees 79.50%
- Permanent Women Employees 63.29%
- Casual/Temporary/Contractual Employees 50.00%
- Employees with Disabilities NIL

Principle 4

1. **Has the company mapped its internal and external stakeholders?**
   Yes.
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   All SC/ST/OBC/PWD employees are identified as disadvantaged, vulnerable & marginalized stakeholders.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**
   IFCI follows all Government of India Directives for engagement at various levels of career progression for all reserved category employees i.e. SC/ST/OBC/PWD and Minorities. IFCI has given representation to the reserved category employees by providing them with trainings before promotions at various grades and also by constantly engaging the SC/ST association for addressing the issues from time to time.
   Through it's Corporate Social Responsibility (CSR) initiatives, the Company laid emphasis on Upliftment of Socially & Economically Backward people of village, through education, skill development, improved healthcare, sanitation awareness & construction of toilets in school for mentally challenged children etc.
   Further, IFCI is also the nodal agency for Credit Enhancement Guarantee Scheme to promote entrepreneurship amongst the Scheduled Castes and has been further entrusted with the responsibility of implementation of the new scheme aimed at promoting entrepreneurship among other backward castes beneficiaries.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**
   IFCI does not have any specific policy on human rights. However, IFCI being a Government Company, it has the responsibility to follow all the directions/ guidelines provided by Government of India in this regard.
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   There were 8 complaints pending at the start of the FY 2017-18. During the FY 2017-18, the Company received 4502 complaints and a total of 4506 complaints were resolved during the FY 2017-18 i.e. 99.91% of the total stakeholder's complaints.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?**
   Yes, the policy is embedded in Company's various policies and practices under CSR and covers the Company as a whole.
2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   IFCI has promoted Renewable Energy by way of financing such projects across the Country with a view to address global environmental issues such as climate change, global warming etc. The Company extends financial assistance to Renewable projects including Solar, Wind and Hydro etc.
3. **Does the company identify and assess potential environmental risks?**
   The above question is not applicable to the Company as it is not a manufacturing concern. However, IFCI makes an effort to identify and assess potential environmental and social risks in the projects which are financed by IFCI.
4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   No.
5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.**
   The Company had awarded the work of implementation of Energy Efficiency at IFCI Tower to Energy Efficiency Services Limited. Under this agreement the Company had installed LED Lights at the IFCI Tower which would result in clean technology and energy efficiency.
6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   The above question has limited relevance to the Company as it is not a manufacturing Concerm. However, the Company complies with applicable environmental regulations in respect of it's premises and operations.
7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2018.**
   NIL.

Principle 7

1. **Is Your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**
   IFCI is having membership of the following Business Chambers / Trade Association-:
   1. Federation of Indian Chambers of Commerce and Industry (FICCI)
   2. Confederation of Indian Industry (CII) Northern, Western and Southern Regions
   3. Associated Chambers of Commerce & Industry (ASSOCHAM)
   4. PHD Chambers of Commerce & Industry
   5. Indian Banking Association (IBA)
   6. Foreign Exchange Dealers' Association of India (FEDAI)
   7. Fixed Income Money Market & Derivatives Association of India (FIMMDA)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**
   IFCI supports the initiatives taken by above Associations in their endeavor for the advancement or improvement of public good.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its CSR Policy. Detailed information about the specified programme and initiatives undertaken during the financial year 2017-18 in pursuit of the Policy, has been given in 'Annual Report on Corporate Social Responsibility (CSR) Activities', which forms part of this Annual Report.
   Further, IFCI is also acting as the nodal agency for Credit Enhancement Guarantee Scheme for SCs and has been entrusted with the responsibility of implementation of the scheme aimed at providing entrepreneurship among other backward castes beneficiaries.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The company undertakes its CSR activities through a Trust by the name of "IFCI Social Foundation (ISF)". The investment in CSR activities by ISF are project based and for every project, time frame and periodic milestone are set at the outset.

3. **Have you done any impact assessment of your initiative?**

   The impact assessment of the CSR initiatives undertaken by ISF are done after the projects are completed.

4. **What is Your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   During the financial year 2017-18, IFCI had incurred an amount of ₹6.06 crore on CSR activity. Detailed information about the CSR activities undertaken during the financial year 2017-18 has been given in 'Annual Report on Corporate Social Responsibility (CSR) Activities', which forms part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Implementation of the CSR projects is ensured by ISF through site visits, obtaining periodic progress reports, regular interaction with concerned officials of implementation agencies etc. and obtaining the Auditor's certificate for utilization of funds etc.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   A total of 24 and 19 cases were pending at the start and the end of the Financial Year 2017-18 respectively. Hence, at the end of the financial year, 79.17% of the customer complaints/consumer cases were pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2018.**

   Not Applicable.

4. **Did Your Company carry out any consumer survey/consumer satisfaction trends?**

   In IFCI, customer meets are held for betterment of the products, feedback and improving delivering mechanism.

Annexure -1 to Business Responsibility Report

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web-link
Fair Practice Code	https://www.ifciltd.com/?q=content/fair-practices-code
Code of Conduct	https://www.ifciltd.com/?q=content/code-conduct
Vigil Mechanism	https://www.ifciltd.com/?q=content/whistle-blower-policy
CSR Policy	https://www.ifciltd.com/?q=content/our-csr-policy

The other policies are internal documents and accessible only to employees of the organization.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" : SUBSIDIARIES

As at March 31, 2018 (₹ crore)

Sl. No.	Name of the Subsidiary	Direct Subsidiaries						Step-down Subsidiaries					
		IFCI Venture Capital Funds Ltd	IFCI Infrastructure Development Ltd	IFCI Factors Ltd	IFCI Financial Services Ltd	Stock Holding Corporation of India Ltd	MPCON Ltd	IIDL Realtors Pvt Ltd	IFIN Commodities Ltd	IFIN Credit Ltd	IFIN Securities Finance Ltd	Stockholding Document Management Services Ltd	SHCIL Services Ltd
1.	Share capital	60.37	477.10	254.44	41.53	21.05	1.00	0.08	5.00	2.50	30.01	43.25	6.09
2.	Reserves & surplus	162.62	95.94	(127.51)	29.89	714.11	6.52	22.88	0.05	(0.54)	3.99	26.34	54.26
3.	Total assets	575.48	636.93	593.29	99.19	1,156.48	22.90	25.84	8.61	2.10	35.10	130.95	181.80
4.	Total liabilities	352.49	63.89	466.36	27.77	421.32	15.38	2.88	3.56	0.14	1.10	61.37	121.45
5.	Investments	101.43	136.84	9.38	39.09	236.98	–	–	–	–	4.11	–	5.08
6.	Turnover	87.46	53.50	63.67	20.71	431.92	43.77	3.30	1.01	0.15	5.16	60.34	54.99
7.	Profit before taxation	11.85	2.55	(54.50)	1.30	71.81	0.82	3.10	(0.27)	(0.01)	1.07	3.26	13.34
8.	Provision for taxation	6.63	(1.17)	(17.97)	0.25	6.00	0.21	0.65	–	–	0.54	0.57	3.84
9.	Profit after taxation	5.22	3.72	(36.53)	1.05	65.81	0.61	2.45	(0.27)	(0.01)	0.53	2.69	9.49
10.	Proposed dividend	–	–	–	–	–	0.10	–	–	–	–	–	–
11.	% of shareholding *	98.59%	100%	99.74%	94.78%	52.86%	79.72%	100%	100%	100%	100%	100%	100%

* % of shareholding indicated for step-down subsidiaries represents the shareholding of their respective immediate holding company

Note: All subsidiary companies have been incorporated in India and are following the same reporting period as of Holding co. i.e. 12 months ending on 31st March each year.

PART "B" : ASSOCIATES AND JOINT VENTURES

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

(₹ crore)

Sl. No.	Name of Associates/Joint Ventures	KITCO Ltd.#
1.	Latest audited Balance Sheet Date	31-Mar-17
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of Equity Shares	19950
	Amount of Investment in Associates/Joint Venture - Equity Shares	0.04
	Extend of Holding (%)	20.26%
3.	Description of how there is significant influence	IFCI Ltd. holds more than 20% share capital and is able to exercise significant influence by virtue of its shareholding and representation on the Board of Directors.
4.	Networth of the Company *	63.28
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	12.82
6.	Profit / (Loss) for the year	8.72
	i. Considered in Consolidation	1.77
	ii. Not Considered in Consolidation	6.95

* Net Worth has been considered as Equity + Reseves & Surplus - Revaluation Reserve.

Consolidation has been made on the basis of management certified Financials for the year ended March 31, 2018.

Pursuant to sale of our substantial/entire stake in Tourism Finance Corporation of India Ltd, Himachal Consultancy Organisation Ltd. and North India Technical Consultancy Organisation Ltd. has ceased to be Associate company of IFCI w.e.f. September 29, 2017, April 21, 2017 and April 25, 2017 respectively. In view of this TFCI, HIMCON, NITCON has not been considered for consolidation.

The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd. in IFCI Sycamore Capital Advisors (P) Limited as on March 31, 2018 was at ₹0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquation of the Company. In view of the this joint venture has not been considered for consolidation.

PART "B" : ASSOCIATES AND JOINT VENTURES

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

(₹ crore)

Sl. No.	Name of Associates/Joint Ventures	ABG Energy (Gujarat) Ltd.	Gati Infrastructure Bhasmey Power Pvt. Ltd. $	Nagai Power Private Limited $	Raichur Power Corporation Ltd.	Shiga Energy Private Limited	Sravanthi Energy Private Limited
1.	Latest audited Balance Sheet Date	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17	31-Mar-17
2.	Shares of Associate/Joint Ventures held by the company on the year end						
	No. of Equity Shares	3,60,00,000	4,50,20,000	56,40,000	43,27,20,000	5,10,00,000	14,07,18,712
	Amount of Investment in Associates/ Joint Venture - Equity Shares	35.44	45.02	5.17	432.72	50.44	139.59
	Extend of Holding	24.00%	38.73%	26.46%	20.08%	28.42%	25.65%
3.	Reason why the associate / joint venture is not consolidated	IFCI Ltd. has acquired shares in these comapnies as a part of regular business activity of financing through equity participation with firm buy-back commitment for such shares with the promoters/ group companies of the investee companies at pre-determined rate of return after a pre-determined period. Since, the shares have been acquired with the intention to dispose-off at a pre-determined rate of return, share in net-worth of the investee company following 'equity method' is not appropriate indicator of the real economic interest of IFCI Ltd. In certain Companies, buy-back due within 12 months reducing the shareholding of IFCI Ltd. below 20%.Therefore, the investment in these companies has been considered as investment in 'Consolidated Financial Statements' as per AS -13.					
4.	Networth of the Company *	30.10	116.46	21.31	2,075.93	181.10	273.63
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	7.22	45.11	5.64	416.78	51.47	70.19
6.	Profit / (Loss) for the year	(48.04)	–	–	(79.41)	0.18	(217.95)
	(i) Considered in Consolidation	–	–	–	–	–	–
	(ii) Not Considered in Consolidation	(48.04)	–	–	(79.41)	0.18	(217.95)

* Net Worth has been considered as Equity + Reseves & Surplus - Revaluation Reserve.

$ the projects are under construction and the company is yet to commence the operations.

DR E S RAO
Managing Director &
Chief Executive Officer
DIN 05184747

PROF ARVIND SAHAY
Director
DIN 03218334

Place: New Delhi
Date: May 23, 2018

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of IFCI Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss and its cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to Note No 33 of the standalone financial statements related to change in appropriation policy of the company regarding amount recovered from borrowers which has resulted in increase of net loss by ₹32.17 crore.

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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under Section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure II, our report for the Company on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
3. 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 III; and
   (g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 25.1 to the financial statements;
      (ii) The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 26 to the financial statements;
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      (iv) The Company has not provided disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the financial year 2017-18, being not applicable.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: May 23, 2018

Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except for leased plant and machinery having gross block of ₹197.92 crore which have been fully depreciated in the earlier years.

(b) The fixed assets are being physically verified by the management at all its office in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a Non-Banking Financial Company, accordingly it does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information provided and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register mentioned under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security covered under Section 185 of the Companies Act, 2013. The provisions of Section 186 of the Companies Act, 2013 is not applicable on the Company. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information provided and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 of the Companies Act, 2013.

(vi) According to the information provided and explanation given to us, maintenance of cost records by the Company has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. Thus, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information provided and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. There are no outstanding statutory dues existing as at the last day of the financial year for a period of more than six months from the day they became payable.

(b) According to the information and explanations given to us, there were no amounts due as on March 31, 2018 in respect of income tax or sales tax or wealth tax or service tax or goods and service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute other than those indicated below:

Name of the Statute	Nature of disputed dues	Amount (₹ crore)	Year to which demand relates	Forum, where dispute is pending
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	10.83	FY 2004-05 to FY 2007-08	CESTAT, New Delhi
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	3.63	FY 2008-09 to FY 2010-11	CESTAT, New Delhi
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	1.12	FY 2005-06 to FY 2007-08	CESTAT, Bangalore
Finance Act, 1994 (Service Tax)	Service Tax and Penalty demanded	0.59	FY 2006-07 to FY 2010-11	CESTAT, New Delhi
Finance Act, 1994 (Service Tax)	Service Tax and Penalty demanded	1.80	FY 2008-09 to FY 2010-11	CESTAT, New Delhi $
Finance Act, 1994 (Service Tax)	Service Tax and Penalty demanded	1.61	FY 2008-09 to FY 2010-11	CESTAT, New Delhi
MP Commercial Tax Act, 1994	Sales Tax on Lease Transactions	0.01		Board of Revenue (Commercial Transactions Tax Tribunal) Gwalior, M.P

Stay order has been received against the amount disputed and not deposited

$ Appeal filed on May 17, 2018

(viii) According to the information provided and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or Government or dues to debenture holders.

(ix) According to the information provided and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) and the term loans raised from different banks during the year were applied for the purposes for which those are raised.

(x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and in terms of GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 197 pertaining to managerial remuneration do not apply to a government company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(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 allotted 3,39,55,857 equity shares of Face Value of ₹10 each, at a premium of ₹19.45 per share, to the Government of India on Preferential Basis, on March 31, 2018. The requirement of Section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.

(xvi) According to the information provided and explanations given to us, the Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company has been granted certificate of registration to commence/carry on the business of non-banking financial institution without accepting pubic deposits on August 18, 2009 vide Registration No. B-14.00009.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 81750

Place: New Delhi
Date: May 23, 2018

Annexure II referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements

Part A–Directions

Sl. No.	Directions	Reply
1	Whether the Company has clear title/ lease deed for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available?	According to the information and explanations provided to us by the Company, the Company has clear title/ lease deeds for freehold and leasehold land, respectively.
2.	Whether there are any cases of waiver/ write off of debtors/ loans/ interest etc., If yes, the reason there for and amount involved.	According to the information and explanations provided to us by the Company, case(s) of waiver/ write-off of debts/ loan/ interest etc., are as under: Sl. No. | Nature of Dues | No. of Cases | Amount (in crore) A. | Write-off/ Technical write-off of loans | 7 | 460.77 B. | Debtors write-offs | 2 | 1.19 It was informed that the waiver/ write-off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	According to the information and explanations provided to us by the Company: (a) Being a Non-Banking Financial Institution, there is no involvement of any inventories; (b) The Company has not received any gift/ grants(s) from government or any other authorities during the year. Therefore, no records are required to be maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.

Part B–Sub–Directions

Sl. No.	Sub–Directions	Reply
1.	**Investments** Whether the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/de-mat 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 the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures, etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, ***except*** for the cases mentioned below: (a) Where shares are lying in De-mat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

Sl. No.	Company Name	Mode	No. of shares
1.	ACC Ltd.	Demat	80
2.	Reliance Industries Ltd	Demat	4,664
3.	Tata Motors Limited	Demat	600
4.	Tata Steel Limited	Demat	300
5.	Asian Hotels (East) Ltd.	Demat	265
6.	Asian Hotels (North) Ltd.	Demat	265
7.	Asian Hotels (West) Ltd.	Demat	265
8.	Bengal & Assam Company Ltd	Demat	23
9.	Bhilwara Technical Textiles Ltd	Demat	958
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24,550
12.	Coromandel International Ltd	Demat	69,220
13.	E I D Parry (India) Ltd.	Demat	430
14.	Eveready Industries India Ltd.	Demat	200
15.	Excel Glasses Ltd	Demat	50
16.	Gabriel India Ltd., Parwanoo	Demat	3,500
17.	GKW Ltd	Demat	110
18.	Graphite India Ltd	Demat	366
19.	Gujarat Sidhee Cement Ltd	Demat	275
20.	HEG Ltd	Demat	1,785
21.	Hi-Tech Gears Ltd	Demat	2,700
22.	Indian Metals & Ferro-Alloys Ltd.	Demat	89
23.	ITC Ltd	Demat	67
24.	J.K. Cement Ltd	Demat	20
25.	Larsen & Toubro Ltd	Demat	1,125
26.	National Organic Chemical Industries Ltd	Demat	130
27.	Ponni Sugars & Chemicals Ltd	Demat	64,800
28.	Rainbow Denim Ltd	Demat	40
29.	Rajasthan Spg & Wvg Mills Ltd	Demat	383
30.	Reliance Capital Ltd	Demat	223
31.	Reliance Communications Ltd	Demat	4,482
32.	Reliance Infrastructure Ltd	Demat	335
33.	Reliance Power Ltd	Demat	1,120
34.	SRF Polymers Ltd	Demat	150
35.	Tata Power Co. Ltd	Demat	900
36.	Titagarh Wagons Ltd.	Demat	25

Sl. No.	Sub–Directions	Reply

Sl. No.	Company Name	Mode	No. of shares
37.	Ultratech Cement Ltd	Demat	100
38.	Winsome Textile Industries Ltd	Demat	200
39.	Zenith Ltd	Demat	38
40.	Aditya Birla Capital Ltd	Demat	194
41.	Aditya Birla Fashion And Retail Limited	Demat	483
42.	Banswara Syntex Limited	Demat	100
43.	Core Education & Technologies Ltd	Demat	3
44.	Era Infra Engineering Ltd	Demat	27
45.	Grasim Industries Limited	Demat	139
46.	Indian Seamless Enterprises	Demat	1,028
47.	Jaykay Enterprises Limited	Demat	100
48.	Kama Holdings Limited	Demat	150
49.	Reliance Home Finance Ltd	Demat	223
50.	Western India Shipyard Ltd	Demat	30
51.	Ansal Hotel	physical	47,27,750
52.	Aryavastra Plywoods Ltd.	physical	60,000
53.	Bhilwara Processors	physical	2,09,998
54.	Biotech Synergy	physical	4,40,000
55.	BR Foods	physical	3,50,000
56.	Cimmco Ltd.	physical	2,860
57.	DCM Shree Ram	physical	16,016
58.	Depro Foods	physical	1,320
59.	Essar Coated Steel Ltd.	physical	7,53,000
60.	Excelsior Plants Co. Ltd.	physical	51,998
61.	Flower and Tissue India Ltd.	physical	5,00,000
62.	Ganesh Benzoplast Ltd.	physical	38,88,889
63.	Gian Agra Industries Ltd.	physical	1,995
64.	Globe United	physical	3,958
65.	Golden Polymarbles Ltd.	physical	3,80,000
66.	Hind Food Ltd.	physical	3,00,000
67.	Hindal Co. India	physical	116
68.	Jauss Polymers Ltd.	physical	11,000
69.	JCT Ltd.	physical	5,00,315
70.	JK Paper Limited	physical	27,813
71.	Kinzle India Samay Ltd.	physical	1,23,400
72.	Maharastra Steel Ltd.	physical	2,995
73.	MM Polytex Ltd.	physical	1,00,000
74.	Modi Alkalies and Chemicals	physical	7,84,590
75.	Mohta Electro Steel	physical	18,361
76.	MP Plywood	physical	25,000
77.	Naina Semiconductor Ltd	physical	5,09,481
78.	ORDe Textiles	physical	20,000
79.	Orrissa Synthetics Ltd.	physical	100
80.	Oshi Foods Ltd.	physical	2,10,000
81.	Perfect Drugs Ltd.	physical	4,00,000
82.	Pratibha Syntex Ltd.	physical	12,50,000
83.	Punjab Fibre Ltd.	physical	87,076
84.	Punsuni Frine and Components Ltd.	physical	2,20,000
85.	Saurashtra Chemicals Ltd.	physical	11,07,024
86.	Shama Forge	physical	24,863
87.	Shama Forge (Pref Shares)	physical	7,495
88.	Siel Ltd.	physical	3,36,348
89.	Siel Sugar Ltd.	physical	300
90.	Standard Woolens	physical	50,000
91.	Tridev Duplex Board Pvt. Ltd.	physical	2,00,000
92.	Tripati Woolens	physical	59,789
93.	Usha Forging and Stamping	physical	45,000
94.	Usha Forging and Stamping (Pref Shares)	physical	1,968
95.	Usha Spinning and Weaving Mills Ltd.	physical	2,783

As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.

<table>
<tr><th>Sl. No.</th><th>Sub–Directions</th><th>Reply</th></tr>
<tr><td></td><td></td><td>(b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.
<table>
<tr><th>Sl. No.</th><th>Company Name</th><th>No. of shares</th></tr>
<tr><td>1.</td><td>Ajanta Textiles Ltd (Pref Shares)</td><td>38,219</td></tr>
<tr><td>2.</td><td>BST Mfg. Ltd (Pref Shares)</td><td>9,920</td></tr>
<tr><td>3.</td><td>Chemco Steels Ltd</td><td>5,00,000</td></tr>
<tr><td>4.</td><td>Digvijay Synthetics Ltd (Pref Shares)</td><td>1,70,000</td></tr>
<tr><td>5.</td><td>Echon Industries Ltd</td><td>14,00,000</td></tr>
<tr><td>6.</td><td>G.R. Solvents & Allied Industries Ltd</td><td>1,25,000</td></tr>
<tr><td>7.</td><td>Graham Firth Steel Products (I) Ltd</td><td>3</td></tr>
<tr><td>8.</td><td>Hermonite Associates Ltd</td><td>1,30,000</td></tr>
<tr><td>9.</td><td>Hindustan Agro Chemicals Ltd</td><td>19,300</td></tr>
<tr><td>10.</td><td>I C Textiles Ltd (Pref Shares)</td><td>9,52,394</td></tr>
<tr><td>11.</td><td>Lml Ltd (Pref Shares)</td><td>21,50,912</td></tr>
<tr><td>12.</td><td>Minerva Holding Ltd</td><td>120</td></tr>
<tr><td>13.</td><td>Modern Syntex (I) Ltd</td><td>60,00,000</td></tr>
<tr><td>14.</td><td>Morepen Laboratories Ltd (Pref Shares)</td><td>87,373</td></tr>
<tr><td>15.</td><td>Munak Chemicals Ltd</td><td>6</td></tr>
<tr><td>16.</td><td>Nutech Packaging Ltd</td><td>5,25,000</td></tr>
<tr><td>17.</td><td>OCM India Ltd</td><td>5,89,743</td></tr>
<tr><td>18.</td><td>Parasrampuria Synthetics Ltd (Pref Shares)</td><td>13,89,450</td></tr>
<tr><td>19.</td><td>Poddar Udyog Ltd (Pref Shares)</td><td>18,000</td></tr>
<tr><td>20.</td><td>Pooja Granites And Marbles Pvt Ltd</td><td>2,76,000</td></tr>
<tr><td>21.</td><td>Prag Bosmi Synthetics Ltd (Pref Shares)</td><td>26,14,577</td></tr>
<tr><td>22.</td><td>Punj Steel Machine Tools Pvt Ltd (Pref Shares)</td><td>1,50,000</td></tr>
<tr><td>23.</td><td>Regency Hospitals Ltd</td><td>11,123</td></tr>
<tr><td>24.</td><td>Samcor Glass Ltd</td><td>20,00,000</td></tr>
<tr><td>25.</td><td>Shree Maheswar Hydel Power Company Ltd.</td><td>83,87,028</td></tr>
<tr><td>26.</td><td>Southern Wind Farms Pvt. Ltd.</td><td>1,00,000</td></tr>
<tr><td>27.</td><td>Steel & Allied Products Ltd (Pref Shares)</td><td>5,980</td></tr>
<tr><td>28.</td><td>Triveni Metal Tubes Ltd (Pref Shares)</td><td>449</td></tr>
<tr><td>29.</td><td>Vegepro Foods & Feeds Ltd (Pref Shares)</td><td>10,00,000</td></tr>
<tr><td>30.</td><td>West Bengal Consultancy Orgn. Ltd</td><td>12,700</td></tr>
<tr><td>31.</td><td>Yuil Measure (I) Ltd (Pref Shares)</td><td>39,500</td></tr>
</table></td></tr>
<tr><td>2.</td><td>Loans
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon alongwith financial impact.</td><td>A system of assessment of realisable value of securities is available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances. Adequate provision has been created during the financial year.</td></tr>
</table>

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: May 23, 2018

Annexure III referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements:

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 IFCI Limited ("the Company") as of March 31, 2018 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: May 23, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ crore)

	Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	**1,920.99**	1,925.88
(b) Reserves and Surplus	2	**3,859.14**	4,804.44
(2) Non-current Liabilities			
(a) Long-term Borrowings	3	**16,105.17**	19,170.10
(b) Long-term Liabilities	4	**875.71**	761.45
(c) Long-term Provisions	5	**141.10**	238.49
(3) Current Liabilities			
(a) Short-term Borrowings	6	**200.00**	–
(b) Trade Payables	7	**92.98**	48.56
(c) Other Current Liabilities	8	**4,752.00**	4,703.68
(d) Short-term Provisions	5	**18.42**	21.84
TOTAL		**27,965.51**	31,674.44
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	**955.46**	992.38
(ii) Intangible Assets	10	**1.99**	2.46
(iii) Capital work-in-progress		**0.31**	0.64
(b) Non–current Investments	11	**5,479.38**	5,557.40
(c) Deferred Tax Assets (Net)	12	**1,717.11**	985.96
(d) Long–term Loans & Advances			
(i) Loans	13	**14,143.30**	18,149.81
(ii) Others	14	**146.41**	92.10
(e) Other non–current assets	15	**5.10**	5.14
(2) Current Assets			
(a) Current Investments	16	**1,157.18**	836.14
(b) Trade Receivables	17	**15.50**	30.28
(c) Cash and Bank Balances	18	**847.54**	1,181.95
(d) Short–term Loans and Advances			
(i) Loans (Current Maturity of Long–term Loans)	13	**3,201.91**	3,615.18
(ii) Others	14	**137.23**	76.43
(e) Other Current Assets	15	**157.09**	148.57
TOTAL		**27,965.51**	31,674.44

Accounting Policies and Notes (1 to 47) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn.No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I.	**Revenue**			
	Revenue from Operations	**19**	**2,701.29**	2,739.73
	Other Income	**20**	**82.25**	134.51
	Total Revenue		**2,783.54**	2,874.24
II.	**Expenses**			
	Finance Cost	**21**	**2,038.28**	2,289.32
	Employee Benefits Expenses	**22**	**98.60**	95.02
	Depreciation and Amortization		**33.65**	34.19
	Other Expenses	**23**	**42.83**	43.12
	Total Expenses		**2,213.36**	2,461.65
III.	**Profit before NPA Recovery, Provisions/ Write-off (I-II)**		**570.18**	412.59
IV.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	**24**	**2,327.04**	1,191.61
V.	**Profit/(Loss) before Tax (III-IV)**		**(1,756.86)**	(779.02)
VI.	**Tax Expense**			
	- Current Tax		**10.53**	–
	- Taxation for earlier years		**(27.73)**	(13.27)
	- Deferred Tax (Net)		**(731.15)**	(307.26)
VII.	**Profit/(Loss) for the Year (V-VI)**		**(1,008.51)**	(458.49)
VIII.	Basic Earnings per share of ₹10.00 each (₹)		**(6.07)**	(2.76)
	Diluted Earnings per share of ₹10.00 each (₹)		**(6.07)**	(2.76)

Accounting Policies and Notes (1 to 47) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn.No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss before Tax		**(1,756.86)**		(779.02)
Adjustments for:				
Depreciation	**33.65**		34.19	
Provision/ write offs	**2,327.04**		1,191.61	
Bond Issue Expenses charged to Share Premium Account	**–**		(6.43)	
(Profit)/ Loss on Sale of Assets	**(24.25)**	**2,336.44**	(19.98)	1,199.39
Operating Profit before Working Capital Changes & Operating Activities		**579.58**		420.37
Adjustments for Operating Activities:				
(Increase)/ decrease in Investments *(incl. Current Investments)*		**(271.01)**		1,525.28
(Increase)/ decrease in Loans & Advances *(incl. current maturities of long–term loans & advances)*		**2,120.73**		3,155.81
Increase/ (decrease) in Borrowings *(incl. current maturities of long–term liabilities)*		**(2,737.73)**		(4,477.85)
Operating Profit / (Loss) before Working Capital Changes		**(308.43)**		623.61
Adjustments for:				
(Increase)/ decrease in Current Assets		**(55.34)**		190.35
Increase/ (decrease) in Current Liabilities		**(21.01)**		(275.52)
Increase/ (decrease) in other bank balances		**(22.56)**		(173.60)
Cash Flow before taxation		**(407.34)**		364.84
Income Tax (paid)/ refund–Net		**(36.27)**		19.83
Net cash flow from Operating Activities		**(443.61)**		384.67
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of/ Advance for Fixed Assets (including Leased Assets)		**(0.45)**		(1.70)
Sale proceed of Fixed Assets		**26.17**		21.53
Net cash flow from Investing Activities		**25.72**		19.83
C. CASH FLOW FROM FINANCING ACTIVITIES				
Redemption of Preference Shares		**(38.84)**		–
Issue of Equity Shares		**33.95**		0.45
Share Premium (net of expenses)		**66.05**		0.40
Dividend paid		**(0.24)**		(0.26)
Net cash flow from Financing Activities		**60.92**		0.59
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT FLOW (A+B+C)		**(356.97)**		405.09
Opening Cash and Cash Equivalent		**541.63**		136.54
Closing Cash and Cash Equivalent		**184.66**		541.63
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT		**(356.97)**		405.09

Note: 1. Figures for previous year have been regrouped/ re-classified, wherever considered necessary
2. For composition of cash & cash equivalents please refer Note No. 18 of the balance sheet.

Accounting Policies and Notes (1 to 47) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn.No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared as per formats prescribed under Schedule-III of the Companies Act,2013,on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework.

2. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

3. Revenue Recognition

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI for Non-Banking Financial Companies.

(b) Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement.

(c) Following are recognized on receipt basis:

(i) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates and LC Commission.

(ii) Interim returns by promoter/ promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments.

(d) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income.

(e) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(f) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(g) Surplus/ gains on sale of investments is net of losses thereon or vice versa.

(h) The dividend unclaimed on account of shares sold and outstanding in the books are recognized as income after the end of three years,the limitation period.

4. Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs).

(i) 'Long term Investments' are carried at acquisition cost in terms of Accounting Standard 13 issued by ICAI, on 'Accounting for Investments'. Provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with buy- back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/ promoter group and provision is made accordingly on individual basis.

(ii) 'Current investments' for each category shall be valued at cost or market value whichever is lower. If the aggregate market value for the category is less than the aggregated cost for that category, the net depreciation shall be provided for or charged to the profit and loss account. The net appreciation, if any, shall be ignored.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitization Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value (NAV) is considered net of management fee & other expenses) obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the FIMMDA platform for the purpose.

5. Derivatives

(a) Equity Index/ Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities, respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

(i) The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.

(ii) The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the statement of profit and loss.

(iii) Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid,for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

6. Foreign Exchange Transactions

(a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/ at the forward rate, if booked, for such transaction.

(b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/ losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss.

7. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹'Nil'.

(b) Depreciation is provided on the Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

(c) Depreciation on revalued amount of Leasehold Land & Buildings is provided on SLM basis over the remaining useful life of asset. An amount equivalent to the 'depreciation on revalued amount' provided during the period is withdrawn from the revaluation reserve and credited to the General reserve.

(d) Leasehold land is amortized over the lease period on SLM basis.

(e) Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal.

(f) Assets having individual value of less than ₹5,000/- are charged to statement of Profit and Loss in the year of purchase.

8. Intangible assets and amortization

(a) Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

(b) Intangible assets include computer software having perpetual license and are amortized on Straight Line Method over the period of six years from the date of capitalization.

9. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the P&L statement in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been a change in the estimates of recoverable amount.

10. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are fully provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances received there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

11. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

12. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

13. Issue Expenses

Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 52 of Companies Act, 2013.

14. Employee Benefits

(a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.

(b) Prior to 01.04.2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme in August 2008 for employees existing on 01.04.2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

(c) The Company has a defined benefit employee scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-

end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

(d) Provision for leave encashment and Leave Fare Concession is being made on actuarial valuation basis.

(e) The Company has a post-retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. Provision is being made on actuarial valuation in line with Accounting Standard 15.

15. Employee Stock Option Plan

The Company had formulated Employee Stock Option Schemes (ESOS) in 2011-12 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provided for grant of options to employees (including employees deputed in subsidiaries/ associates/ joint ventures) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price was amortized on a straight-line basis over the vesting period.

16. Income Tax

Tax Expense comprises of current & deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act,1961. Deferred tax resulting from timing differences between book profits and tax profits is accounted for at the current rate of tax or the substantively enacted rate of tax to the extent the timing differences are expected to crystallize, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realized. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognized only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realized/set off.

17. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where the probability of occurrence of outflow of resources cannot be ascertained to settle the same. Contingent assets are neither recognized nor disclosed.

18. Cash and Cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

B. NOTES ON ACCOUNTS

1. SHARE CAPITAL

1.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
AUTHORISED				
Equity Shares of ₹10/- each	**2,00,00,00,000**	**2,000.00**	2,00,00,00,000	2,000.00
Cumulative Redeemable Preference Shares of ₹10/- each	**1,00,00,00,000**	**1,000.00**	1,00,00,00,000	1,000.00
	3,00,00,00,000	**3,000.00**	3,00,00,00,000	3,000.00
ISSUED				
Equity Shares of ₹10/– each	**1,76,32,40,546**	**1,763.24**	1,72,92,84,689	1,729.28
Cumulative Redeemable Preference Shares of ₹10/– each	**26,38,43,100**	**263.84**	26,38,43,100	263.84
	2,02,70,83,646	**2,027.08**	1,99,31,27,789	1,993.12
SUBSCRIBED				
Equity Shares of ₹10/- each	**1,69,73,09,792**	**1,697.31**	1,66,33,53,935	1,663.35
Cumulative Redeemable Preference Shares of ₹10/- each	**26,38,43,100**	**263.84**	26,38,43,100	263.84
	1,96,11,52,892	**1,961.15**	1,92,71,97,035	1,927.19
PAID UP				
(A) EQUITY				
Equity Shares of ₹10/- each	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04
TOTAL EQUITY	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04
(B) PREFERENCE				
0.10% Cumulative Redeemable Preference Shares of ₹10/– each				
Redeemable at par on 31.03.2021	**20,00,000**	**2.00**	20,00,000	2.00
Redeemable at par on 03.03.2021	**80,00,000**	**8.00**	80,00,000	8.00
Redeemable at par on 02.03.2021	**3,00,00,000**	**30.00**	3,00,00,000	30.00
Redeemable at par on 01.03.2021	**1,00,00,000**	**10.00**	1,00,00,000	10.00
Redeemable at par on 31.10.2020	**20,00,000**	**2.00**	20,00,000	2.00
Redeemable at par on 31.03.2019	**3,00,00,000**	**30.00**	3,00,00,000	30.00
Redeemable at par on 17.09.2018	**5,00,00,000**	**50.00**	5,00,00,000	50.00
Redeemable at par on 15.09.2018	**9,30,00,000**	**93.00**	9,30,00,000	93.00
Redeemable at par on 02.08.2017	**–**	**–**	3,88,43,100	38.84
TOTAL PREFERENCE	**22,50,00,000**	**225.00**	26,38,43,100	263.84
TOTAL SHARE CAPITAL		**1,920.99**		1,925.88

Note No. 1 (contd..)

1.2 Reconciliation of the number of equity shares and share capital:

The Company has allotted 3,39,55,857 number of equity shares of Face Value of ₹10 each to the Government of India on Preferential Basis on March 31, 2018.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	**Amount (₹ crore)**	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59
Add: Shares issued to Government of India on Preferential basis	**3,39,55,857**	**33.95**	–	–
Add: Shares issued to employees on exercise of employee stock options	**–**	**–**	1,39,538	0.14
Add: Sold in the open market pursuant to automatic cancellation of the unexercised options *(foot-note 1)*	**–**	**–**	3,16,153	0.31
Outstanding at the end of the period	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04

1.3 Terms/ rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of ₹10/- per share entitled to one vote per share.

1.4 Shareholders holding more than 5% of equity shares:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	**Share–holding %**	Number of Shares	Share–holding %
President of India	**95,69,55,857**	**56.42**	92,30,00,000	55.53

1.5 Reconciliation of the number of Preference shares and share capital:

There has been no change in the Authorised, Issued and Subscribed Share Capital during the Year.

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	**Amount (₹ crore)**	Number of Shares	Amount (₹ crore)
Paid up Capital	**26,38,43,100**	**263.84**	26,38,43,100	263.84
Outstanding at beginning of the period	**(3,88,43,100)**	**(38.84)**	–	–
Less: Redeemable at par on 02.08.2017				
Outstanding at the end of the period	**22,50,00,000**	**225.00**	26,38,43,100	263.84

1.6 Terms/ rights attached to Preference Shares:

The Preference Shares are cumulative redeemable at par on the dates as mentioned in Note 1.1 above.

1.7 Shareholders holding more than 5% of Preference shares as at the end of the period:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	**Amount (₹ crore)**	Number of Shares	Amount (₹ crore)
State Bank of India	**7,10,00,000**	**31.56**	7,00,00,000	26.53
President of India	**6,00,00,000**	**26.67**	6,00,00,000	22.74
Punjab National Bank	**5,20,00,000**	**23.11**	5,20,00,000	19.71
Oriental Bank of Commerce	**–**	**–**	3,06,61,200	11.62
Canara Bank	**2,00,00,000**	**8.89**	2,82,64,600	10.71

1.8 Employee Stock Option Scheme

The Company had, during the financial year 2011-12, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme. The Board in its meeting dated November 12, 2013 has withdrawn the scheme, subject to all the regulatory compliances required in this regard and no further vesting under the scheme shall be held. All applicable compliance have since been ensured and the granted options that have not vested under the scheme, have been cancelled.

ESOP A	As at March 31, 2018		As at March 31, 2017	
	Number of options	**Weighted Average Exercise Price (₹)**	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**–**	**–**	289,194	17.55
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**–**	**–**	1,16,677	17.55
Less: Expired during the period	**–**	**–**	1,72,517	17.55
Outstanding at the end of the period *	**–**	**–**	–	–
** shares allotted to Employee Stock Option Trust (foot-note 1)*	**–**	**–**	–	–

Note No. 1 (contd..)

ESOP B	As at March 31, 2018 Number of options	As at March 31, 2018 Weighted Average Exercise Price (₹)	As at March 31, 2017 Number of options	As at March 31, 2017 Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	–	–	78,840	23.40
Add: Granted during the period	–	–	–	–
Less: Cancelled during the period	–	–	–	–
Less: Exercised during the period	–	–	22,861	23.40
Less: Expired during the period	–	–	55,979	23.40
Outstanding at the end of the period *	–	–	–	–
* shares allotted to Employee Stock Option Trust (foot-note 1)	–	–	–	–

Foot-notes to Note No. 1

1 The remaining shares corresponding to expired options have been sold in the open market and the remaining monies in IFCI Employee Stock Options trust shall be transferred to Employee Welfare Trust/scheme of the Company as per SEBI share based employee benefits regulations.

2. RESERVES AND SURPLUS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
(A)	**Capital Reserve** *(foot-note 1)*		**0.85**		0.85
(B)	**Capital Redemption Reserve** *(foot-note 2)*				
	Opening Balance	**193.08**		193.08	
	Additions	**38.84**		–	
	Deductions/ Transfers	**–**		–	
	Closing Balance		**231.92**		193.08
(C)	**Securities Premium Reserve**				
	Opening Balance	**901.64**		908.07	
	Additions	**66.05**		–	
	Deductions/ Transfers	**–**		(6.43)	
	Closing Balance		**967.69**	901.64	901.64
(D)	**Debenture Redemption Reserve** *(refer foot-notes of note 3)*				
	Opening Balance	**171.00**		94.92	
	Additions	**76.08**		76.08	
	Deductions/ Transfers	**–**		–	
	Closing Balance		**247.08**		171.00
(E)	**Revaluation Reserve**				
	Opening Balance	**783.20**		810.60	
	Additions on account of reversal	**–**		0.26	
	Transfer to General Reserve	**(19.54)**		(19.72)	
	Deduction on account of sale/ disposal of assets	**(2.60)**		(7.94)	
	Closing Balance		**761.06**		783.20
(F)	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961** *(foot-note 4)*				
	Opening Balance	**136.69**		136.69	
	Additions	**–**		–	
	Closing Balance		**136.69**		136.69
(G)	**Reserve u/s 45IC of RBI Act** *(foot-note 5)*				
	Opening Balance	**875.04**		875.04	
	Additions	**–**		–	
	Closing Balance		**875.04**		875.04
(H)	**General Reserve**				
	Opening Balance	**353.58**		333.86	
	Additions (Corporate Social Responsibility Fund transferred)	**–**		–	
	Additions (Grant received from GoI under KfW loan transferred)	**–**		–	
	Deductions/ Transfers	**19.54**		19.72	
	Closing Balance		**373.12**		353.58

Note No. 2 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
(I)	**Surplus**				
	Opening Balance	**1,389.36**		1,924.19	
	Less: WDV of the assets with no useful life	**–**		–	
	Add: Loss for the year	**(1,008.51)**		(458.49)	
	Less: Appropriations				
	Capital Redemption Reserve	**(38.84)**		–	
	Debenture Redemption Reserve	**(76.08)**		(76.08)	
	Dividend - Preference @ ₹0.01 per share	**(0.24)**		(0.26)	
	Tax on Distributed Profits				
	Preference	**(0.05)**		(0.05)	
	Add: Dividend tax credit u/s 115O(1A) of Income Tax Act	**0.05**		0.05	
	Closing Balance		**265.69**		1,389.36
	TOTAL RESERVES AND SURPLUS		**3,859.14**		4,804.44

Foot-notes to Note No. 2:

1. Capital Reserve represents proceeds of forfeited shares.
2. Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 55 of the Companies Act, 2013.
3. Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer.
4. Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.
5. Pusuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reseve created u/s 45IC of RBI Act, 1934.

3. LONG-TERM BORROWINGS

3.1 RUPEE - UNSECURED

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	**Non-Convertible Debentures (NCDs)**				
	(i) 6.00% LIC - Redeemable on 28.12.2021	**200.00**	**–**	200.00	–
	(ii) 6.00% SBI - Redeemable on 25.01.2022	**200.00**	**–**	200.00	–
	(iii) 9.37% LIC - Redeemable on 01.04.2022	**418.19**	**–**	418.19	–
	Sub - Total 'A'	**818.19**	**–**	818.19	–
(B)	**Bonds**				
	(i) Privately Placed Bonds *(refer Foot-note 1)*	**4,600.74**	**313.01**	5,037.89	471.66
	(ii) Privately Placed Bonds issued to Subsidiaries	**75.00**	**–**	75.00	–
	(iii) Privately Placed Zero Coupon Bonds [Unamortised discount - ₹831.12 crore (Previous year - ₹853.59 crore)]	**205.64**	**–**	187.36	–
	(iv) Infrastructure Bonds	**780.07**	**–**	801.56	–
	(v) Subordinate - Tier II Bonds	**1,313.30**	**–**	1,313.30	–
	Sub-Total 'B' (refer foot note 2)	**6,974.75**	**313.01**	7,415.11	471.66
(C)	**Other Long Term Borrowings**				
	(a) Banks *(refer foot note 3)*	**4,911.65**	**3,399.95**	7,574.90	3,232.43
	(b) Financial Institutions *(refer foot note 3)*	**100.00**	**–**	100.00	–
	Sub-Total 'C'	**5,011.65**	**3,399.95**	7,674.90	3,232.43
	TOTAL (RUPEE - UNSECURED)	**12,804.59**	**3,712.96**	15,908.20	3,704.09

Note No. 3 (contd..)

3.2 RUPEE - SECURED

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	**Tax-free Bonds (secured by floating charge on receivables of IFCI Ltd.)** *(refer foot note 4)*				
	- held by subsidiary and associate companies	**45.00**	**–**	95.00	–
	- held by others	**265.00**	**–**	215.00	–
(B)	**Public issue of NCDs**				
	Secured Redeemable Non Convertible Debentures(secured by floating charge on receivables of IFCI Ltd.)*(refer foot note 4)*				
	- held by subsidiary and associate companies	**34.04**	**–**	49.09	–
	- held by others	**1,938.22**		1,923.17	–
(C)	**Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)** *(refer foot note 4)*	**575.00**	**–**	575.00	–
	TOTAL (RUPEE - SECURED)	**2,857.26**	**–**	2,857.26	–

3.3 FOREIGN CURRENCIES - UNSECURED

(A)	**KfW Line - Guaranteed by Government of India** *(refer foot note 5)*	**443.32**	**28.56**	404.64	24.49
	TOTAL (FOREIGN CURRENCIES)	**443.32**	**28.56**	404.64	24.49
	TOTAL LONG-TERM BORROWINGS	**16,105.17**	**3,741.52**	19,170.10	3,728.58

Foot-notes to Note No. 3

1. Privately placed Bonds of ₹4,988.75 crore shown at 3.1(B) above includes ₹1,280.58 crore of bonds which were guaranteed by the Govt. of India at the time of issue. These bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period and accordingly, these bonds were shown under Bonds guaranteed by Govt. of India till March 31, 2013, with suitable disclosure of the fact in Notes to Accounts. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such rolled over erstwhile government guaranteed bonds are clustered under Privately Bonds as on March 31, 2018 above.
2. (a) Out of the bonds of ₹6,974.75 disclosed as non-current at 3.1(B) above, Put/ Call Option applicable on ₹1,782.31 crore (previous year: 1927.88 crore) of Bonds.
   (b) Terms of repayment of total bonds of ₹7,287.76 crore is annexed below.
3. (a) Out of the bank borrowings disclosed at 3.1C(a) above, Put/ Call Option applicable on ₹2,068.50 (previous year: ₹3,670.00 crore).
   (b) Include loans of ₹300 crore (previous year: ₹300 crore), against escrow of cash flow/ negative lien against certain identified loan assets.
   (c) Terms of repayment of total Bank & FI borrowings of ₹8,411.60 crore is annexed
4. Terms of repayment of Tax-free Bonds and Secured Redeemable NCDs annexed.
5. Terms of repayment of foreign currency liabilities annexed.

Foot-notes to Note No. 3 (contd..)

FOOT-NOTE 2(B) TERMS OF REPAYMENT OF OTHER BONDS (NOTE 3.1(B)

Series	Intt Rate	Date of Maturity	(₹ crore)
Zero Coupon Bonds	9.75	07/07/2040	13.06
Zero Coupon Bonds	9.75	07/07/2039	14.33
Zero Coupon Bonds	9.75	07/07/2038	15.72
Other Bonds	9.90	05/11/2037	106.88
Tier II Bonds	9.98	05/10/2037	20.00
Tier II Bonds	9.98	18/09/2037	50.00
Zero Coupon Bonds	9.75	07/07/2037	17.26
Zero Coupon Bonds	9.75	07/07/2036	18.95
Zero Coupon Bonds	9.75	07/07/2035	20.80
Zero Coupon Bonds	9.75	07/07/2034	22.82
Zero Coupon Bonds	9.75	07/07/2033	25.04
Other Bonds	9.90	05/11/2032	106.88
Tier II Bonds	9.98	15/10/2032	10.00
Zero Coupon Bonds	9.75	07/07/2032	27.49
Zero Coupon Bonds	9.75	07/07/2031	30.18
Other Bonds	9.98	29/10/2030	250.00
Other Bonds	9.75	16/07/2030	500.00
Other Bonds	9.75	13/07/2030	250.00
Other Bonds	9.70	18/05/2030	250.00
Other Bonds	9.70	04/05/2030	250.00
Other Bonds	9.75	26/04/2028	350.00
Other Bonds	9.90	05/11/2027	106.88
Other Bonds	10.12	08/10/2027	19.59
Other Bonds	10.10	08/10/2027	5.15
Infra Bonds	8.72	31/03/2027	24.16
Infra Bonds	9.16	15/02/2027	42.56
Infra Bonds	8.75	12/12/2026	12.88
Tier II Bonds	10.75	31/10/2026	102.49
Tier II Bonds	10.75	01/08/2026	468.55
Other Bonds	9.55	13/04/2025	225.00
Other Bonds	9.55	05/03/2025	200.00
Other Bonds	9.75	25/01/2025	200.00
Infra Bonds	8.50	31/03/2024	93.66
Other Bonds	6.00	10/12/2022	50.00
Other Bonds	6.00	18/11/2022	25.00
Other Bonds	9.90	05/11/2022	106.88
Other Bonds	6.00	22/10/2022	50.00
Other Bonds	9.95	08/10/2022	5.41
Other Bonds	10.05	28/09/2022	8.20
Other Bonds	6.00	27/09/2022	45.00
Other Bonds	10.15	26/06/2022	2.80
Other Bonds	10.25	31/03/2022	0.89
Other Bonds	8.22	03/03/2022	46.22
Other Bonds	10.25	28/02/2022	0.40
Tier II Bonds	10.50	28/02/2022	64.70
Tier II Bonds	10.70	28/02/2022	123.63
Infra Bonds	9.09	15/02/2022	261.46
Other Bonds	8.19	13/01/2022	138.25
Other Bonds	10.60	31/12/2021	1.75
Infra Bonds	8.50	12/12/2021	77.25
Other Bonds	10.60	30/11/2021	0.30

Series	Intt Rate	Date of Maturity	(₹ crore)
Tier II Bonds	10.50	31/10/2021	74.51
Tier II Bonds	10.60	31/10/2021	8.12
Other Bonds	10.50	31/08/2021	6.38
Tier II Bonds	10.55	25/08/2021	200.00
Other Bonds	8.26	19/08/2021	147.37
Tier II Bonds	10.50	01/08/2021	191.31
Other Bonds	10.20	31/05/2021	0.30
Other Bonds	10.00	30/04/2021	1.30
Other Bonds	10.00	30/04/2021	24.90
Other Bonds	10.00	31/03/2021	5.81
Other Bonds	6.00	15/02/2021	25.00
Infra Bonds	8.00	31/01/2021	204.84
Infra Bonds	8.25	31/01/2021	26.55
Other Bonds	9.50	31/01/2021	7.91
Other Bonds	9.90	11/01/2021	151.20
Other Bonds	7.90	26/12/2020	56.85
Other Bonds	9.25	30/11/2020	6.85
Other Bonds	9.25	31/10/2020	6.50
Other Bonds	9.25	30/09/2020	7.70
Other Bonds	7.87	24/09/2020	110.70
Other Bonds	6.00	20/09/2020	12.50
Infra Bonds	7.85	15/09/2020	32.20
Infra Bonds	7.95	15/09/2020	4.50
Other Bonds	9.25	31/08/2020	1.06
Other Bonds	9.25	31/07/2020	11.16
Other Bonds	7.65	26/06/2020	163.82
Other Bonds	9.25	31/05/2020	0.72
Other Bonds	6.00	18/05/2020	5.00
Other Bonds	9.15	30/04/2020	0.45
Other Bonds	9.15	31/03/2020	11.55
Other Bonds	6.00	28/02/2020	5.00
Other Bonds	6.00	24/02/2020	5.00
Other Bonds	8.75	31/01/2020	26.67
Other Bonds	7.69	26/12/2019	58.39
Other Bonds	9.40	30/11/2019	31.86
Other Bonds	7.07	19/09/2019	99.42
Other Bonds	9.75	31/07/2019	77.50
Other Bonds	10.20	30/06/2019	50.40
Other Bonds	10.20	20/06/2019	75.00
Other Bonds	6.00	07/06/2019	0.50
Other Bonds	6.70	30/05/2019	153.40
Other Bonds	9.00	28/02/2019	1.00
Other Bonds	6.02	28/02/2019	26.11
Other Bonds	10.40	31/01/2019	3.21
Other Bonds	6.07	13/12/2018	146.20
Other Bonds	10.40	31/08/2018	1.64
Other Bonds	10.40	31/07/2018	4.00
Other Bonds	8.41	14/06/2018	133.85
Other Bonds	10.40	31/05/2018	20.11
Other Bonds	6.00	20/05/2018	3.00
Total			**7,287.76**

Foot-notes to Note No. 3 (contd..)

FOOT-NOTE 2(C) TERMS OF REPAYMENT OF TERM LOANS FROM BANKS/ FIS (NOTE 3.1(C)(A & B))

Rate of Interest (% p.a.)	Amount (₹ crore)	Date of Maturity	Repayment Mode	Date of next Instalment	Number of instalments
5.85	100.00	02/05/2022	BULLET	02/05/2022	1
5.85	200.00	23/07/2022	BULLET	23/07/2022	1
6.00	100.00	01/04/2022	BULLET	01/04/2022	1
8.40	125.00	30/09/2018	Quarterly	30/06/2018	2
8.60	62.50	28/08/2018	Quarterly	28/05/2018	2
9.00	46.87	13/12/2018	Quarterly	13/06/2018	3
8.75	12.50	26/12/2018	Quarterly	26/06/2018	3
9.00	33.33	10/04/2018	Quarterly	10/04/2018	2
8.75	62.50	30/12/2018	Quarterly	30/06/2018	3
9.00	16.67	10/04/2018	Quarterly	10/04/2018	2
9.00	33.33	10/04/2018	Quarterly	10/04/2018	2
8.55	33.33	12/02/2019	Quarterly	12/05/2018	4
8.55	50.00	12/02/2019	Quarterly	12/05/2018	4
8.40	66.67	30/03/2019	Quarterly	30/06/2018	4
8.40	100.00	30/03/2019	Quarterly	30/06/2018	4
8.75	75.00	30/09/2019	Quarterly	30/06/2018	6
8.75	112.50	30/09/2019	Quarterly	30/06/2018	6
9.10	37.50	23/09/2019	Quarterly	23/06/2018	6
8.40	109.38	31/12/2019	Quarterly	30/06/2018	7
8.50	109.38	29/12/2019	Quarterly	29/06/2018	7
8.50	21.88	29/12/2019	Quarterly	29/06/2018	7
8.40	43.75	31/12/2019	Quarterly	30/06/2018	7
8.40	21.88	31/12/2019	Quarterly	30/06/2018	7
8.40	43.75	31/12/2019	Quarterly	30/06/2018	7
8.50	87.50	29/12/2019	Quarterly	29/06/2018	7
8.75	21.88	13/12/2019	Quarterly	13/06/2018	7
8.55	100.00	13/03/2020	Quarterly	13/06/2018	8
8.55	100.00	13/03/2020	Quarterly	13/06/2018	8
8.50	50.00	20/03/2020	Quarterly	20/06/2018	8
8.75	21.88	13/12/2019	Quarterly	13/06/2018	7
9.00	25.00	23/03/2020	Quarterly	23/06/2018	8
8.50	150.00	24/03/2020	Quarterly	24/06/2018	8
9.10	50.00	27/03/2020	Quarterly	27/06/2018	8
8.75	150.00	31/03/2020	Quarterly	30/06/2018	8
8.75	65.63	13/12/2019	Quarterly	13/06/2018	7
8.50	37.50	26/09/2019	Quarterly	26/06/2018	6
8.50	18.75	26/09/2019	Quarterly	26/06/2018	6
8.75	56.25	30/09/2020	Quarterly	30/06/2018	9
9.00	93.75	24/09/2020	Quarterly	24/06/2018	10
9.00	325.00	30/06/2021	Quarterly	30/06/2018	13
9.10	552.50	30/06/2021	Quarterly	30/06/2018	13
9.45	50.00	31/03/2020	Quarterly	10/04/2018	8
8.40	195.00	30/06/2021	Quarterly	30/06/2018	13
9.10	130.00	30/06/2021	Quarterly	30/06/2018	13
9.10	65.00	30/06/2021	Quarterly	30/06/2018	13
9.10	65.00	30/06/2021	Quarterly	30/06/2018	13
8.75	28.13	30/06/2020	Quarterly	30/06/2018	9
8.40	32.50	30/06/2021	Quarterly	30/06/2018	13
9.45	25.00	31/03/2020	Quarterly	10/04/2018	8
9.10	97.50	30/06/2021	Quarterly	30/06/2018	13
9.10	31.25	28/12/2020	Quarterly	28/06/2018	10
8.75	34.38	29/12/2020	Quarterly	29/06/2018	11
8.50	34.38	28/12/2020	Quarterly	28/06/2018	11
8.50	34.38	31/12/2020	Quarterly	30/06/2018	11
8.40	32.50	30/06/2021	Quarterly	30/06/2018	13
8.40	34.38	31/12/2020	Quarterly	30/06/2018	11
9.10	65.00	30/06/2021	Quarterly	30/06/2018	13
8.40	65.00	30/06/2021	Quarterly	30/06/2018	13
8.50	75.00	02/03/2021	Quarterly	30/06/2018	11
9.45	50.00	31/03/2020	Quarterly	10/04/2018	8
8.50	68.75	31/12/2020	Quarterly	30/06/2018	11
9.00	32.75	28/12/2020	Quarterly	28/06/2018	11

Foot-notes to Note No. 3 (contd..)

Rate of Interest (% p.a.)	Amount (₹ crore)	Date of Maturity	Repayment Mode	Date of next Instalment	Number of instalments
8.75	28.13	30/06/2020	Quarterly	30-06-2018	9
8.75	103.13	29/12/2020	Quarterly	29-06-2018	11
8.80	50.00	22/03/2021	Quarterly	22-06-2019	8
9.45	50.00	31/03/2020	Quarterly	10-04-2018	8
8.80	100.00	22/03/2021	Quarterly	22-06-2020	4
9.45	75.00	29/03/2020	Quarterly	10-04-2018	8
9.00	144.00	31/03/2021	Quarterly	30-06-2018	12
9.00	380.00	30/06/2021	Quarterly	30-06-2018	13
8.50	137.50	28/12/2020	Quarterly	28-06-2018	11
9.45	72.17	30/06/2021	Quarterly	10-04-2018	13
8.50	68.75	31/12/2020	Quarterly	30-06-2018	11
8.40	206.25	31/12/2020	Quarterly	30-06-2018	11
8.40	34.38	31/12/2020	Quarterly	30-06-2018	11
8.40	68.75	31/12/2020	Quarterly	30-06-2018	11
9.45	108.33	30/06/2021	Quarterly	10-04-2018	13
8.50	103.13	31/12/2020	Quarterly	30-06-2018	11
9.00	244.50	30/09/2021	Quarterly	30-06-2018	14
8.60	80.00	23/03/2020	Quarterly	23-06-2018	8
8.20	500.00	27/03/2023	Quarterly	27-06-2018	20
8.60	500.00	23/05/2023	Quarterly	23-08-2018	20
8.75	200.00	08/06/2022	Quarterly	08-09-2018	16
8.75	300.00	19/06/2022	Quarterly	08-09-2018	16
8.80	88.39	21/12/2020	Quarterly	30-06-2018	11
Total	**8,411.60**				

FOOT-NOTE-4: TERMS OF REPAYMENT OF SECURED BONDS (NOTE-3.2)

Bonds Particulars	Rate of Interest (% p.a.)	Date of Maturity	(₹ crore)
Tax Free Bonds	8.76	31-03-2029	145.00
Public Issue of Bonds*	9.40	13-02-2025	325.37
Public Issue of Bonds*	9.90	01-12-2024	647.99
Tax Free Bonds	8.39	31-03-2024	165.00
Public Issue of Bonds*	9.90	01-12-2021	188.01
PP Bonds Series 61	8.55	03-11-2021	575.00
Public Issue of Bonds*	9.35	13-02-2020	437.71
Public Issue of Bonds*	9.40	01-12-2019	57.19
Public Issue of Bonds*	9.80	01-12-2019	316.00
Total			**2,857.26**

* additional interest @ 0.10% p.a. payable to individual investor

FOOT-NOTE 5 TERMS OF REPAYMENT OF KFW LINES OF CREDIT (NOTE 3.3)

Name of Lender	Rate of Interest (% p.a.)	Amount (Euros)	Amount (₹ crore)	Date of Maturity	Repayment	Date of next Instalment	Number of instalments
KFW, Frankfurt	0.75%	17,30,211.82	13.98	30-06-2038	Half Yearly	30-06-2018	18
KFW, Frankfurt	0.75%	22,77,805.27	18.41	31-12-2036	Half Yearly	30-06-2018	24
KFW, Frankfurt	0.75%	15,85,004.90	12.81	31-12-2034	Half Yearly	30-06-2018	25
KFW, Frankfurt	0.75%	16,48,405.09	13.32	30-06-2034	Half Yearly	30-06-2018	26
KFW, Frankfurt	0.75%	25,61,572.26	20.70	31-12-2033	Half Yearly	30-06-2018	27
KFW, Frankfurt	0.75%	27,87,563.41	22.53	31-12-2032	Half Yearly	30-06-2018	29
KFW, Frankfurt	0.75%	30,34,517.25	24.52	30-06-2032	Half Yearly	30-06-2018	32
KFW, Frankfurt	0.75%	42,18,158.03	34.09	30-06-2031	Half Yearly	30-06-2018	33
KFW, Frankfurt	0.75%	54,41,168.11	43.97	31-12-2030	Half Yearly	30-06-2018	34
KFW, Frankfurt	0.75%	60,03,589.28	48.51	30-06-2030	Half Yearly	30-06-2018	38
KFW, Frankfurt	1.25%	2,07,11,411.44	167.36	31-12-2029	Half Yearly	30-06-2018	41
KFW, Frankfurt	0.75%	63,96,261.53	51.69	31-12-2026	Half Yearly	30-06-2018	30
Total		**5,83,95,668.39**	**471.88**				

4. LONG-TERM LIABILITIES

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Funds placed with the Company				
	(a) Scheduled Caste Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**240.81**	**–**	232.31	–
	(b) Employees' Provident Fund	**65.67**	**5.69**	61.86	9.13
(B)	Interest accrued but not due on bonds & borrowings	**558.50**	**528.97**	454.30	447.91
(C)	Other Liabilities (security deposits)	**10.73**	**–**	12.98	–
	TOTAL	**875.71**	**534.66**	761.45	457.04

5. PROVISIONS

		As at March 31, 2018		As at March 31, 2017	
		Long-term	**Short-term**	Long-term	Short-term
(A)	Provision for standard and securitised assets	**49.30**	**14.52**	98.18	15.17
(B)	Sundry Liabilities (Interest Capitalisation)	**58.03**		118.15	–
(C)	Employee Benefits	**33.77**	**3.90**	22.16	6.67
	TOTAL	**141.10**	**18.42**	238.49	21.84

6. SHORT-TERM BORROWINGS

		As at March 31, 2018	As at March 31, 2017
(A)	Unsecured Loan from Banks	**200.00**	–
	TOTAL	**200.00**	–

7. TRADE PAYABLES

(A)	**Trade Payables**		
	(i) Total outstanding dues to Micro, Small and Medium Enterprises	**–**	–
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	**92.98**	48.56
	TOTAL	**92.98**	48.56

8. OTHER CURRENT LIABILITIES

(A)	**Current maturities of Long-term debt**		
	(i) Rupee (refer notes 3.1)	**3,712.96**	3,704.09
	(ii) Foreign Currencies (refer note 3.3)	**28.56**	24.49
	Sub - Total 'A'	**3,741.52**	3,728.58
(B)	**Others**		
	(i) Current maturity of provident fund placed with the Company (refer note 4(A))	**5.69**	9.13
	(ii) Interest accrued but not due on bonds and borrowings (refer note 4(B))	**528.97**	447.91
	(iii) Income received in Advance	**–**	0.06
	(iv) Unclaimed Dividend	**14.53**	16.46
	(v) Unpaid Matured Debentures & interest	**0.36**	0.56
	(vi) Other Liabilities (trade deposits and other payables)	**460.93**	500.98
	Sub - Total 'B'	**1,010.48**	975.10
	TOTAL	**4,752.00**	4,703.68

9. FIXED ASSETS - TANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01-Apr-17	Additions	Disposals	**As at 31-Mar-18**	Revalued Amount	As at 01-Apr-17	For the year	Disposals	**As at 31-Mar-18**	**As at 31-Mar-18**	As at 31-Mar-17	Revalued Amount
Owned Assets												
Freehold Land	67.49	–	–	**67.49**	66.90	–	–	–	**–**	**67.49**	67.49	66.90
Leasehold Land	313.63	–	2.36	**311.27**	260.20	47.29	9.38	0.39	**56.28**	**254.99**	266.34	223.94
Buildings	776.30	0.34	2.60	**774.04**	569.86	140.06	17.33	0.85	**156.54**	**617.50**	636.24	470.22
Leasehold Improvement	0.75	–	0.61	**0.14**		0.17	0.02	0.12	**0.07**	**0.07**	0.58	
Plant & Machinery	8.17	–	–	**8.17**		6.02	0.20	–	**6.22**	**1.95**	2.15	
Furniture & Fixtures	17.94	–	0.25	**17.69**		11.99	1.93	0.04	**13.88**	**3.81**	5.95	
Vehicles	1.51	–	0.18	**1.33**		1.19	0.14	0.17	**1.16**	**0.17**	0.32	
Office Equipments	12.62	0.30	3.68	**9.24**		10.71	0.90	3.63	**7.98**	**1.26**	1.91	
Electrical Installations and Equipments	28.33	0.08	0.56	**27.85**		16.93	3.22	0.52	**19.63**	**8.22**	11.40	
Leased Assets												
Plant & Machinery	197.92	–	–	**197.92**		197.92	–	–	**197.92**	**–**	–	
TOTAL	**1,424.66**	**0.72**	**10.24**	**1,415.14**	**896.96**	**432.28**	**33.12**	**5.72**	**459.68**	**955.46**	**992.38**	**761.06**
Previous Year	1,436.80	0.60	12.74	**1,424.66**	900.10	402.08	33.70	3.50	**432.28**	**992.38**	1,034.72	783.20

Foot-notes to Note No. 9:

The additional charge of depreciation of ₹19.54 crore for the year ended March 31, 2018 (previous year - ₹19.72 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10, has been charged to Statement of Profit & Loss.

Above includes following assets which are held for sale as on March 31, 2018

Particulars	Gross Block	Revalued Amount	Accumulated Depreciaion	Net Block	Revalued Amount
Freehold Land	0.01	–	–	0.01	–
Leasehold Land	0.01	–	–	0.01	–
Buildings	26.84	2.78	0.71	26.13	2.61
Total	**26.86**	**2.78**	**0.71**	**26.15**	**2.61**

10. FIXED ASSETS - INTANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-Apr-17	Additions	Disposals	**As at 31-Mar-18**	As at 01-Apr-17	For the year	Disposals	**As at 31-Mar-18**	**As at 31-Mar-18**	As at 31-Mar-17
Computer Software	4.67	0.06	0.47	**4.26**	2.21	0.53	0.47	**2.27**	**1.99**	2.46
TOTAL	**4.67**	**0.06**	**0.47**	**4.26**	**2.21**	**0.53**	**0.47**	**2.27**	**1.99**	**2.46**
Previous Year	4.21	0.46	–	**4.67**	1.72	0.49	–	**2.21**	**2.46**	2.49

11. NON-CURRENT INVESTMENTS

(₹ crore)

			As at March 31, 2018	As at March 31, 2017
(A)	**QUOTED**			
	Fully paid-up, Non-trade Investment			
1.	Equity Shares			
	(a)	Associates	**–**	58.89
	(b)	Assistance under financing	**663.73**	215.52
	(c)	Others *(Refer Note No. 1)*	**411.25**	425.54
			1,074.98	699.95
2.	Units of Mutual Fund		**9.61**	–

Note 11 (contd..)

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(B)	**UNQUOTED**		
	Fully paid-up, non-trade Investment		
1.	Equity Shares		
	(a) Subsidiaries	**1,396.41**	1,396.41
	(b) Associates	**0.04**	0.24
	(c) Joint Venture	**0.01**	0.01
	(d) Assistance under financing	**1,360.42**	1,896.90
	(e) Others	**71.88**	71.88
		2,828.76	3,365.44
2.	Preference Shares		
	(a) Subsidiaries	**175.00**	175.00
	(b) Others	**255.74**	265.82
		430.74	440.82
3.	Debentures/ Bonds		
	(a) Subsidiaries	**60.00**	100.00
	(b) Others *(Refer Note No 2)*	**173.73**	223.98
		233.73	323.98
4.	Security Receipts	**1,154.21**	990.72
5.	Government Securities	**400.00**	400.00
6.	Units of venture capital funds	**220.70**	190.12
7.	Units of Mutual Fund	**40.00**	50.00
TOTAL		**6,392.73**	6,461.03
Less: Provision for Diminution in value		**913.35**	903.63
TOTAL		**5,479.38**	5,557.40
QUOTED:			
(1)	Total Book Value	**1,084.59**	699.95
	- Equity Shares	**1,074.98**	699.95
	- Others	**9.61**	–
(2)	Total Market Value	**533.43**	678.04
	- Equity Shares	**533.43**	678.04
	- Others		–
UNQUOTED:			
(1)	Total Book Value	**5,308.14**	5,761.08
	- Equity Shares	**2,828.76**	3,365.44
	- Preference Shares	**430.74**	440.82
	- Others	**2,048.64**	1,954.82

Note:

1. The above balances include:
   - Equity Shares of ₹23.47 crore (Previous Year ₹14.19 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines as indicated below: -

As on March 31, 2018

Name	**No. of shares Lent**	**Cost (₹ crore)**
Interglobe Aviation Limited	**14,500**	1.73
Indusind Bank Limited.	**20,000**	3.27
HDFC Bank Limited	**20,000**	3.68
Vedanta Limited	**36,426**	1.21
Tata Steel Limited	**44,000**	2.84
Infosys Limited	**1,00,000**	10.74
		23.47

As on March 31, 2017

Name	**No. of shares Lent**	**Cost (₹ crore)**
Bharti Airtel Ltd	**2,50,000**	9.70
Indian Oil Corporation Limited	**1,43,000**	4.49
		14.19

2. Includes corporate bonds having value of Nil (March 31, 2017: Nil) sold under Repo Transactions.

Note 11 (contd..)

NON-CURRENT INVESTMENTS - DETAILS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares / units	**Amount**	No. of shares/ units	Amount
QUOTED					
Equity Shares (Associates)					
1.	Tourism Finance Corpn. Of India Ltd	**–**	**–**	2,34,32,875	58.89
Total			**–**		58.89
Equity Shares (Assistance under financing)					
1.	Alok Industries Ltd	**1,87,60,723**	**42.88**	1,87,60,723	42.88
2.	Electrosteel Steels Ltd	**9,00,00,000**	**89.55**	9,19,79,734	91.52
3.	GTL Infrastructure Ltd.	**50,49,90,245**	**456.79**	–	–
4.	Indo Rama Synthetics (India) Ltd	**–**	**–**	14,25,928	6.38
5.	Uttam Value Steels Limited	**56,08,101**	**3.06**	56,08,101	3.06
6.	Videocon Industries Ltd.	**31,75,713**	**71.45**	31,86,068	71.69
Total			**663.73**		215.52
Equity Shares (Others)					
1.	Adani Power Ltd.	**2,00,000**	**2.21**	4,43,985	4.90
2.	Ashok Leyland Ltd	**–**	**–**	5,75,000	5.00
3.	Asian Paints Ltd	**44,600**	**4.99**	–	–
4.	Axis Bank Ltd	**59,000**	**3.01**	1,06,075	5.00
5.	Bank of Baroda	**3,13,858**	**5.01**	3,13,858	5.01
6.	Bharat Electronics Ltd.	**6,10,500**	**10.00**	–	–
7.	Bharat Forge Ltd	**15,239**	**1.05**	–	–
8.	Bharat Heavy Electricals Ltd	**6,60,000**	**13.69**	4,40,000	13.69
9.	Bharti Airtel Ltd	**2,10,700**	**9.86**	2,54,587	9.88
10.	Britannia Industries Ltd.	**–**	**–**	16,135	4.99
11.	Vedanta Limited	**5,00,000**	**16.61**	5,00,000	16.61
12.	Capital First Limited	**72,899**	**5.00**	–	–
13.	Cipla Ltd.	**1,59,535**	**9.99**	1,59,535	9.99
14.	Coffee Day Enterprises Ltd.	**–**	**–**	1,00,810	3.31
15.	Colgate Pamolive (India) Ltd.	**–**	**–**	55,585	4.99
16.	Dabur India Ltd (Vidogum Chemicals)	**–**	**–**	71,103	1.85
17.	Dr Reddy's Laboratories Ltd.	**27,280**	**10.00**	27,280	10.00
18.	Dr Lal Pathlabs Ltd.	**62,461**	**5.01**	–	–
19.	Equitas Holding Ltd.	**3,64,000**	**5.00**	1,44,000	1.58
20.	Exide Industries	**2,51,000**	**5.00**	–	–
21.	General Insurance Corpoaration of India Ltd.	**59,797**	**4.99**	–	–
22.	GMR Infrastructure Ltd.	**–**	**–**	3,00,000	1.95
23.	HCL Technologies Ltd.	**1,06,757**	**9.59**	1,11,145	9.99
24.	HDFC Bank Ltd	**44,300**	**8.15**	–	–
25.	Hero Honda Motors Ltd.	**13,750**	**4.99**	–	–
26.	Hindustan Unilever Ltd.	**–**	**–**	66,189	5.44
27.	ICICI Bank Ltd.	**1,73,100**	**4.89**	3,21,000	9.98
28.	ICICI Prudential Life Insurance	**1,20,000**	**4.68**	1,49,700	5.00
29.	IDFC Bank Limited	**8,30,000**	**4.99**	–	–
30.	Idea Cellular Ltd.	**–**	**–**	5,90,500	10.00
31.	Indian Oil Corporation Ltd.	**2,65,200**	**5.01**	1,59,099	5.00
32.	Indraprastha Gas Ltd.	**1,71,356**	**4.99**	–	–
33.	Indusind Bank	**23,092**	**3.78**	46,250	5.01
34.	Infosys Ltd.	**1,00,602**	**10.80**	89,090	10.03
35.	Interglobe Aviation Ltd.	**41,972**	**5.00**	–	–
36.	ITC Ltd.	**4,06,050**	**10.13**	4,52,300	10.26
37.	Kajaria Ceramics Ltd.	**1,53,687**	**9.99**	–	–
38.	L&T Finance Holdings Ltd.	**5,44,481**	**9.20**	–	–
39.	Larsen & Toubro Ltd.	**44,943**	**5.00**	1,03,590	16.14
40.	Lupin Ltd.	**48,300**	**4.99**	–	–
41.	Mahindra & Mahindra Ltd.	**74,727**	**9.94**	74,727	9.94
42.	Marico Ltd.	**–**	**–**	1,92,000	4.99

Note 11 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares / units	**Amount**	No. of shares/ units	Amount
43.	Maruti Suzuki India Ltd.	**5,538**	**5.29**	–	–
44.	MOIL Ltd.	**2,48,471**	**4.57**	3,76,253	13.83
45.	Multi Commodity Exchange of India Ltd.	**1,75,662**	**16.86**	3,51,992	33.79
46.	Nestle India Ltd.	**–**	**–**	6,185	3.58
47.	NMDC Ltd.	**4,78,150**	**7.69**	4,78,150	7.69
48.	NTPC Ltd.	**–**	**–**	3,42,753	5.00
49.	Oil And Natural Gas Corporation Ltd.	**77,605**	**1.55**	77,605	1.55
50.	Petronet LNG Ltd.	**2,00,000**	**5.01**	–	–
51.	Power Grid Corporation of India Ltd.	**2,70,200**	**5.39**	–	–
52.	Punjab & Sind Bank	**2,76,438**	**3.32**	2,76,438	3.32
53.	Reliance Communications Ltd.	**5,55,000**	**18.01**	5,55,000	18.01
54.	Reliance Industries Ltd.	**1,03,351**	**9.27**	2,28,386	22.86
55.	S Chand and Company Ltd.	**31,500**	**2.11**	–	–
56.	SBI Life Insurance Company Ltd.	**71,428**	**5.00**	–	–
57.	State Bank of India	**3,36,000**	**9.99**	6,17,000	15.42
58.	Steel Authority of India Ltd.	**16,90,293**	**17.91**	16,90,293	17.91
59.	Tata Consultancy Services Ltd.	**–**	**–**	22,700	4.99
60.	Tata Global Beverages Ltd.	**1,50,042**	**3.88**	–	–
61.	Tata Motors Ltd.	**2,07,000**	**8.69**	1,16,000	5.37
62.	Tata Power Co. Ltd.	**1,50,000**	**1.62**	1,50,000	1.62
63.	Tata Steel Ltd.	**74,500**	**4.81**	1,52,600	7.96
64.	Tech Mahindra	**1,77,601**	**9.98**	1,77,601	9.98
65.	The South Indian Bank Ltd.	**35,31,000**	**9.97**	2,34,58,438	47.15
66.	Tourism Finance Corpn. of India Ltd.	**16,87,909**	**4.24**	–	–
67.	Ultratech Cement Ltd.	**12,000**	**4.79**	–	–
68.	UPL Ltd.	**1,40,000**	**10.00**	–	–
69.	Vijaya Bank	**7,81,041**	**4.92**	–	–
70.	Wipro Ltd.	**1,43,905**	**3.87**	92,855	5.00
71.	Yes Bank	**1,61,990**	**4.97**	–	–
Total			**411.25**		425.55
Mutual Funds					
1.	SBI Mutual Fund	**9,00,000**	**9.61**	–	–
Total			**9.61**		–
UNQUOTED					
Equity Shares (Subsidiaries)					
1.	IFCI Factors Ltd.	**7,91,54,700**	**90.19**	7,91,54,700	90.19
2.	IFCI Financial Services Ltd.	**3,93,63,809**	**83.15**	3,93,63,809	83.15
3.	IFCI Infrastructure Development Ltd.	**47,70,99,243**	**477.10**	47,70,99,243	477.10
4.	IFCI Venture Capital Fund	**5,95,21,008**	**107.55**	5,95,21,008	107.55
5.	MPCON Ltd.	**7,972**	**0.80**	7,972	0.80
6.	Stock Holding Corporation Ltd.	**1,11,30,000**	**637.62**	1,11,30,000	637.62
Total			**1,396.41**		1,396.41
Equity Shares (Associates)					
1.	Himachal Consultancy Orgn. Ltd.	**–**	**–**	735	0.07
2.	KITCO Ltd.	**19,950**	**0.04**	19,950	0.04
3.	North India Tech.Consultancy Orgn.	**–**	**–**	9,750	0.13
Total			**0.04**		0.24
Equity Shares (Joint Venture)					
1.	IFCI Sycamore Capital Advisors Pvt Ltd. (ISCA)	**10,000**	**0.01**	10,000	0.01
Total			**0.01**		0.01
Equity Shares (Assistance under financing)					
1.	ABG Energy (Gujarat) Ltd.	**3,60,00,000**	**35.44**	3,60,00,000	35.44
2.	AEC Enterpirses Ltd.	**5,00,000**	**0.01**	5,00,000	0.01
3.	AEC India Ltd.	**2,50,000**	**–**	2,50,000	–

Note 11 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares / units	**Amount**	No. of shares/ units	Amount
4.	Andhra Pradesh Industrial Tech Consultancy Ltd.	**1,08,000**	**0.02**	1,08,000	0.02
5.	Anrak Aluminium Ltd.	**–**	**–**	39,56,892	3.96
6.	Ashok Paper Mills Ltd.	**3,00,000**	**0.00**	3,00,000	0.00
7.	Assam Ispat Ltd.	**95,900**	**0.00**	95,900	0.00
8.	Athena Chhattisgarh Power Private Ltd.	**13,85,40,000**	**137.29**	13,85,40,000	137.29
9.	Athena Infraprojects Pvt. Ltd.	**2,71,12,991**	**27.11**	2,71,12,991	27.11
10.	Bharat Margarine Ltd.	**4,40,000**	**0.44**	4,40,000	0.44
11.	Bihar Indl.& Tech. Consultancy Ltd.	**233**	**0.02**	233	0.02
12.	Biotech Consortium India Ltd.	**10,00,000**	**1.00**	10,00,000	1.00
13.	BPL Display Devices Ltd.	**14,15,390**	**1.42**	14,15,390	1.42
14.	Chemco Steels Ltd.	**5,00,000**	**0.01**	5,00,000	0.01
15.	Chennai Network Infrastructure Ltd.	**–**	**–**	48,19,90,245	433.79
16.	Circar Paper Mills Ltd.	**2,36,227**	**0.24**	2,36,227	0.24
17.	Clarisis Organics Ltd.	**1,40,000**	**0.14**	1,40,000	0.14
18.	Clearing Corporation Of India Ltd.	**20,00,000**	**2.00**	20,00,000	2.00
19.	Concast Products Ltd.	**45,500**	**0.00**	45,500	0.00
20.	Cyclo Transmission Ltd.	**5,00,000**	**0.00**	5,00,000	0.00
21.	Echon Industries Ltd.	**14,00,000**	**0.01**	14,00,000	0.01
22.	Essar Steel Ltd.	**–**	**–**	7,20,000	2.88
23.	Forward Televisions Ltd.	**20,000**	**0.00**	20,000	0.00
24.	Futuristic Offshore Services & Chemicals Ltd.	**1,80,000**	**0.18**	1,80,000	0.18
25.	G K Steel & Allied Inds. Ltd.	**1,72,200**	**0.00**	1,72,200	0.00
26.	G.R.Solvents & Allied Industries Ltd.	**1,25,000**	**–**	1,25,000	–
27.	Gas & Power Investment Company Ltd.	**5,49,725**	**0.55**	5,49,725	0.55
28.	Gati Infrastructure Bhasmey Power Pvt. Ltd.	**4,50,20,000**	**45.02**	4,50,20,000	45.02
29.	Gayatri Hi-Tech Hotels Ltd.	**–**	**–**	5,61,00,000	56.10
30.	Girnar Fibres Ltd.	**3,92,976**	**0.57**	3,92,976	0.57
31.	Globsyn Technologies Ltd.	**–**	**–**	12,00,000	1.01
32.	Graham Firth Steel Products (I) Ltd.	**207**	**0.00**	207	0.00
33.	Gujarat Composite Ltd.	**11,683**	**0.00**	11,683	0.00
34.	Gujarat Inds.& Tech.Consultancy Orgn. Ltd.	**2,500**	**0.03**	2,500	0.03
35.	Gujarat State Energy Generation Ltd.	**1,75,90,000**	**28.14**	1,75,90,000	28.14
36.	Haldia Petrochemicals Ltd.	**–**	**–**	1,03,20,951	10.32
37.	Herman Milkfoods Ltd.	**15,00,000**	**1.50**	15,00,000	1.50
38.	Hermonite Associates Ltd.	**1,30,000**	**0.00**	1,30,000	0.00
39.	Hindustan Agro Chemicals Ltd.	**19,300**	**0.00**	19,300	0.00
40.	Hotel Parag Pvt. Ltd.	**9,20,523**	**0.47**	9,20,523	0.47
41.	HPCL Mittal Energy Ltd.	**7,71,89,796**	**80.48**	7,71,89,796	80.48
42.	Indian Carbide & Chemicals Ltd.	**2,33,000**	**0.00**	2,33,000	0.00
43.	Indian Oxalate Pvt. Ltd.	**1,70,000**	**0.00**	1,70,000	0.00
44.	Industrial & Tech. Consultancy Organ. of Tamilnadu	**2,500**	**0.03**	2,500	0.03
45.	Ipisteel Ltd.	**6,805**	**0.00**	6,805	0.00
46.	Ispat Profiles India Ltd	**1,31,61,250**	**13.16**	1,31,61,250	13.16
47.	J & K Industrial & Technical Consl. Orgn. Ltd.	**227**	**0.02**	227	0.02
48.	Jamkhandi Sugars Ltd.	**10,00,000**	**0.00**	10,00,000	0.00
49.	Jay Engg. Works Ltd.	**6,000**	**0.01**	6,000	0.01
50.	Kabsons Industries Ltd.	**1,000**	**–**	1,000	–
51.	Kalyanpur Cements Ltd.	**–**	**–**	17,22,838	0.00
52.	Keltron Component Complex Ltd.	**60,000**	**0.06**	60,000	0.06
53.	Kilburn Office Automation Ltd.	**400**	**0.00**	400	0.00
54.	Koutons Retail India Ltd.	**31,30,000**	**9.39**	31,30,000	9.39
55.	KPR Teleproducts Ltd.	**2,46,500**	**–**	2,46,500	–
56.	Madhya Bharat Paper Mills Ltd.	**2,77,436**	**0.27**	2,77,436	0.27
57.	Manipur Vanaspati & Allied Industries Ltd.	**3,75,000**	**0.00**	3,75,000	0.00
58.	Master Plastic Bottles Ltd.	**5,000**	**0.00**	5,000	0.00
59.	Meghalaya Phyto-Chemicals Ltd.	**39,483**	**0.00**	39,483	0.00
60.	Meta Copper And Alloys Ltd.	**2,81,71,578**	**54.25**	2,81,71,578	54.25
61.	Minerva Holding Ltd.	**120**	**–**	120	–
62.	Modern Syntex (I) Ltd.	**84,22,798**	**12.97**	84,22,798	12.97

Note 11 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares / units	**Amount**	No. of shares/ units	Amount
63.	Munak Chemicals Ltd.	**2,13,380**	**0.03**	2,13,380	0.03
64.	Nagai Power Private Ltd.	**56,40,000**	**5.17**	56,40,000	5.17
65.	Nagaland Roller Flour Mills (P) Ltd.	**1,00,000**	**–**	1,00,000	–
66.	National Stock Exchange Ltd.	**1,20,66,871**	**112.02**	1,20,11,558	140.18
67.	NCL Sec Color Ltd.	**–**	**–**	1,49,950	0.00
68.	Neelachal Ispat Nigam Ltd.	**22,92,501**	**3.04**	22,92,501	3.04
69.	Nira Pulp & Paper Ltd.	**3,97,950**	**0.00**	3,97,950	–
70.	North Eastern Dev. Fin. Corpn. Ltd.	**1,00,00,001**	**10.00**	1,00,00,001	10.00
71.	North Eastern Ind. Consultants Ltd.	**191**	**0.02**	191	0.02
72.	North Eastern Indl.& Tech.Consultancy Ltd.	**303**	**0.03**	303	0.03
73.	NSL Tidong Power Generation Private Ltd.	**1,11,95,000**	**10.94**	1,11,95,000	10.94
74.	Nuchem Weir Ltd.	**8,00,000**	**0.01**	8,00,000	0.01
75.	Nutech Packaging Ltd.	**5,25,000**	**0.01**	5,25,000	0.01
76.	OCM India Ltd.	**5,89,743**	**0.79**	5,89,743	0.79
77.	Orissa Indl. & Tech. Consultancy Ltd.	**277**	**0.03**	277	0.03
78.	Oswal Foods Ltd.	**2,04,000**	**0.00**	2,04,000	0.00
79.	Oswal Spg. & Wvg. Mills Ltd.	**32,94,612**	**0.07**	32,94,612	0.07
80.	OTC Exchange of India Ltd.	**8,00,000**	**0.80**	8,00,000	0.80
81.	Parasrampuria Synthetics Ltd.	**2,38,127**	**0.00**	2,38,127	0.00
82.	Patil Atlantic Force Sunum Ltd.	**88,360**	**0.09**	88,360	0.09
83.	Pioneer Alloy Castings Ltd.	**50,000**	**0.05**	50,000	0.05
84.	Polygenta Technologies Ltd.	**28,45,594**	**2.99**	28,45,594	2.99
85.	Pooja Granites And Marbles Pvt Ltd.	**2,76,000**	**0.00**	2,76,000	0.00
86.	Prestige HM Poly Containers Ltd.	**5,700**	**0.00**	5,700	0.00
87.	Raichur Power Corporation Ltd.	**43,27,20,000**	**432.72**	43,27,20,000	432.72
88.	Rajahmundry Godavari Bridge Ltd.	**3,50,00,000**	**34.73**	3,50,00,000	34.73
89.	Rama Industries Ltd.	**10,00,000**	**1.00**	10,00,000	1.00
90.	Ratnagiri Gas And Power Private Ltd.	**6,76,11,743**	**67.61**	6,76,11,743	67.61
91.	Regency Hospitals Ltd.	**11,123**	**0.00**	11,123	0.00
92.	RMI Foods Ltd.	**1,50,927**	**0.02**	2,60,000	0.04
93.	S&P Engineering Products Ltd.	**24,094**	**0.00**	24,094	0.00
94.	S.N. Corporation Ltd.	**2,24,400**	**0.00**	2,24,400	0.00
95.	Sai Rayalaseema Paper Mills Ltd.	**4,44,270**	**0.00**	4,44,270	–
96.	Samcor Glass Ltd.	**20,00,000**	**7.60**	20,00,000	7.60
97.	Sangam Aluminium Ltd.	**4,06,000**	**0.12**	4,06,000	0.12
98.	Sanghi Polyesters Ltd.	**13,19,509**	**0.36**	13,19,509	0.36
99.	Sathyakamal Agros Ltd.	**6,20,000**	**0.62**	6,20,000	0.62
100.	SBI DFHI Ltd.	**36,583**	**0.86**	46,743	1.10
101.	Sea Gold Aqua Farms Ltd.	**2,50,000**	**–**	2,50,000	–
102.	Shiga Energy Private Ltd.	**5,10,00,000**	**50.44**	5,10,00,000	50.44
103.	Shree Acids And Chemicals Ltd.	**2,89,132**	**0.03**	2,89,132	0.03
104.	Shree Shakti Resorts & Hotels Ltd.	**1,06,318**	**0.08**	1,06,318	0.08
105.	Shri Bhagwati Bright Bars Ltd.	**1,50,000**	**–**	1,50,000	–
106.	Shri Ishar Alloy Steels Ltd.	**58,636**	**0.01**	58,636	0.01
107.	SM Telesys Ltd.	**3,00,000**	**–**	3,00,000	–
108.	Southern Wind Farms Pvt. Ltd.	**1,00,000**	**0.10**	1,00,000	0.10
109.	Sravanthi Energy Private Ltd.	**9,44,60,000**	**93.33**	9,44,60,000	93.33
110.	STCI Finance Ltd.	**3,37,400**	**4.58**	3,37,400	4.58
111.	Sun Granites Ltd.	**17,48,600**	**1.75**	17,48,600	1.75
112.	Super Syncotex India Ltd.	**2,05,836**	**0.29**	2,05,836	0.29
113.	Synthetics & Chemicals Ltd.	**4,40,500**	**0.11**	4,40,500	0.11
114.	Tamil Nadu Industrial Explosives Ltd.	**6,66,625**	**0.00**	6,66,625	0.00
115.	Tata Construction Ltd.	**54,950**	**0.05**	54,950	0.05
116.	Thar Cements Pvt. Ltd.	**4,00,000**	**0.00**	4,00,000	0.00
117.	U.P. Ind. Consultancy Ltd.	**3,580**	**0.02**	3,580	0.02
118.	Unialkem Fertilisers Ltd.	**1,35,000**	**0.00**	1,35,000	0.00
119.	United Soya Products Ltd.	**38,264**	**0.00**	38,264	0.00
120.	Vadraj Cement Ltd. (Erstwhile ABG Cement Ltd.)	**6,39,16,797**	**63.92**	6,39,16,797	63.92
121.	Vasudeva Cements Ltd.	**1,00,000**	**0.00**	1,00,000	0.00

Note 11 (contd..)

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares / units	**Amount**	No. of shares/ units	Amount
122. Vensa Biotech Ltd.	**1,37,500**	**0.14**	1,37,500	0.14
123. Venus Sugar Mills Ltd.	**9,80,303**	**0.98**	9,80,303	0.98
124. Vhel Ltd.	**2,97,820**	**0.00**	2,97,820	0.00
125. Virgo Cements Ltd.	**–**	**–**	3,40,000	0.00
126. Visakha Aqua Farms Ltd.	**2,50,000**	**–**	2,50,000	–
127. Webfil Ltd.	**2,95,080**	**0.00**	2,95,080	0.00
128. West Bengal Consultancy Orgn. Ltd.	**12,700**	**0.01**	12,700	0.01
129. Willard India Ltd.	**2,41,652**	**0.60**	2,41,652	0.60
Total		**1,360.42**		1,896.90
Equity Shares (Others)				
1. Metropolitan Stock Exchange of India Ltd.	**7,18,75,000**	**71.88**	7,18,75,000	71.88
Total		**71.88**		71.88
Preference Shares (Subsidiaries)				
1. IFCI Factors Ltd.	**17,50,00,000**	**175.00**	17,50,00,000	175.00
Total		**175.00**		175.00
Preference Shares (Others)				
1. ABG Shipyard Ltd.	**1,71,26,479**	**17.13**	1,71,26,479	17.13
2. Ajanta Textiles Ltd.	**38,219**	**0.00**	38,219	0.00
3. Andhra Cotton Mills Ltd.	**1,249**	**0.00**	1,249	0.00
4. Ashok Paper Mills Ltd.	**30,000**	**0.00**	30,000	0.00
5. Bellary Steel & Alloys Ltd.	**5,67,260**	**5.67**	5,67,260	5.67
6. BST Mfg Ltd.	**9,920**	**0.00**	9,920	0.00
7. Cachar Sugar Mills Ltd.	**14,953**	**0.00**	14,953	0.00
8. Digvijay Synthetics Ltd.	**1,70,000**	**0.00**	1,70,000	0.00
9. Essar Steel Ltd.	**2,21,16,599**	**22.12**	2,21,16,599	22.12
10. Ferro Alloys Corporation Ltd.	**2,26,058**	**0.00**	2,26,058	0.00
11. Forward Televisions Ltd.	**8,000**	**0.00**	8,000	0.00
12. I C Textiles Ltd.	**9,52,394**	**9.52**	9,52,394	9.52
13. JSW Steel Ltd.	**2,47,51,470**	**30.37**	3,53,82,650	40.46
14. Kalyanpur Cements Ltd.	**5,84,040**	**5.80**	5,84,040	5.80
15. LML Ltd.	**21,50,912**	**21.51**	21,50,912	21.51
16. Mafatlal Engineering Industries Ltd.	**4,961**	**0.00**	4,961	0.00
17. Malhotra Steels Ltd.	**25,000**	**0.00**	25,000	0.00
18. Malwa Cotton Spg Mills Ltd.	**17,24,610**	**17.25**	17,24,610	17.25
19. Morepen Laboratories Ltd.	**87,373**	**0.87**	87,373	0.87
20. Nagai Power Private Ltd.	**2,18,90,000**	**21.37**	2,18,90,000	21.37
21. Neesa Leisure Ltd.	**2,60,000**	**26.00**	2,60,000	26.00
22. Nimar Textiles Ltd.	**1,980**	**0.00**	1,980	0.00
23. Oswal Spg. & Wvg. Mills Ltd.	**9,97,30,160**	**9.97**	9,97,30,160	9.97
24. Parasrampuria Synthetics Ltd.	**13,89,450**	**0.00**	13,89,450	0.00
25. Poddar Udyog Ltd.	**18,000**	**0.09**	18,000	0.09
26. Prag Bosmi Synthetics Ltd.	**26,14,577**	**26.15**	26,14,577	26.15
27. Premier Cable Co. Ltd.	**1,945**	**0.00**	1,945	0.00
28. Punj Steel Machine Tools Pvt Ltd.	**1,50,000**	**0.00**	1,50,000	0.00
29. Sai Rayalaseema Paper Mills Ltd.	**24,717**	**0.00**	24,717	0.00
30. Seven Seas Transportation Ltd.	**8,426**	**0.00**	8,426	0.00
31. Shiga Energy Private Ltd.	**2,50,00,000**	**24.73**	2,50,00,000	24.73
32. Shree Satpuda Tapi Parisar Ssk Ltd.	**9,178**	**4.59**	9,178	4.59
33. Southern Brick Works Ltd.	**2,993**	**0.00**	2,993	0.00
34. Spectrum Power Generation Ltd.	**1,18,20,000**	**11.82**	1,18,20,000	11.82
35. Steel & Allied Products Ltd.	**5,980**	**0.00**	5,980	0.00
36. Triveni Metal Tubes Ltd.	**449**	**0.00**	449	0.00
37. Tungabhadra Fibres Ltd.	**9,901**	**–**	9,901	0.00
38. Vedanta Ltd.	**20,00,000**	**–**	–	–
39. Vegepro Foods & Feeds Ltd.	**10,00,000**	**0.79**	10,00,000	0.79
40. Yuil Measure (I) Ltd.	**39,500**	**0.00**	39,500	0.00
Total		**255.74**		265.82

Note 11 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares / units	**Amount**	No. of shares/ units	Amount
Debentures/ Bonds (Subsidiaries)					
1.	IFCI Factors Ltd.	**500**	**25.00**	500	25.00
2.	IFCI Infrastructure Development Limited (V) [9.7] 09-May-20	**350**	**35.00**	750	75.00
Total			**60.00**		100.00
Bonds					
1.	Gujarat State Petroleum Corporation (Series -2 Debentures) [9.8] 22-Mar-73	**1,000**	**100.04**	1,000	100.04
2.	Gujarat State Petroleum Corporation [10.45] 28-Sep-72	**700**	**73.69**	700	73.69
3.	NTPC 25-Mar-25	**2,25,000**	**–**	2,25,000	–
4.	Reliance Capital Ltd (F Series B-264) [10] 03-Nov-17	**–**	**–**	100	10.05
5.	Reliance Capital Ltd (F Series B-272) [10] 20-Dec-17	**–**	**–**	400	40.20
Total			**173.73**		223.98
Security Receipts					
1.	ACRE- JEG Hospitality & Holdings Ltd.	**3,740**	**37.40**	3,740	37.40
2.	ACRE- Kiri Industries Ltd.	**2,274**	**22.74**	2,309	23.09
3.	ALCHEMIST- Sima Hotels & Resorts Ltd.	**1,44,925**	**14.49**	1,44,925	14.49
4.	ARCIL- Akar Laminates Ltd.	**1,958**	**11.16**	1,958	11.16
5.	ARCIL- Birla VXL Scheme- C - BVXL	**1,212**	**2.27**	1,212	2.27
6.	ARCIL- GSL India Ltd.	**192**	**1.19**	192	1.19
7.	ARCIL- Kalyanpur Cements Ltd.	**1,814**	**5.79**	1,814	5.79
8.	ARCIL- Titagarh Industries Ltd.	**3,43,292**	**4.18**	3,43,292	4.18
9.	ARCIL- Uniworth Textiles Ltd.	**64,030**	**6.34**	64,030	6.34
10.	ARCIL- Vishnu Vijay Packaging Ltd.	**89,019**	**6.38**	89,019	6.38
11.	ARCIL-Consolidated Fibres & Chemicals Ltd.	**85,500**	**5.04**	85,500	5.04
12.	CFM-ARC 001 TRUST - ATCOM TECHNOLOGY LTD.	**17,000**	**1.70**	17,000	1.70
13.	CFM-ARC 002 TRUST-MVL LTD.	**1,99,665**	**19.97**	1,99,665	19.97
14.	EARC - BINANI CEMENTS - SC 196	**42,16,850**	**420.99**	42,16,850	420.99
15.	EARC - IND SWIFT LAB LTD - SC 191	**1,30,305**	**12.94**	1,30,305	12.94
16.	EARC - IND SWIFT LTD - SC 191	**98,175**	**9.75**	98,175	9.75
17.	EARC TRUST -SC 285 ADHUNIK POWER	**18,22,910**	**179.93**	–	–
18.	EARC TRUST SC 241 - TILAK NAGAR	**20,93,890**	**198.04**	20,93,890	209.39
19.	EARC TRUST SC 242 - LUXORA INFRASTRUCTURE	**10,73,125**	**107.31**	10,73,125	107.31
20.	EARC- DB Hospitality Pvt Ltd.	**9,05,000**	**69.61**	9,05,000	74.35
21.	RAYTHEON ARC 001 TRUST - WISDOM GLOBAL	**1,70,000**	**17.00**	1,70,000	17.00
Total			**1,154.21**		990.72
Government Securities					
1.	9.75% GOI (IFCI Ltd.) Special Security 2021	**4,00,00,00,000**	**400.00**	4,00,00,00,000	400.00
Total			**400.00**		400.00
Units					
1.	CANBANK Venture Capital Fund Ltd (CVCFL)	**28,47,418**	**28.47**	36,25,081	34.07
2.	GIVF-IFCI Venture Capital Funds Ltd.	**2,52,87,070**	**25.29**	2,78,43,289	27.84
3.	GVFL LIMITED -Golden Gujarat Growth Fund-I	**1,788**	**18.06**	1,863	18.63
4.	IACM-1-D-IFCI Venture Capital Funds Ltd.	**5,42,86,960**	**54.29**	6,37,29,653	63.73
5.	IEDF-IFCI Venture Capital Funds Ltd.	**4,08,43,010**	**40.84**	4,08,43,010	40.84
6.	Indianivesh Growth & Special Situations Fund	**275**	**2.75**	–	–
7.	IVYCap Venture Trust Fund - II	**1,00,000**	**1.00**	–	–
8.	VCF FOR SCS-IFCI Venture Capital Funds Ltd.	**5,00,00,000**	**50.00**	50,00,000	5.00
Total			**220.70**		190.12
Units of Mutual Funds					
1.	Birla Sun Life Mutual Fund	**–**	**–**	8,83,236	10.00
2.	DSP Blackrock Mutual Fund	**–**	**–**	52,12,677	10.00
3.	IDFC Mutual Fund	**40,11,573**	**10.00**	–	–
4.	Kotak Mutual Fund	**39,80,563**	**10.00**	49,27,808	10.00
5.	L&T Liquid Mutual Find	**18,51,530**	**10.00**	–	–
6.	Reliance Mutual Fund	**19,25,778**	**10.00**	22,71,272	10.00
7.	SBI Mutual Fund	**–**	**–**	48,64,050	10.00
Total			**40.00**		50.00
Grand Total			**6,392.73**		6,461.03

12. DEFERRED TAX ASSET (NET)

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(A)	Provision against Loans/ Advances & other Assets	**1,691.96**	1,046.49
(B)	DTL on Timing difference in Depreciable Assets	**(58.88)**	(56.80)
(C)	DTL on Special Reserve u/s 36(i)(viii)	**(46.72)**	(46.72)
(D)	Other Timing Differences	**130.75**	42.99
	TOTAL	**1,717.11**	985.96

13. LOANS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Loans to Assisted Concerns	**16,242.71**	**3,096.95**	18,253.85	3,490.86
(B)	Debentures	**1,725.78**	**104.96**	1,833.22	102.32
(C)	Loan to Subsidiaries/Associates	**–**	**–**	–	22.00
(D)	Lease Rental Receivable	**0.04**	**–**	0.05	–
		17,968.53	**3,201.91**	20,087.12	3,615.18
	(i) Considered good	**14,143.30**	**3,201.91**	18,149.81	3,615.18
	(ii) Considered doubtful	**3,825.23**	**–**	1,937.31	–
		17,968.53	**3,201.91**	20,087.12	3,615.18
	Less: Allowance for bad and doubtful assets				
	- Loans	**3,024.72**	**–**	1,715.33	–
	- Lease Rental Receivable	**0.04**	**–**	0.05	–
	- Debentures	**800.47**	**–**	221.93	–
		3,825.23	**–**	1,937.31	–
	TOTAL	**14,143.30**	**3,201.91**	18,149.81	3,615.18
	Classification of Loans				
	(i) Secured	**15,640.26**	**3,052.80**	19,642.61	3,485.53
	(ii) Unsecured	**2,328.27**	**149.11**	444.51	129.65
		17,968.53	**3,201.91**	20,087.12	3,615.18

14. LOANS & ADVANCES - OTHERS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Capital Advances	**2.18**	**–**	0.91	–
(B)	Security Deposits	**0.97**	**–**	1.12	–
(C)	Advance Tax paid (net of provision)	**54.18**	**–**	28.40	–
(D)	MAT Credit Entitlement	**79.68**	**–**	51.99	–
(E)	Other Deposits/ Loan				
	- Considered good	**–**	**1.07**	–	50.00
	- Considered doubtful	**–**	**12.12**	–	12.12
	Less: Allowance for bad and doubtful debts	**–**	**(12.12)**	–	(12.12)
(F)	**Other Loans and advances**				
	(a) Loans to employees (Secured - considered good)	**9.40**	**1.82**	9.68	1.89
	(b) Others (Unsecured)				
	- Considered good	**–**	**134.34**	–	24.54
	- Considered doubtful	**–**	**6.09**	–	7.70
	Less: Allowance for bad and doubtful debts	**–**	**(6.09)**	–	(7.70)
	TOTAL	**146.41**	**137.23**	92.10	76.43

15. OTHER ASSETS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Accrued Income				
	(i) Interest and commitment charges on Loans	**–**	**61.69**	–	72.18
	(ii) Interest on Debentures	**–**	**13.12**	–	25.69
	(iii) Interest on Investments	**–**	**22.51**	–	16.63
	(iv) Other Income	**5.10**	**30.39**	5.14	28.62
(B)	Sundry Deposits	**–**	**7.20**	–	4.08
(C)	Forward Deal Outstanding	**–**	**20.93**	–	–
(D)	Pre-paid Expenses	**–**	**1.25**	–	1.37
	TOTAL	**5.10**	**157.09**	5.14	148.57

16. CURRENT INVESTMENTS

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
A.	**QUOTED**		
	Fully paid-up, non-trade Investment		
	1. Equity Shares	**47.45**	61.80
	2. Government Securities #	**194.87**	5.35
	3. Bonds	**74.97**	–
		317.29	67.15
B.	**UNQUOTED**		
	Fully paid-up, non-trade Investment		
	1. Equity Shares	**74.36**	107.20
	2. Bonds	**24.90**	69.43
	3. Commercial Paper	**49.05**	197.08
	4. Certificate of Deposit	**732.78**	392.21
	5. Units of Mutual Funds	**50.00**	76.00
		931.09	841.92
C.	**APPLICATION MONEY**		
	1. Equity shares		
	(i) Subsidiaries - IFCI Financial Services Ltd.	**0.02**	0.02
	(ii) Others	**–**	–
	2. Preference shares	**0.08**	0.08
		0.10	0.10
TOTAL		**1,248.48**	909.17
Less: Provision for Diminution in value		**91.30**	73.03
TOTAL		**1,157.18**	836.14
QUOTED:			
(1)	Total Book Value	**317.29**	67.15
	- Equity Shares	**47.45**	61.80
	- Others	**269.84**	5.35
(2)	Total Market Value	**313.52**	36.56
	- Equity Shares	**23.68**	31.45
	- Others	**289.84**	5.11
UNQUOTED:			
(1)	Total Book Value	**931.19**	842.02
	- Equity Shares	**74.36**	107.20
	- Preference Shares	**–**	–
	- Others	**856.83**	734.82

Placed with CCIL as collateral under Collaterised Borrowings Lending Operations (CBLO).

- Govt.Securities	**200.00**	NIL

Note 16 (contd..)

CURRENT INVESTMENTS - DETAILS

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	No. of shares/ units	**Amount**	No. of shares/ units	Amount
QUOTED				
Equity Shares				
1. Diamond Power Infrastructure Limited	**48,00,365**	**19.82**	48,00,365	19.82
2. Future Supply Chain Solution Ltd	**17,394**	**1.15**	–	0.00
3. Hindustan Construction Co. Ltd.	**75,70,839**	**26.43**	75,70,839	26.43
4. Monnet Ispat and Energy Ltd.	**–**	**0.00**	34,18,128	11.69
5. Punjab Alkalies & Chemicals Ltd.	**–**	**0.00**	8,19,718	1.88
6. Shankara Building Products Ltd.	**–**	**–**	42,319	1.95
7. SPML Infra Ltd. (SPMLIL)	**2,41,401**	**0.05**	–	0.00
8. Steel Authority of India	**–**	**–**	5,000	0.03
Total		**47.45**		61.80
Government Security				
1. Government Security [6.68] 17-09-31	**2,500**	**23.85**	525	5.35
2. Government Security [6.79] 15-05-27	**17,535**	**170.76**	–	–
3. Government Security [6.97] 06-09-26	**25**	**0.25**	–	–
Total		**194.87**		5.35
Bonds				
1. Housing Development Finance Corp. Ltd [0] 30- October -18	**500.00**	**74.97**	–	–
Total		**74.97**		–
UNQUOTED				
Equity Shares				
1. Adhunik Power & Natural Resources Limited	**1,41,20,000**	**14.12**	5,72,50,000	57.25
2. Coastal Energen Private Ltd.	**57,50,000**	**5.75**	–	–
3. Coastal Projects Ltd	**36,89,982**	**3.69**	36,89,982	3.69
4. Lanco Kondapalli Power Ltd	**22,72,091**	**4.54**	–	–
5. Shree Maheswar Hydel Power Company Ltd.	**83,87,028**	**0.00**	83,87,028	0.00
6. Sravanthi Energy Pvt. Ltd.	**4,62,58,712**	**46.26**	4,62,58,712	46.26
Total		**74.36**		107.20
Bonds				
1. Dewan Housing Finance Corporation Limited [9.25] 09-09-23	**–**	**–**	5,00,000	49.49
2. Housing Development Finance Corp. Ltd [7.21] 24-Sep-18	**25**	**24.90**	–	–
3. Indiabulls Housing Finance Ltd (SERIES 3) [8.9] 26-09-21	**–**	**–**	2,00,000	19.94
Total		**24.90**		69.43
Commercial Paper				
1. Tata Capital Financial Services Limited 27-apr-18	**1,000**	**49.05**	–	–
2. Housing Development Finance Corp. Ltd 11-07-17	**–**	**–**	1,000	49.05
3. Housing And Urban Development Corporation Ltd. 26-05-17	**–**	**–**	2,000	99.04
4. Tata Capital FInancial Services Limited 06-07-17	**–**	**–**	1,000	49.00
Total		**49.05**		197.08
Certificate of Deposit				
1. Andhra Bank 25-Jun-18	**10,000**	**98.34**	–	–
2. Axis Bank Ltd 05-Oct-18	**10,000**	**96.27**	–	–
3. Axis Bank Ltd 07-Mar-19	**5,000**	**46.74**	–	–
4. Dena Bank 25-Jun-18	**20,000**	**196.79**	–	–
5. HDFC Bank Ltd 12-Jun-18	**5,000**	**49.27**	–	–
6. ICICI Bank Ltd 19-Jul-18	**5,000**	**48.65**	–	–
7. IDFC Bank Limited 16-Jun-17	**–**	**–**	10,000	98.65
8. Indusind Bank limited 20-Jun-17	**–**	**–**	10,000	98.60
9. Karnataka Bank Ltd 25-Jun-18	**10,000**	**98.33**	–	–
10. The Federal Bank Limited 23-May-17	**–**	**–**	10,000	99.09
11. The South Indian Bank Ltd 20-Jun-18	**5,000**	**49.17**	–	–
12. Vijaya Bank 22-Jun-18	**5,000**	**49.21**	–	–
13. Yes Bank 23-Nov-17	**–**	**–**	10,000	95.87
Total		**732.78**		392.21
Mutual Funds				
1. ICICI Prudential Mutual Fund	**–**	**–**	1,56,70,014	26.00
2. LIC Nomura Mutual Fund	**1,86,33,911**	**50.00**	–	–
3. SBI Mutual Fund	**–**	**–**	2,68,41,891	50.00
Total		**50.00**		76.00
Application Money (Equity Shares)				
Subsidiaries				
1. IFCI Financial Services Ltd	**–**	**0.02**	–	0.02
Total		**0.02**		0.02
Application Money (Preference Shares)				
1. ABG Shipyard Ltd.	**–**	**0.08**	–	0.08
Total		**0.08**		0.08
Grand Total		**1,248.48**		909.17

17. TRADE RECEIVABLES

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(A)	Unsecured		
	- More than 6 months	**6.30**	4.39
	- Others	**13.47**	29.87
		19.77	34.26
	Less: Allowance for bad and doubtful debts	**(4.27)**	(3.98)
	TOTAL	**15.50**	30.28
	Out of the above,		
	(i) Considered good	**15.50**	30.28
	(ii) Considered doubtful	**4.27**	3.98
		19.77	34.26

18. CASH AND BANK BALANCES

		As at March 31, 2018	As at March 31, 2017
(A)	Cash and Cash Equivalent		
(i)	Balances with Banks		
	- Bank balance	**124.35**	184.79
	- Bank Deposits $	**20.00**	45.78
(ii)	Collaterised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	**–**	299.87
(iii)	Cheques on hand & under collection and remittances in transit	**40.30**	11.17
(iv)	Cash in hand (including postage stamps)	**0.01**	0.02
		184.66	541.63
(B)	Other Bank Balances		
(i)	Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
	- Bank balance	**0.05**	0.13
	- Bank Deposits $	**240.30**	231.71
(ii)	Unclaimed dividend Account	**14.53**	16.46
(iii)	Balances with Banks held as margin money against guarantees	**46.83**	7.75
(iv)	Bank Deposits under directions of Court & Tribunal etc.	**361.17**	384.27
		662.88	640.32
	TOTAL (A) + (B)	**847.54**	1,181.95
$ Includes bank deposits with more than 12 months remaining maturity		**Nil**	Nil

19. REVENUE FROM OPERATIONS

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Interest Income		
	(i) Loans	**1,835.80**	2,217.74
	(ii) Debentures	**0.28**	43.99
	(iii) Income from deployment of liquid funds	**86.88**	112.27
	(iv) Interest on Bonds/ Government Securities/ other contractual obligation	**68.07**	107.45
	SUB-TOTAL (A)	**1,991.03**	2,481.45
(B)	Other Financial Services		
	(i) Dividend (Gross)		
	- Investments - non-current	**40.19**	32.10
	- Investments - current	**0.04**	0.10

Note 19 (contd..) (₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(ii)	Profit on sale of Shares/ Debentures (Net)		
	- Assistance under financing - non-current	**204.22**	98.01
	- Investments - non-current	**377.79**	52.23
	- Investments - current	**6.81**	5.74
(iii)	Business Services Fees and Commission (including guarantee commission)	**19.04**	32.00
(iv)	Exchange Fluctuation (Loss)/Gains	**4.27**	6.01
(v)	Provision/Write off/Liability written back	**57.90**	32.09
SUB-TOTAL (B)		**710.26**	258.28
TOTAL (A+B)		**2,701.29**	2,739.73
Foot-notes to Note No. 19			
1	Interest income under (A) above includes from subsidiaries & associates	**7.00**	10.76

20. OTHER INCOME

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Interest on staff advances	**0.68**	0.73
(B)	Profit on sale of fixed assets (Net)	**24.25**	19.98
(C)	Rental Income	**37.68**	39.14
(D)	Dividend from Subsidiaries/ Associates	**18.23**	33.59
(E)	Miscellaneous Income	**1.41**	41.07
TOTAL		**82.25**	134.51

21. FINANCE COST

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Interest on Rupee Bonds and Borrowings	**1,981.69**	2,238.07
(B)	Interest on Foreign Currency Borrowings	**40.34**	20.58
(C)	Interest on Bank Overdraft/others	**7.33**	20.66
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social Resposibility)	**6.12**	5.83
(E)	Commitment Charges, Brokerage, Commission and other costs	**2.80**	4.18
TOTAL		**2,038.28**	2,289.32

22. EMPLOYEE BENEFIT EXPENSES

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Salaries and Allowances	**63.77**	68.44
(B)	Contribution to Retirement Funds	**25.32**	10.72
(C)	Staff Welfare Expenses	**9.51**	15.86
TOTAL		**98.60**	95.02

23. OTHER EXPENSES

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Rent	**1.06**	1.44
(B)	Rates and Taxes	**3.41**	2.63
(C)	Insurance	**0.34**	0.30
(D)	Repairs and Maintenance		
	- Buildings	**9.06**	6.97
	- IT	**1.49**	1.08
	- Others	**0.13**	0.12
(E)	Electricity & Water Charges	**4.78**	5.16
(F)	Security expenses	**1.99**	1.68
(G)	Payment to Auditors *(refer note 29)*	**0.50**	0.57
(H)	Directors' Fee & Expenses	**0.15**	0.72
(I)	Publications, Advertisement	**0.91**	1.86
(J)	Consultation and Law Charges	**2.36**	2.41
(K)	Travelling & Conveyance	**1.67**	1.52
(L)	Training & Development	**0.69**	0.35
(M)	Postage & Telephone	**0.62**	1.81
(N)	Printing & Stationery	**1.39**	1.43
(O)	Listing/ Filing/ Custody Fee	**1.88**	1.82
(P)	Library/ Membership Subscription	**1.13**	1.18
(Q)	Expenses on CSR Activity	**8.23**	8.22
(R)	Other Miscellaneous Expenses	**1.04**	1.85
	TOTAL	**42.83**	43.12

24. PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Loans & Advances		
	- Provision Reversal on recovery from NPAs	**(64.06)**	(106.26)
	- Write-off	**460.77**	394.78
	Less: transfer from provision held for bad & doubtful debts	**(460.77)**	(394.78)
	- Provision for assets	**2,363.23**	1,028.82
(B)	Investments		
	- Provision Reversal	**(245.80)**	(85.64)
	- Write-off	**–**	28.36
	Less: transfer from provision held	**–**	(28.36)
	- Provision made	**273.79**	356.06
(C)	Debtors		
	- Write-off	**1.19**	0.41
	- Provision Reversal	**(1.67)**	(1.78)
	- Provision made	**0.36**	–
	TOTAL	**2,327.04**	1,191.61

25. Contingent Liabilities and Commitments (to the extent not provided for)

25.1 Contingent Liabilities (₹ crore)

As at		Year ended 31.03.2018	Year ended 31.03.2017
(i)	Claims not acknowledged as debts	**4.34**	315.83
(ii)	Bank Guarantees Provided	**2.97**	2.87
(iii)	Guarantee/Letter of comfort Issued on behalf of third parties	**123.54**	68.49
(iv)	Guarantee/Letter of comfort Issued on behalf of subsdiaries companies	**340.55**	485.41
(v)	Tax Matters :		
	Income Tax	**–**	31.97
	Service tax	**8.31**	14.64

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2018.

25.2 Commitments (₹ crore)

As at		Year ended 31.03.2018	Year ended 31.03.2017
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**6.63**	7.01
(ii)	Undrawn Commitments	**2,134.09**	2,254.57

26. Company has made the provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as on March 31, 2018.

27. Expenditure in Foreign Currencies: (₹ crore)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest on borrowings	**3.57**	3.69
Other matters	**0.42**	0.21
Total	**3.99**	3.90

28. Earnings in Foreign Currency: (₹ crore)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Earnings in Foreign Currency	**Nil**	Nil

29. Payment to Auditors (₹ crore)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Audit Fees	**0.44**	0.48
Certification and other services	**0.05**	0.06
Reimbursement of Expenses	**0.01**	0.02
Total	**0.50**	0.56

30. Certain balances appearing under trade receivables and payables are subject to confirmation. Trade receivables which are overdue for more than three years or otherwise considered as doubtful for recovery has been fully provided for.

31. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

32. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 read with RBI guidelines.

33. During the financial year 2017-18, the accounting policy of appropriating the amounts received from borrowers against "loans and advances" in the order of other debits across due dates and then, similarly of interest and principal dues without considering due dates, except in the case of one time or negotiated settlements, where the appropriation was done as per the terms of the settlement has been revised to, appropriating such amounts due date-wise in the order of other debits, interest and principal dues, starting from the earliest due date, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement." The loss for the current year has been increased by ₹32.17 crore because of this change in policy.

34. The company is one of the lenders in various cases which have been referred to National Company Law Tribunal (NCLT). In terms of clarifications received by the Company from RBI, vide letter dated March 6, 2018, the Company has classified these accounts and made provisions in terms of extant norms provided in the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".

35. Gratuity,leave encashment, post retirement medical benefits & Leave Fare Concession benefit scheme liabilities have been determined and accounted on the basis of actuarial valuation in accordance with Accounting Standard 15.

Particulars		FY - 2017-18		FY - 2016-17	
		Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
		(Funded)	**(Un Funded)**	(Funded)	(Un Funded)
I.	**Components of Employer Expense**				
1.	Current Service Cost	**1.64**	**0.92**	1.27	0.90
2.	Interest Cost	**1.50**	**1.19**	1.49	1.15
3.	Expected Return on Plan Asset	**(1.91)**	**–**	–	–
4.	Curtailment Cost/ (Credit)	**–**	**–**	–	–
5.	Settlement Cost/ (Credit)	**–**	**–**	–	–
6.	Past Service Cost	**10.16**	**–**	–	–
7.	Actuarial (gain)/ loss recognized	**1.17**	**0.75**	(0.04)	1.54
8.	Expense Recognized in Statement of Profit/ Loss	**12.56**	**2.85**	1.36	3.59
II.	**Actual Returns for the year**	**1.32**	**–**	1.40	–
III.	**Net (Asset)/ Liability recognized in Balance Sheet**				
1.	Present Value of Defined Benefit Obligation	**28.12**	**14.31**	19.98	15.85
2.	Fair Value on Plan Assets	**15.56**	**–**	19.08	–
3.	Status (Surplus/ Deficit)	**(12.55)**	**14.31**	0.90	15.85
4.	Unrecognised Past Service Cost	**–**	**–**	–	–
5.	Net (Asset)/ Liability recognized in Balance Sheet	**(12.55)**	**14.31**	0.90	15.85
IV.	**Change in Defined Benefit Obligations (DBO)**				
1.	Present Value of Obligation at Beginning of year	**19.98**	**15.85**	19.91	15.35
2.	Current Service Cost	**1.64**	**0.92**	1.27	0.90
3.	Interest Cost	**1.50**	**1.19**	1.49	1.15
4.	Curtailment cost	**–**	**–**	–	–
5.	Settlement Cost	**–**	**–**	–	–
6.	Past Service Cost	**10.16**	**–**	–	–
7.	Plan Amendments	**–**	**–**	–	–
8.	Acquisitions	**–**	**–**	–	–
9.	Actuarial (gain)/ loss on Obligations	**0.59**	**0.75**	(0.04)	1.54
10.	Benefits Paid	**(5.75)**	**(4.40)**	(2.65)	(3.09)
11.	Present Value of Obligation at end of Year	**28.12**	**14.31**	19.98	15.85

Note 35 (contd..)

Particulars		FY - 2017-18		FY - 2016-17	
		Gratuity	**Leave Encashment**	Gratuity	Leave Encashment
		(Funded)	**(Un Funded)**	(Funded)	(Un Funded)
V.	**Change in Fair Value of Assets during the year**				
1.	Fair Value of Plan Asset at Beginning of year	**19.08**	**–**	13.50	–
2.	Acquisition Adjustment	**–**	**–**	–	–
3.	Expected Return on Plan Asset	**1.32**	**–**	1.40	–
4.	Actuarial (gain)/ loss on Plan Asset		**–**		–
5.	Contributions	**0.91**	**–**	6.41	–
6.	Benefits Paid	**5.75**	**–**	2.65	–
7.	Fair Value of Plan Asset at end of year	**15.57**	**–**	19.08	–
VI.	**Actuarial Assumptions**				
1.	Mortality Table	**Indian Assured Lives Mortality (2006-08)**		Indian Assured Lives Mortality (2006-08)	
2.	Early Retirement & Disablement	**Age Related**		Age Related	
3.	Discount Rate	**7.73%**	**7.73%**	7.50%	7.50%
4.	Inflation Rate	**6.00%**	**6.00%**	6.00%	6.00%
5.	Return on Asset	**8.00%**	**–**	10.02%	–
VII.	**Major Category of Plan Assets as a % of the Total Plan Assets**				
1.	Government Securities	**–**		–	
2.	Special Deposit Scheme				
3.	High Quality Corporate Bonds				
4.	Insurance Companies	**100.00%**		100.00%	
5.	Cash & Cash Equivalents	**–**		–	

36. The Company operates in India and hence it is considered to operate only in domestic segment. More than 90% of revenue for the Company comes from a single segment of Financing. Accordingly, segment reporting as required under Accounting Standard-17, is not required.

37. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, - "Related Party Disclosures" is as under:

1. Name of the related party and nature of relationship:-

Nature of Relationship	Name of the Related Party
Subsidiaries	IFCI Financial Services Ltd. (IFIN)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)
	IFCI Factors Ltd. (IFL)
	MPCON Ltd.
	Stock Holding Corporation of India Ltd.
	IFIN Commodities Ltd. (indirect control through IFIN)
	IFIN Credit Ltd. (indirect control through IFIN)
	IFIN Securities Finance Limited (indirect control through IFIN)
	IIDL Realtors Pvt. Ltd. (indirect control through IIDL)
	SHCIL Services Ltd. (indirect control through SHCIL)
	Stockholding Document Management Services Limited (indirect control through SHCIL)
Associates	Tourism Finance Corporation of India Ltd. (cease to be associate w.e.f September 29, 2017)
	Himachal Consultancy Organisation Ltd. (cease to be associate w.e.f April 21,2017)
	North India Technical Consultancy Organisation Ltd.(cease to be associate w.e.f April 25, 2017)
Joint Venture	KITCO Ltd
	IFCI Sycamore Capital Advisors Pvt. Ltd.
Trust incorporated for CSR activity	IFCI Social Foundation
Key Managerial Personnel	Dr E S Rao - MD & CEO w.e.f August 17, 2017
	Mr Sanjeev Kaushik (WTD designated as Deputy Managing Director) upto Dec.11,2017
	Mr B N Nayak - Chief Financial Officer
	Ms Rupa Sarkar - Company Secretary

2. Transaction with the related party during the year (₹ crore)

Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017
Subsidiaries:		
IFCI Financial Services Ltd.		
Rent & Maintenance received	**1.15**	1.34
Brokerage/ Professional fee paid	**0.43**	0.57
Depository Services	**–**	0.10
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered / recoverable from them	**0.39**	0.70
IFCI Venture Capital Fund Ltd.		
Nature of Transaction		
Dividend Received	**–**	5.95
Rent & Maintenance received	**1.60**	1.50
Professional fee received	**1.15**	1.99
Loans given – outstanding	**–**	22.00
Interest received/ receivable on Loan	**1.68**	0.01
Bonds issued by IFCI – outstanding	**15.00**	15.00
Interest paid/payable by IFCI	**1.54**	1.36
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.53**	0.78
IFCI Infrastructure Development Ltd.		
Nature of Transaction		
Dividend Received	**–**	3.82
Rent & Maintenance received	**1.42**	1.35
Rent & Maintenance paid	**0.08**	0.14
Bonds/ Debenture subscribed – outstanding	**35.00**	75.00
Interest received/ receivable on Bonds	**5.32**	7.27
Bonds issued by IFCI – outstanding	**90.00**	90.00
Interest paid/ payable by IFCI	**8.53**	8.53
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.62**	0.64
IFCI Factors Ltd.		
Nature of Transaction		
Rent & Maintenance received	**2.70**	2.80
Professional fee received	**0.81**	1.46
Interest received/ receivable on Loan	**–**	3.32
Bonds/ Debenture subscribed – outstanding	**25.00**	25.00
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.41**	0.36
IFIN Securities Finance Pvt Ltd		
Loans given - outstanding	**–**	–
Maximum amount outstanding (receivable)	**–**	8.50
Professional fee received	**–**	0.03
Interest received/ receivable on Loan	**–**	0.16

Note 37 (contd..)

Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017
Stock Holding Corporation of India Ltd.		
Nature of Transaction		
Rent & Maintenance received by IFCI	**2.38**	2.37
Bonds issued by IFCI – outstanding	**49.05**	49.05
Interest paid/ payable by IFCI	**4.41**	4.41
Dividend Received	**13.63**	21.15
Brokerage/ Professional fee paid	**0.26**	0.23
MPCON		
Nature of Transaction		
Dividend Received	**0.08**	0.08
Brokerage/ Professional fee paid	**0.02**	–
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.35**	0.32
Stockholding Document Management Services Ltd		
Professional fee Paid /Payable	**0.01**	–
Associates		
Tourism Finance Corporation of India Ltd.		
Nature of Transaction		
Bonds issued by IFCI – outstanding	**65.00**	65.00
Interest paid/ payable by IFCI	**2.89**	5.80
Professional fee received	**0.04**	–
Rent & Maintenance received by IFCI	**0.01**	3.59
Dividend Received	**4.21**	2.23
Dividend Paid on Preference Shares	**–**	₹20,000
HIMCON		
Dividend Received	**–**	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.02**	0.25
HARDICON		
Dividend Received	**–**	0.01
NITCON		
Rent & Maintenance received by IFCI	**0.01**	0.16
Dividend Received	**–**	0.04
KITCO		
Dividend Received	**0.30**	0.30
Trust incorporated for CSR activity		
IFCI Social Foundation Trust		
Contribution for CSR activities	**6.06**	1.89
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.22**	0.36
Key Management Personnel		
Name and Designation	**Year ended 31.03.2018**	Year ended 31.03.2017
Managerial Remuneration		
Dr E S Rao - Managing Director and Chief Executive Officer(w.e.f August 17, 2017)	**0.18**	–
Mr Malay Mukherjee- Chief Executive Officer and Managing Director (upto Dec.11, 2016)	**–**	0.27
Mr Achal Kumar Gupta – WTD designated as Deputy Managing Director (upto Dec.11, 2016)	**–**	0.23
Mr B N Nayak - Chief Financial Officer	**0.42**	0.40
Ms Rupa Sarkar - Company Secretary	**0.35**	0.37

38. Earnings per share: (₹ crore)

		Year ended 31.03.2018	Year ended 31.03.2017
I	(a) Loss Computation for Equity shareholders		
	Loss as per Statement of Profit & Loss	**(1008.51)**	(458.49)
	Less: Preference Dividend	**(0.24)**	(0.26)
	Loss for Equity Shareholders	**(1008.75)**	(458.75)
	(b) Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
II	(a) Loss Computation for Equity shareholders (including potential shareholders)		
	Loss as per Statement of Profit & Loss	**(1008.51)**	(458.49)
	Less: Preference dividend	**(0.24)**	(0.26)
	Loss for equity shareholders (including potential shareholders)*	**(1008.75)**	(458.75)
	(b) Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
	Earnings Per Share (Weighted Average)		
	Basic (₹)	**(6.07)**	(2.76)
	Diluted (₹)	**(6.07)**	(2.76)

* There are no potential equity shares outstanding as on March 31, 2018.

The Company has allotted 3,39,55,857 equity shares of Face Value of ₹10 each, at a premium of ₹19.45 per share, to the Government of India on Preferential Basis, on March 31, 2018. Therefore, these shares have not been considered for computing Earning Per Share for the quarter and for the year ended March 2018.

39. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd. in IFCI Sycamore Capital Advisors (P) Limited as on March 31, 2018 was at ₹0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquidation of the Company.

40. In terms of Accounting Standard 19 on 'Leases'.

(a) The Company has entered into lease agreement at five centers and lease rent is charged to the Statement of Profit & Loss.

(b) The year wise break up of future minimum lease payments in respect of leased premises are as under:

	Year ended 31.03.2018	Year ended 31.03.2017
Minimum Lease payments:		
(a) Not later than one year	**0.32**	0.87
(b) Later than one year but not later than five years	**0.02**	1.81
(c) Later than five years	**–**	0.39
Rentals charged during the Period	**1.06**	1.44

41. As on March 31, 2018 there were no events or changes in circumstances which indicate any impairment in the assets as defined by Accounting Standard-28 - "Impairment of Assets".

42. Expenditure on CSR activities as specified in schedule VII to the Companies Act, 2013

	Year ended 31.03.2018	Year ended 31.03.2017
(a) Gross amount required to be spent by the company for respective financial year	**5.83**	9.61
(b) Construction/acquisition of any assets	**–**	–
(c) Yet to be paid in cash	**0.28**	–
(d) Amount spent during the period -		
Development of Human Capital	**1.36**	3.91
Development of Rural areas & sustainable development activities	**0.52**	2.18
Promotion of sports	**0.10**	0.09
Other welfare activities	**6.25**	1.68
Admin & other expenses	**0.22**	0.36
Total	**8.45**	8.22

43. The following additional information is disclosed in terms of RBI Circulars applicable to Non-Banking Financial Companies:

(i) The company is registered with Securities and Exchange Board of India as debenture trustee having registration code i.e. "IND000000002".

(ii) There are no penalties imposed by RBI and other regulator during the year ended March, 2018 except in one case where SEBI has imposed penalty of ₹14 lakh for failing to make required disclosures in terms of SAST (Substantial Acquisition of Shares and Takeovers) and PIT (Prohibition of Insider Trading) Regulations. In the SEBI's order it is mentioned that following the invocation of pledge in FY 2012-13, there was an increase in IFCI's shareholding in Glodyne Technoserve Limited (GTL) with regard to which the term lender was required to make disclosures. IFCI had contended that it is a public financial institution and Government of India undertaking engaged in the business of lending to companies and being the pledgee it had invoked the pledge only for selling the shares to recover dues. IFCI had filed an appeal against the Order of the Adjudicating Officer (AO), by which the penalty was imposed upon IFCI, before the Honb'le Securities Appellate Tribunal (SAT). The SAT vide its Order dated April 25,2018 has set aside the Order and the penalty imposed by the Adjudicating Authority and has restored the matter in the file of the AO of SEBI for fresh decision on merits in accordance with law.

(iii) Ratings assigned by credit rating agencies and migration of ratings during the period ended March, 2018

Long Term (Bonds/NCDs/Term Loans)

Ratings by	**31.03.2018**	31.03.2017
ICRA	**[ICRA] A- w.e.f 23.08.2017**	(ICRA) A w.e.f 21.02.2017
CARE	**CARE A- w.e.f 30.06.2017**	CARE A w.e.f 28.03.2017
Brickwork	**BWR A+ w.e.f 31.03.2017**	BWR A+ w.e.f 31.03.2017

Short Term (Commercial Paper/Short term borrowings)

Ratings by	**31.03.2018**	31.03.2017
ICRA	**[ICRA] A1 w.e.f 23.08.2017**	[ICRA] A1+ w.e.f 21.02.2017
CARE	**–**	CARE A1+ w.e.f 28.03.2017

For Structured Secured NCD

Ratings by	**31.03.2018**	31.03.2017
Brickwork	**BWR AA+ (SO) w.e.f 31.03.2017**	BWR AA+ (SO) w.e.f 31.03.2017
CARE	**CARE A+ (SO) w.e.f 30.06.2017**	CARE A- w.e.f 28.03.2017

Subordinate Bonds

Ratings by	**31.03.2018**	31.03.2017
CARE	**CARE BBB+ w.e.f 30.06.2017**	CARE A- w.e.f 28.03.2017

(iv) Disclosures relating to Customer Complaints

Particulars		**31.03.2018**	31.03.2017
(a)	No. of complaints pending at the beginning of the period	**–**	–
(b)	No. of complaints received during the period	**–**	–
(c)	No. of complaints redressed during the period	**–**	–
(d)	No. of complaints pending at the end of the period	**–**	–

(v) Capital to Risk Assets Ratio (CRAR)

Particulars		**31.03.2018**	31.03.2017
(a)	Capital to Risk Assets Ratio (CRAR)	**14.02%**	16.71%
(i)	Core CRAR	**7.52%**	11.21%
(ii)	Supplementary CRAR	**6.50%**	5.50%
(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)	**865.01**	938.15
(c)	Risk-weighted assets (₹ crore):		
(i)	On-Balance Sheet Items	**21,468.05**	28,003.13
(ii)	Off-Balance Sheet Items	**1,549.79**	2,297.83

(vi) Loans and advances availed, inclusive of interest accrued thereon but not paid:

	Particulars	**As on March 31, 2018**		As on March 31, 2017	
		Outstanding	**Overdue**	Outstanding	Overdue
(a)	Debentures:				
(i)	Secured	**2,857.26**	**–**	2,857.26	–
(ii)	Unsecured	**818.19**	**–**	818.19	–
(b)	Deferred Credits	**–**	**–**	–	–
(c)	Term Loans	**8,411.60**	**–**	10,907.33	–
(d)	Inter Corporate loans & borrowing	**–**	**–**	–	–
(e)	CBLO/ Commercial Paper	**–**	**–**	–	–
(f)	Other Loans (incl. FC Loan)	**671.88**	**–**	429.13	–
(g)	Funds placed with IFCI	**312.17**	**–**	303.30	–
(h)	Bonds	**7,287.76**	**–**	7,886.76	–

The Company has not defaulted in repayment of dues to any financial institution or bank or bond/ debenture holders.

(vii) Investor group wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted)

	Category	**31.03.2018**		31.03.2017	
		Market/ Break- up/ Fair Value/ NAV	**Book Value**	Market/ Break- up/ Fair Value/ NAV	Book Value
	Related Parties				
(a)	Subsidiaries	**2,002.32**	**1,751.85**	1,431.40	1,671.41
(b)	Companies in same group	**11.06**	**0.04**	205.98	59.13
(c)	Joint Venture	**–**	**0.01**	–	0.01
(d)	Other than Related Parties	**6,839.66**	**5,889.32**	6,089.68	5,639.65
Total		**8,853.04**	**7,641.22**	7,727.06	7,370.20

(viii) Details of investment and movement in provision :

Particulars		**31.03.2018**	31.03.2017
(A)	**Value of Investment in India**	**7,641.22**	7370.19
	Provisions for Depreciation	**1,004.65**	976.66
	Net Value of Investments	**6,636.57**	6,393.53
(B)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	**976.66**	707.32
(ii)	Add : Provisions made during the year	**273.79**	481.91
(iii)	Less : Write-off / write-back of excess provisions during the year	**245.80**	212.57
(iv)	Closing balance	**1,004.65**	976.66

(ix)

Particulars	**31.03.2018**	31.03.2017
Leased Assets and stock on hire and other assets counting towards Loan activities	**–**	–

Note 43 (contd..)

(x) Borrower group-wise classification of assets financed:

Category	31.03.2018	31.03.2017
1 Related Parties		
(a) Subsidiaries	**–**	22
(b) Companies in same group	**–**	–
2 Other than Related Parties	**17,345**	21,742.98
Total	**17,345**	21,764.98

Amount is net of provision against non-performing and standard restructured assets

(xi) Details of Single Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

Concern Name		31.03.2018		31.03.2017
		Alok Indudtries Ltd.	**Sravanthi Energy Pvt. Ltd.**	Essar Oil Ltd
(a)	Loan Total Outstanding	**492.09**	**722.68**	934.24
(b)	% of owned funds	**16.00%**	**23.50%**	19.90%
(c)	Investment outstanding	**42.88**	**139.59**	–
(d)	% of owned funds	**1.39%**	**4.54%**	–
(e)	Total Exposure	**534.97**	**862.26**	934.24
(f)	% of owned funds	**17.40%**	**28.04%**	19.90%

(xii) Details of Group Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

Group Name		31.03.2018	31.03.2017
		ADA Group	Essar Group
(a)	Loan Total Outstanding	**1076.65**	1,489.41
(b)	% of owned funds	**35.01%**	31.72%
(c)	Investment outstanding	**18.01**	25.00
(d)	% of owned funds	**0.59%**	0.53%
(e)	Total Exposure	**1094.67**	1,514.40
(f)	% of owned funds	**35.60%**	32.26%

(xiii) Concentration of Advances

Particulars	31.03.2018	31.03.2017
Total Advances to top twenty largest borrowers / customers	**7,035.78**	8,614.21
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**33.23%**	36.34%

(xiv) Concentration of Exposures

Particulars	31.03.2018	31.03.2017
Total Exposure to top twenty largest borrowers / customers	**8,086.03**	9,596.89
Percentage of Exposures to top twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**27.62%**	30.82%

(xv) Concentration of NPAs

Particulars	31.03.2018	31.03.2017
Total Exposure to top Four NPA Accounts	**2046.61**	2158.50
	(9.67%)	(9.11%)

(xvi) Status of Non-Performing Assets

Particulars		31.03.2018	31.03.2017
1	**Gross Non-Performing Assets**		
(a)	Related Parties	**–**	–
(b)	Other than Related parties	**8,672.37**	7,552.96
2	**Net Non-Performing Assets**		
(a)	Related Parties	**–**	–
(b)	Other than Related parties	**5,126.95**	5,882.33

(xvii) Movement of NPA :

Particulars		31.03.2018	31.03.2017
(i)	Net NPAs to Net Advances (%)	**29.56%**	27.03%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	**7,552.96**	3,544.60
(b)	Additions during the year	**2,045.16**	4,629.18
(c)	Reductions during the year	**925.75**	620.82
(d)	Closing balance	**8,672.37**	7,552.96
(iii)	Movement of Net NPAs		
(a)	Opening balance	**5,882.33**	2,466.46
(b)	Additions during the year	**1,663.67**	4,062.31
(c)	Reductions during the year	**2,419.05**	646.44
(d)	Closing balance	**5,126.95**	5,882.33
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	**1,670.63**	1,078.14
(b)	Provisions made during the year	**2,309.18**	1,039.87
(c)	Write-off / write-back of excess provisions	**434.39**	447.38
(d)	Closing balance	**3,545.42**	1,670.63

(xviii) Sector-Wise NPA

	Sector	% of NPAs to Total Advances	
		31.03.2018	31.03.2017
1.	Agriculture and Allied Activities	**–**	–
2.	MSME	**–**	–
3.	Corporate Borrowers	**40.96%**	31.87%
4.	Services	**–**	–
5.	Unsecured Personal Loans	**–**	–
6.	Auto Loans	**–**	–
7.	Other personal loans	**–**	–

(xix) Provisions and contingencies

Break up of Provisions and Contingencies	31.03.2018	31.03.2017
Provisions for depreciation on Investment	**27.99**	242.06
Provision towards NPA	**1,887.90**	625.20
Provision for Standard Assets	**(49.50)**	(97.42)
Provision made towards Income tax	**–**	–
Provision against trade receivables and other advances	**(1.31)**	(1.78)

(xx) Exposure to Real Estate Sector

Category	31.03.2018	31.03.2017
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 (Individual housing loans up to ₹15 lakh may be shown separately)	**–**	–
(ii) Commercial Real Estate- Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**2,468.14**	3,015.41

Note 43 (contd..)

(₹ crore)

Category		31.03.2018	31.03.2017
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	**–**	–
(b)	**Indirect Exposure** Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**–**	–

(xxi) Exposure to Capital Market

Category		31.03.2018	31.03.2017
(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;	**4,075.19**	4,284.38
(ii)	advances 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;	**–**	–
(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;	**2024.55**	2847.82
(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 i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	**18.93**	2.30
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**10.00**	35.00
(vi)	loans sanctioned to corporates 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)	**220.70**	190.12
Total Exposure to Capital Market		**6,349.37**	7,359.62

(xxii) Assets sold to Securitization Company/ Reconstruction Company (SC/ RC):

Category		31.03.2018	31.03.2017
1	Number of Accounts	**8**	5
2	Aggregate outstanding of accounts sold to SC/ RC	**384.07**	296.92
3	Aggregate consideration	**281.49**	418.08
4	Additional consideration realized in respect of accounts transferred in earlier years	**–**	–
5	Aggregate gain/ (loss) over net book value	**(102.58)**	121.16

(xxiii) Particulars	31.03.2018	31.03.2017
Assignment transactions undertaken	**–**	–

(xxiv) Details of Non-performing financial assets purchased:

Particulars	31.03.2018	31.03.2017
Number of accounts purchased during the year	**–**	–
Aggregate Outstanding (₹ crore)	**–**	–
Of the above number of accounts restructured during the year	**–**	–
Aggregate Outstanding (₹ crore)	**–**	–

(xxv) Particulars	31.03.2018	31.03.2017
Non-performing financial assets sold to other than SC/RC	**–**	–

(xxvi) Particulars	31.03.2018	31.03.2017
Exchange traded interest rate (IR) derivatives	**–**	–

(xxvii) Particulars	31.03.2018	31.03.2017
Details of Forward rate agreement/ interest rate swap	**–**	–

(xxviii)Quantitative Disclosures:

Particulars		% of NPAs to Total Advances	
		31.03.2018	31.03.2017
(i)	Currency Derivatives - Hedging Marked to Market Position	**692.16**	865.11
(a)	Assets	**(18.42)**	3.96
(b)	Liability	**(25.01)**	14.65
(ii)	Interest Rate Derivatives	**–**	–

(xxix) Disclosures on Flexible Structuring of Existing Loans

Financial Year		No. of Borrowers taken up for Flexible Structuring	Amount of Loans Taken up for flexible Structuring		Exposure weighted average duration of Loans taken up for Flexible Structuring	
			Classified as Standard	Classified As NPA	Before Applying Flexible Structure	After Applying Flexible Structuring
(i)	**FY 2017-18**	–	–	–	–	–
(ii)	FY 2016-17	–	–	–	–	–

(xxx) Disclosures on Change in Ownership of Projects under Implementation (Accounts which are currently under the stand-still period).

Particulars	Amount Outstanding as on the reporting date		
	Classified as Standard	Classified as Standard Restructured	Classified as NPA
No. of Project Loan Accounts where Banks have decided to effect change in ownership	–	–	–

Note 43 (contd..) (₹ crore)

(xxxi) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on 31st March, 2018

No. of Accounts where S4A has been applied	No. of Borrowers taken up for Flexible Structuring	Amount of Loans Taken up for flexible Structuring		Exposure weighted average duration of Loans taken up for Flexible Structuring	
		Classified as Standard	Classified As NPA	Before Applying Flexible Structure	After Applying Flexible Structuring
FY 2017-18	**2**	**136.85**	**75.74**	**61.11**	**37.58**
(i) Classified as Standard	**–**	**–**	**–**	**–**	**–**
(ii) Classified as NPA	**–**	**–**	**–**	**–**	**–**
FY 2016-17	1	153.59	80.64	72.95	30.72
(i) Classified as Standard	–	–	–	–	–
(ii) Classified as NPA	–	–	–	–	–

(xxxii) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

Financial Year	No. of Accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invokation of pledge of equity shares is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invocation of pledge of equity shares has taken place		Amount Outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY 2017-18	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
FY 2016-17	1	36.62	–	36.62	–	–	–	–	–

(xxxiii) Disclosures on Strategic Debt Restructuring Scheme (Accounts which are currently under the stand-still period)

Financial Year	No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy has taken place	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY 2017-18	**2**	**390.47**	**13.84**	**–**	**–**	**390.47**	**13.84**
FY 2016-17	2	286.42	0	–	–	286.42	–

(xxxiv) Maturity Pattern of assets and liabilities:

(₹ crore)

Particulars	1 day to 30 days	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	506.25	52.08	782.02	538.13	1521.47	3849.8	1336.85	25	8611.60
Market borrowings	–	3	168.5	5.64	190.81	2298.21	3306.45	5462.48	11,435.09
TOTAL	**506.25**	**55.08**	**950.52**	**543.77**	**1,712.28**	**6,148.01**	**4,643.30**	**5,487.48**	**20,046.69**
ASSETS									
Advances	163.2	286.88	350.28	1061.85	1599.03	4185.94	1925.31	7772.72	17,345.21
Investments	206.64	–	540.57	81.42	317.99	149.31	425	4915.63	6,636.56
TOTAL	**369.84**	**286.88**	**890.85**	**1,143.27**	**1,917.02**	**4,335.25**	**2,350.31**	**12,688.35**	**23,981.77**

Note 43 (contd..)

(₹ crore)

(xxxv) Disclosure of Restructured Accounts

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1.	**Restructured Accounts as on April, 1 of the FY (opening figures)**	No. of borrowers	1	3	2.00	–	6	–	–	–	–	–	7	8	5	–	20	**8**	**11**	**7**	**–**	**26**
		Amount outstanding	197.42	304.67	224.59	–	726.68	–	–	–	–	–	1024.71	1400.71	1205.9	–	3631.32	**1222.13**	**1705.38**	**1,430.49**	**–**	**4358.00**
		Provision thereon	28.54	69.18	97.28	–	195	–	–	–	–	–	56.02	140.18	427.66	–	623.86	**84.56**	**209.36**	**524.94**	**–**	**818.86**
2.	**Fresh restructuring during the year**	No. of borrowers	0	1			1	–	–	–	–	–	0	1	6	0	7	**0**	**2**	**6**	**0**	**8**
		Amount outstanding	–	147.00	(1.57)		145.43	–	–	–	–	–	55.14	434.73	1,077.83	–	1,567.70	**55.14**	**581.73**	**1,076.26**	**–**	**1,713.13**
		Provision thereon	–	33.37	(0.48)		32.89	–	–	–	–	–	2.76	43.47	372.71	–	418.94	**2.76**	**76.84**	**372.23**	**–**	**451.83**
3.	**Upgradations to restructured standard category during the FY**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4.	**Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5.	**Downgradations of restructured accounts during the FY**	No. of borrowers	(1)	0		0	(1)	–	–	–	–	–	(2)	(5)	–	–	(7)	**(3)**	**(5)**	**0**	**–**	**(8)**
		Amount outstanding	(197.42)	–	–	–	(197.42)	–	–	–	–	–	(451.02)	(1,068.47)	–	–	(1,519.49)	**(648.44)**	**(1,068.47)**	**–**	**–**	**(1,716.91)**
		Provision thereon	(28.54)	–	–	–	(28.54)	–	–	–	–	–	(27.34)	(106.96)	–	–	(134.30)	**(55.88)**	**(106.96)**	**–**	**–**	**(162.84)**
6.	**Write-offs of restructured accounts during the FY**	No. of borrowers		3	1		4	–	–	–	–	–	4	3	1	–	8	**4**	**6**	**2**	**0**	**12**
		Amount outstanding		304.67	132.60		437.27	–	–	–	–	–	328.19	332.34	110.22	–	770.75	**328.19**	**637.01**	**242.82**	**–**	**1,208.02**
		Provision thereon		69.18	50.17		119.35	–	–	–	–	–	16.41	33.23	74.22	–	123.86	**16.41**	**102.41**	**124.39**	**–**	**243.21**
7.	**Restructured Accounts as on March, 31 of the FY (closing figures)**	No. of borrowers	0	1	1	–	2	–	–	–	–	–	1	1	10	–	12	**1**	**2**	**11**	**–**	**14**
		Amount outstanding	–	147.00	90.42	–	237.42	–	–	–	–	–	300.64	434.63	2,173.51	–	2908.78	**300.64**	**581.63**	**2,263.93**	**–**	**3146.20**
		Provision thereon	–	33.37	46.63	–	80.00	–	–	–	–	–	15.03	43.46	726.15	–	784.64	**15.03**	**76.83**	**772.78**	**–**	**864.64**

44. Open interest in the Currency Futures as at 31/03/2018 is EUR 10 million against USD, equivalent to ₹80.81 crore (Previous Year ended March 2017 : NIL)

45. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 2.509 million (Previous Year ended March 2017: USD 0.006 million) and EUR 0.049 million (Previous Year ended March 2017: EUR 0.053 million), equivalent to ₹16.75 crore (Previous Year ended March 2017: ₹0.41 crore).

46. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)

Particulars	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2018
Securities sold under Repo:			
1 Govt. Securities	–	–	–
2 Corporate Bonds	–	–	–
Securities purchased under reverse repo:			
1 Govt. Securities	–	–	–
2 Corporate Bonds	–	–	–

Maximum & average outstanding is based on face value of securities.

47. Previous year figures have been re-grouped/ re-arranged wherever necessary, to conform to current period's presentation.

Accounting Policies and Notes (1 to 47) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn.No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

INDEPENDENT (REVISED) AUDITORS' REPORT

TO THE MEMBERS OF IFCI Limited

Report on the Consolidated Financial Statements

We have issued an Auditor's Report on consolidated financial statements of IFCI Limited dated 23rd May, 2018, the said report is now being revised as qualification and disclaimer of one of subsidiary Company's Auditors remained unreported in earlier report.

Now this Revised Auditor's Report is being issued on the consolidated financial statements dated 23rd May, 2018.

We have audited the accompanying consolidated financial statements of IFCI Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence by the other auditors in terms of their reports referred to in sub-paragraph (a) the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated loss and their consolidated cash flow for the year ended on that date, subject to the qualified opinion and disclaimer reported by Statutory Auditors of one subsidiary company i.e. M/s IFCI Factors limited which are reproduced herein below:

Basis of Qualified opinion

A. Company has identified two cases as NPA i.e. (i) Concast Steel and Power Limited (₹15.69 crore) (ii) Concast Exim Limited (₹10.30 crore) during the year as on 31.12.2017 which were identified by us in the previous year i.e. 2016-17 as on 31.03.2017 and made provisions @15%. In our opinion, 100% provision of the unsecured portion amounting of ₹19.29 crore should have been made since an asset becomes doubtful that has remained sub-standard for a period exceeding 12 months for the financial year ending March 31, 2018. Hence ₹15.54 crore less provision has been made on account of NPA. So the income as well as advances has been overstated by ₹15.54 crore. Our audit opinion on the financial statements for the year ended March 31, 2018 was also qualified in respect of this matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the issues stated in the "Basis for Qualified opinion" paragraph above the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018 and its Loss and its cash flow for the year ended on that date.

Basis of Disclaimer of Opinion

A. Note No. 25 to the financial statements regarding recognition of Deferred Tax Assets on account of provisions of Non-Performing Assets. In case of Deferred Tax Assets of ₹95.58 crore as on 31.03.2018, in the opinion of management there is reasonable certainty of availability of future taxable income to realize the deferred tax assets. Considering the past accumulated losses and further stressed standard assets and nature of factoring business, we are unable to comment on the sufficiency of the future taxable profits of the company which can realize the deferred tax assets.

   As a result of this matter, we are not been able to obtain sufficient appropriate audit evidence on the said matter to state whether any adjustments would be required to the information included in the financial statements and impact thereof.

Disclaimer of Opinion:

Because of significance of these matter described in the basis of Disclaimer of Opinion paragraph, we are unable to express our opinion for the same.

Emphasis of Matter

(a) The holding company holds investment in six companies to the extent of 20% or more of their respective total share capital and accordingly these companies are the associates of the holding company as per the Companies Act, 2013. For the reasons stated in the Note No. 26.1 of the financial statement, these associates have not been consolidated in the preparation of the consolidated financial statements of the Group. Our report is not modified on the matter.

(b) We draw attention to Note No. 31 of the consolidated financial statements related to litigation of subsidiary company. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts of subsidiary company. Our report is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of six subsidiaries and six step down subsidiaries, whose financial statements reflect total assets of ₹3,255.55 crore as at March 31, 2018, total revenues of ₹778.50 crore and total profit after tax (net) of ₹50.70 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹1.51 crore for the year ended March 31, 2018 in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step down subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, step down subsidiaries and associate, is based solely on the reports of the other auditors and management certification in case of associate.

(b) The consolidated financial statements include net accumulated profit of ₹1.51 crore for the year ended March 31, 2018 in respect of one associate company, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required under Section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure I, our report for the Group on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;

   (c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss, and the Consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors of the Holding Company, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, step down subsidiaries and associate companies incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2018 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 Group and the operating effectiveness of such controls, refer to our separate report in Annexure II, which is based on the auditors' reports of the Holding company and subsidiary companies; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note No. 27.1 to the consolidated financial statements;

      (ii) Provision has been made in the consolidated financial statements, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 28 to the consolidated financial statements;

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

      (iv) The Group and its associate has not provided disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the financial year 2017-18, being not applicable.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: July 12, 2018

Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of consolidated financial statements

Part A–Directions

Sl. No.	Directions	Reply [$]
1.	Whether the Company has clear title/ lease deed for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available.	According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries, the Group has clear title/ lease deeds for freehold and leasehold land, respectively, except in case of following subsidiaries: **IFCI Infrastructure Development Ltd:** Property admeasuring 21.279 acres located at Puducherry **IIDL Realtors Private Limited:** Property admeasuring 15,603 sq. yard located at Ghaziabad **MPCON Ltd.:** Leasehold land located in Bhopal, area admeasuring 6,000 Sq. ft.
2.	Whether there are any cases of waiver/ write off of debtors/ loans/ interest etc., If yes, the reason there of and amount involved.	According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries, case(s) of waiver/ write-off of debts/ loan/ interest etc., are as under:

Sl. No.	Nature of Dues	No. of Cases	Amount (in crore)
A.	Write–off/ Technical write–off of loans	15	479.44
B.	Investments write–offs	47,160	7.93

It was informed that the waiver/ write-off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver. In investments write-offs, the amount outstanding is generally fully provided for.

3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries: a) There are inventories lying with the third parties; b) No assets have been received as gifts/ grant(s) from Government or any other authorities during the year. Therefore, no records are required to be maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.

[$] The replies in respect of the Subsidiaries are based on the other Auditor's Report on the subsidiaries.

Part B – Sub-Directions *

Sl. No.	Sub–Directions	Reply [$]
1.	**Investments** Whether the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/de-mat 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 the information and explanations provided by the Company and based on audit procedures performed by us and based on the other Auditor's Report on the subsidiaries, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, except for the cases mentioned below (a) Where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

Sl. No.	Company Name	Mode	No of shares
1.	ACC Ltd.	Demat	80
2.	Reliance Industries Ltd	Demat	4,664
3.	Tata Motors Limited	Demat	600
4.	Tata Steel Limited	Demat	300
5.	Asian Hotels (East) Ltd.	Demat	265
6.	Asian Hotels (North) Ltd.	Demat	265
7.	Asian Hotels (West) Ltd.	Demat	265
8.	Bengal & Assam Company Ltd	Demat	23
9.	Bhilwara Technical Textiles Ltd	Demat	958
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24,550
12.	Coromandel International Ltd	Demat	69,220
13.	E I D Parry (India) Ltd.	Demat	430
14.	Eveready Industries India Ltd.	Demat	200
15.	Excel Glasses Ltd	Demat	50
16.	Gabriel India Ltd., Parwanoo	Demat	3,500
17.	GKW Ltd	Demat	110
18.	Graphite India Ltd	Demat	366
19.	Gujarat Sidhee Cement Ltd	Demat	275
20.	HEG Ltd	Demat	1,785
21.	Hi-Tech Gears Ltd	Demat	2,700
22.	Indian Metals & Ferro-Alloys Ltd.	Demat	89
23.	ITC LTD	Demat	67
24.	J.K. Cement Ltd	Demat	20
25.	Larsen & Toubro Ltd	Demat	1,125
26.	National Organic Chemical Industries Ltd	Demat	130
27.	Ponni Sugars & Chemicals Ltd	Demat	64,800
28.	Rainbow Denim Ltd	Demat	40

Sl. No.	Sub–Directions	Reply $

Sl. No.	Company Name	Mode	No of shares
29.	Rajasthan Spg & Wvg Mills Ltd (Rswm Limited)	Demat	383
30.	Reliance Capital Ltd	Demat	223
31.	Reliance Communications Ltd	Demat	4,482
32.	Reliance Infrastructure Ltd	Demat	335
33.	Reliance Power Ltd	Demat	1,120
34.	SRF Polymers Ltd	Demat	150
35.	Tata Power Co. Ltd	Demat	900
36.	Titagarh Wagons Ltd.	Demat	25
37.	Ultratech Cement Ltd	Demat	100
38.	Winsome Textile Industries Ltd	Demat	200
39.	Zenith Ltd	Demat	38
40.	Aditya Birla Capital Ltd	Demat	194
41.	Aditya Birla Fashion And Retail Limited	Demat	483
42.	Banswara Syntex Limited	Demat	100
43.	Core Education & Technologies Ltd	Demat	3
44.	ERA Infra Engineering Ltd	Demat	27
45.	Grasim Industries Limited	Demat	139
46.	Indian Seamless Enterprises	Demat	1,028
47.	Jaykay Enterprises Limited	Demat	100
48.	Kama Holdings Limited	Demat	150
49.	Reliance Home Finance Ltd	Demat	223
50.	Western India Shipyard Ltd	Demat	30
51.	Ansal Hotel	physical	47,27,750
52.	Aryavastra plywoods Ltd.	physical	60,000
53.	Bhilwara Processors	physical	2,09,998
54.	Biotech Synergy	physical	4,40,000
55.	BR Foods	physical	3,50,000
56.	Cimmco Ltd.	physical	2,860
57.	DCM Shree Ram	physical	16,016
58.	Depro Foods	physical	1,320
59.	Essar Coated Steel Ltd.	physical	7,53,000
60.	Excelsior Plants Co. Ltd.	physical	51,998
61.	Flower and Tissue India Ltd.	physical	5,00,000
62.	Ganesh Benzoplast Ltd.	physical	38,88,889
63.	Gian Agra Industries Ltd.	physical	1,995
64.	Globe United	physical	3,958
65.	Golden Polymarbles Ltd.	physical	3,80,000
66.	Hind Food Ltd.	physical	3,00,000
67.	Hindal Co. India	physical	116
68.	Jauss Polymers Ltd.	physical	11,000
69.	JCT Ltd.	physical	5,00,315
70.	JK Paper Limited	physical	27,813
71.	Kinzle India Samay Ltd.	physical	1,23,400
72.	Maharastra Steel Ltd.	physical	2,995
73.	MM Polytex Ltd.	physical	1,00,000
74.	Modi Alkalies and Chemicals	physical	7,84,590
75.	Mohta Electro Steel	physical	18,361
76.	MP Plywood	physical	25,000
77.	Naina Semiconductor Ltd	physical	5,09,481
78.	ORDe Textiles	physical	20,000
79.	Orrissa Synthetics Ltd.	physical	100
80.	Oshi Foods Ltd.	physical	2,10,000
81.	Perfect Drugs Ltd.	physical	4,00,000
82.	Pratibha Syntex Ltd.	physical	12,50,000
83.	Punjab Fibre Ltd.	physical	87,076
84.	Punsuni Frine and Components Ltd.	physical	2,20,000
85.	Saurashtra Chemicals Ltd.	physical	11,07,024
86.	Shama Forge	physical	24,863
87.	Shama Forge (Pref Shares)	physical	7,495
88.	Siel Ltd.	physical	3,36,348
89.	Siel Sugar Ltd.	physical	300
90.	Standard Woolens	physical	50,000
91.	Tridev Duplex Board Pvt. Ltd.	physical	2,00,000
92.	Tripati Woolens	physical	59,789
93.	Usha Forging and Stamping	physical	45,000
94.	Usha Forging and Stamping (Pref Shares)	physical	1,968
95.	Usha Spinning and Weaving Mills Ltd.	physical	2,783

As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.

<table>
<tr><th>Sl. No.</th><th>Sub–Directions</th><th>Reply $</th></tr>
<tr><td></td><td></td><td>(b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.
<table>
<tr><th>Sl. No.</th><th>Company Name</th><th>No of shares</th></tr>
<tr><td>1.</td><td>Ajanta Textiles Ltd (Pref Shares)</td><td>38,219</td></tr>
<tr><td>2.</td><td>BST Mfg Ltd (Pref Shares)</td><td>9,920</td></tr>
<tr><td>3.</td><td>Chemco Steels Ltd</td><td>5,00,000</td></tr>
<tr><td>4.</td><td>Digvijay Synthetics Ltd (Pref Shares)</td><td>1,70,000</td></tr>
<tr><td>5.</td><td>Echon Industries Ltd</td><td>14,00,000</td></tr>
<tr><td>6.</td><td>G.R. Solvents & Allied Industries Ltd</td><td>1,25,000</td></tr>
<tr><td>7.</td><td>Graham Firth Steel Products (I) Ltd</td><td>3</td></tr>
<tr><td>8.</td><td>Hermonite Associates Ltd</td><td>1,30,000</td></tr>
<tr><td>9.</td><td>Hindustan Agro Chemicals Ltd</td><td>19,300</td></tr>
<tr><td>10.</td><td>I C Textiles Ltd (Pref Shares)</td><td>9,52,394</td></tr>
<tr><td>11.</td><td>LML Ltd (Pref Shares)</td><td>21,50,912</td></tr>
<tr><td>12.</td><td>Minerva Holding Ltd</td><td>120</td></tr>
<tr><td>13.</td><td>Modern Syntex (I) Ltd</td><td>60,00,000</td></tr>
<tr><td>14.</td><td>Morepen Laboratories Ltd (Pref Shres)</td><td>87,373</td></tr>
<tr><td>15.</td><td>Munak Chemicals Ltd</td><td>6</td></tr>
<tr><td>16.</td><td>Nutech Packaging Ltd</td><td>5,25,000</td></tr>
<tr><td>17.</td><td>OCM India Ltd</td><td>5,89,743</td></tr>
<tr><td>18.</td><td>Parasrampuria Synthetics Ltd (Pref Shares)</td><td>13,89,450</td></tr>
<tr><td>19.</td><td>Poddar Udyog Ltd (Pref Shares)</td><td>18,000</td></tr>
<tr><td>20.</td><td>Pooja Granites And Marbles Pvt Ltd</td><td>2,76,000</td></tr>
<tr><td>21.</td><td>Prag Bosmi Synthetics Ltd (Pref Shares)</td><td>26,14,577</td></tr>
<tr><td>22.</td><td>Punj Steel Machine Tools Pvt Ltd (Pref Shares)</td><td>1,50,000</td></tr>
<tr><td>23.</td><td>Regency Hospitals Ltd</td><td>11,123</td></tr>
<tr><td>24.</td><td>Samcor Glass Ltd</td><td>20,00,000</td></tr>
<tr><td>25.</td><td>Shree Maheswar Hydel Power Company Ltd.</td><td>83,87,028</td></tr>
<tr><td>26.</td><td>Southern Wind Farms Pvt. Ltd.</td><td>1,00,000</td></tr>
<tr><td>27.</td><td>Steel & Allied Products Ltd (Pref Shares)</td><td>5,980</td></tr>
<tr><td>28.</td><td>Triveni Metal Tubes Ltd (Pref Shres)</td><td>449</td></tr>
<tr><td>29.</td><td>Vegepro Foods & Feeds Ltd (Pref Shares)</td><td>10,00,000</td></tr>
<tr><td>30.</td><td>West Bengal Consultancy Orgn. Ltd</td><td>12,700</td></tr>
<tr><td>31.</td><td>Yuil Measure (I) Ltd (Pref Shares)</td><td>39,500</td></tr>
</table></td></tr>
<tr><td>2.</td><td>Loans
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon alongwith financial impact.</td><td>A system of assessment of realisable value of securities is available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances. Adequate provision has been created during the financial year.</td></tr>
</table>

$ The replies in respect of the Subsidiaries are based on the other Auditor's Report on the subsidiaries.

* Applicable to the Group except IFCI Financial Services Ltd. and Stock Holding Corporation of India Ltd. and their respective subsidiaries as reportedly no sub-directions have been issued for these companies.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: July 12, 2018

Annexure II referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date on consolidated financial statements:

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 IFCI Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate company which are companies incorporated in India, as of that date (the Holding Company together with its subsidiaries and associate referred to as "the Group") as of March 31, 2018 in conjunction with our audit of the financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiaries, and associate company, have, 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies, six step-down subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **KPMR & Associates**
Chartered Accountants
Firm Registration No: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date: July 12, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ crore)

		Note No.	As at March 31, 2018	As at March 31, 2017
I.	**EQUITY & LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share Capital	1	**1,920.99**	1,925.88
	(b) Reserves and Surplus	2	**4,152.25**	5,207.90
	(2) Minority Interest			
	(a) Share Capital		**13.43**	13.43
	(b) Reserves and Surplus		**373.32**	353.36
	(3) Non-current Liabilities			
	(a) Long-term Borrowings	3	**16,319.94**	19,536.75
	(b) Long-term Liabilities	4	**900.64**	787.12
	(c) Long-term Provisions	5	**190.45**	285.18
	(4) Current Liabilities			
	(a) Short-term Borrowings	6	**396.34**	216.00
	(b) Trade Payables	7	**248.68**	204.45
	(c) Other Current Liabilities	8	**5,269.36**	5,713.09
	(d) Short-term Provisions	5	**32.79**	38.57
	TOTAL		**29,818.19**	34,281.73
II.	**ASSETS**			
	(1) Non-current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	**1,310.88**	1,368.14
	(ii) Intangible Assets	10	**5.76**	8.07
	(iii) Capital work-in-progress		**2.50**	2.96
	(b) Goodwill on consolidation		**446.64**	446.64
	(c) Non-current Investments	11	**4,035.49**	4,174.01
	(d) Deferred Tax Assets (Net)	12	**1,829.06**	1,072.70
	(e) Long-term Loans & Advances			
	(i) Loans	13	**14,387.91**	18,581.13
	(ii) Others	14	**343.48**	277.64
	(f) Other non-current assets	15	**19.04**	21.70
	(2) Current Assets			
	(a) Current Investments	16	**1,207.07**	976.36
	(b) Inventories		**198.29**	211.29
	(c) Trade Receivables	17	**463.22**	577.07
	(d) Cash and Cash Equivalents	18	**1,590.09**	2,213.46
	(e) Short-term Loans and Advances			
	(i) Loans (Current Maturity of Long Term Loans)	13	**3,460.94**	3,961.23
	(ii) Others	14	**160.15**	90.61
	(f) Other Current Assets	15	**357.67**	298.72
	TOTAL		**29,818.19**	34,281.73

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn. No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I.	**Revenue**			
	Revenue from Operations	19	**3,445.24**	3,579.12
	Other Income	20	**69.60**	102.17
	Total Revenue		**3,514.84**	3,681.29
II.	**Expenses**			
	Finance Cost	21	**2,109.23**	2,379.75
	Employee Benefits Expenses	22	**286.12**	252.46
	Depreciation and Amortization		**62.28**	60.62
	Cost of Stock in trade		**43.20**	37.88
	Other Expenses	23	**315.95**	300.01
	Total Expenses		**2,816.78**	3,030.72
III.	**Profit/ (Loss) before Provisions/ Write-off (I-II)**		**698.06**	650.57
IV.	Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	24	**2,418.38**	1,259.58
V.	**Profit/ (Loss) before Tax (III-IV)**		**(1,720.32)**	(609.01)
VI.	**Tax Expense**			
	- Current Tax		**35.51**	53.64
	- Taxation for earlier years		**(27.98)**	(13.24)
	- Deferred Tax (Net)		**(756.33)**	(325.14)
VII.	**Profit/ (Loss) for the Year (V-VI)**		**(971.52)**	(324.27)
VIII.	Share of profit/ (loss) of associates		**1.51**	16.04
IX.	Minority interest		**35.01**	69.30
X.	**Net Profit/(Loss) after taxes, minority interest and share of profit/ (loss) of associates (VII+VIII-IX)**		**(1,005.02)**	(377.53)
XI.	Basic Earnings per share of ₹10.00 each (₹)		**(6.05)**	(2.27)
	Diluted Earnings per share of ₹10.00 each (₹)		**(6.05)**	(2.27)

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn. No- 02504N

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RUPA SARKAR
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) before Tax		**(1,720.32)**		(609.01)
Adjustments for:				
Depreciation	**62.28**		60.62	
Provision/ write offs	**2,418.38**		1,259.58	
Bond Issue Expenses charged to Share Premium Account	**–**		(6.43)	
(Profit)/ Loss on Sale of Assets	**(24.26)**		(19.99)	
Pre-acquisition profits	**–**	**2,456.40**	–	1,293.78
Operating Profit before Working Capital Changes & Operating Activities		**736.08**		684.77
Adjustments for Operating Activities:				
(Increase)/ decrease in Investments (incl. Current Investments)		**(233.47)**		1,423.68
(Increase)/ decrease in Loans & Advances		**2,307.32**		3,098.49
(incl. current maturities of long-term loans & advances)				
Increase/ (decrease) in Borrowings		**(2,974.22)**		(4,566.23)
(incl. current maturities of long-term liabilities)				
Operating Profit before Working Capital Changes		**(164.29)**		640.71
Adjustments for:				
(Increase)/ decrease in Current Assets		**(7.32)**		337.35
Increase/ (decrease) in Current Liabilities		**(448.74)**		86.88
Increase/ (decrease) in other bank balances		**(54.70)**		(222.34)
Cash Flow before taxation		**(675.05)**		842.60
Income Tax (paid)/ refund - Net		**(65.29)**		(40.75)
Net cash flow from Operating Activities		**(740.34)**		801.85
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of/ Advance for Fixed Assets (including Leased Assets)		**(11.79)**		(29.94)
Sale proceed of Fixed Assets		**30.97**		21.73
Net cash flow from Investing Activities		**19.18**		(8.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Redemption of Preference Shares		**(38.84)**		–
Issue of Equity Shares		**34.40**		0.45
Share Premium (net of expenses)		**66.05**		0.40
Dividend paid		**(18.52)**		(29.36)
Net cash flow from Financing Activities		**43.09**		(28.51)
Net Change in Cash and Cash Equivalent (A+B+C)		**(678.07)**		765.13
Opening Cash and Cash Equivalent		**1,300.96**		535.83
Closing Cash and Cash Equivalent		**622.89**		1,300.96
Increase/ (Decrease) in Cash and Cash Equivalent		**(678.07)**		765.13

Note: 1. Figures for previous year have been regrouped/ re-classified, wherever considered necessary
2. For composition of cash & cash equivalents please refer Note No. 18 of the balance sheet.

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn. No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

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ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared to comply with the generally accepted accounting principles in India (Indian GAAP), including the accounting standards notified under the relevant provisions of Companies Act, 2013. The applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework.

1.2 Principles of Consolidation

The consolidated financial statements relate to IFCI Ltd. ('the Company') and its subsidiary companies ("the Group") and associates. The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the Company and its subsidiary companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with accounting standards (AS)-21 "Consolidated Financial Statements".

(b) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or capital reserve, as the case may be.

(c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(d) Investment in associate companies has been accounted under the equity method as per accounting standard (AS) 23 – "Accounting for Investments in associates in consolidated financial statements".

(e) The company accounts for its share of post-acquisition changes in net assets of associates, after eliminating the unrealized profit and losses resulting from transactions between the company and its associates to the extent of its share, through its consolidated statement of profit and loss, to the extent such change is attributable to the associates profit and loss statements and through its reserve for the balance based on available information.

(f) The difference between cost of investment in the associates and share of net assets at the time of acquisition of share in the associates is identified in financial statements as goodwill or capital reserve as the case may be.

(g) The consolidated financial statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances and are prepared in the same manner as the company's separate financial statements, except otherwise expressly stated in the notes to accounts.

2. Use of Estimates

The preparation of consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

3. Revenue Recognition

(a) Interest and other dues and income from factoring services are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) and commission income on IPO and FPO where income is accounted on realisation basis as per the prudential norms prescribed by the RBI.

(b) Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement.

(c) Following are recognized on receipt basis:

(i) Front-end fees, Premium on pre-payment of loans/ reduction in interest rates, LC Commission and Insurance Commission from Agency business.

(ii) Interim returns by promoter/ promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments.

(d) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.

(e) Income from Merchant Banking/ Loan Syndication Fees, Depository Services, once the right to receive is established.

(f) Income from physical custody services is recognized on a monthly basis as per agreements with customers.

(g) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(h) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income.

(i) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(j) Surplus/ gains on sale of investments is net of losses thereon or vice versa.

(k) Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.

(l) Custodial fees are accrued monthly on the basis of daily/weekly average holdings in custody or the net asset value of holdings/assets under management in the electronic segment.

(m) Service charges received are recognised as income on completion of post trading operations. A post trading operation is treated as complete on settlement under the electronic segment and on lodgement/ delivery of securities under the paper segment.

(n) Annual maintenance charges received from beneficiary account holders/clearing members for depository services are amortised on time proportion basis over the period of contract.

(o) Charges collected on cheques dishonored/ bounced are recognised on actual basis.

Income from digitisation and software services is recognised on percentage completion method. Income from software products is recognised on either delivery or installation of product.

(p) Commission from selling of Mutual Funds, Fee income from Portfolio Management and advisory services and fees for project advisory and execution services is accounted for on accrual basis.

(q) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following:

(i) Actual cost incurred is not less than 25 percent of the total estimated project cost.

(ii) No significant uncertainty exists regarding receipt of consideration from the customers.

(iii) In case of overdue, on actual realisation basis.

(iv) All significant risks and rewards are transferred to the customer.

(r) Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(i) Revenue from external project services is recognized based on the Cost plus method. A fixed markup percentage is added to the cost incurred towards construction and the total is recognized as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/ architect.

(ii) Revenue from sale of property held as stock-in-trade is recognized upon transfer of possession or execution of sale deed, whichever is earlier.

(s) Revenue from hospitality services is recognised on accrual basis.

(i) Selling price is determined on the basis of published rack rate less discount offered to customers

(ii) Income in foreign exchange: The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate/ rates prevalent on the date of receipt of payment. The gains/ losses arising out of the fluctuation in the exchange rates are accounted for on realization.

(t) Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In Aid (G.I.A)/ similar other programmes awarded by the Central/ State Govt. Department/ Other Agencies are accounted were accounted for as per approved accounting policy of the company in accordance with AS-9 "Revenue Recognition" of ICAI.

(u) The dividend unclaimed on account of shares sold and outstanding in the books are recognized as income after the end of three years, the limitation period.

4. STOCK-IN-TRADE

(a) Inventory comprises of lands (with or without removable structure) incl. existing/ added boundary walls, Land and Building/ Residential Complex, Built-up floor space acquired/ purchased for development and/or sale, other removable/ disposable assets existing thereon. These are valued at lower of Cost or net realizable value. Costs are determined by adding all considerations/ costs which are attributable to purchase/ acquisition, and other expenses incurred specifically thereto.

(b) Inventory of hospitality business comprises of closing balance of consumables purchased. FIFO method is followed for ascertaining the cost price considered for valuation. Closing inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.

(c) Securities held for trade and those devolved on SHCIL in the process of settlement are held as stock-in trade and are valued at lower of cost or net realisable value.

(d) Securities on Deposit receipts received as collateral or directly deposited by clients with stock exchanges are not recorded in the accompanying financial statements.

5. Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and as per Accounting Standard (AS)-13 'Accounting for Investments' for non NBFC.

(i) 'Long term Investments' are carried at acquisition cost in terms of Accounting Standard 13 issued by ICAI, on 'Accounting for Investments'. Provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with buy- back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/ promoter group and provision is made accordingly on individual basis.

(ii) 'Current investments' for each category shall be valued at cost or market value whichever is lower. If the aggregate market value for the category is less than the aggregated cost for that category, the net depreciation shall be provided for or charged to the profit and loss account. The net appreciation, if any, shall be ignored.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitization Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value (NAV is considered net of management fee & other expenses) obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the FIMMDA platform for the purpose.

6. Derivatives

(a) Equity Index/ Stock Futures /Commodity/ Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities, respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

(i) The unrealized profit determined Scrip wise/ Index wise, being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.

(ii) The unrealized loss determined Scrip wise/ Index wise, being anticipated loss, is recognized in the statement of profit and loss.

(iii) Equity Index/ Stock Options are carried at cost where they are used as an instrument for hedging

(c) On final settlement or squaring-up of contracts for Equity Index/ Stock Futures/ Commodity/ Currency Futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/ squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures/ Commodity/ Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

7. Foreign Exchange Transactions

(a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/ at the forward rate, if booked, for such transaction. Gains/ losses arising out of fluctuation in exchange rates on settlement other than those relating to fixed assets are recognised in the Statement of Profit & Loss.

(b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/ losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss. Premium/ discount on hedging transactions is spread over the period to which it relates.

(c) Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

8. Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹'Nil'.

(b) Cost includes purchase price and all other directly attributable costs of bringing the assets to the working condition for intended use. Costs of self-constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

(c) Depreciation is provided on the Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

Considering the nature of business and operations of the company, SHCIL and step down subsidiary of SHCIL considered shorter life for certain assets as detailed below:

Nature of Asset	Useful life adopted	Useful life as per Companies Act, 2013
Computer Servers and Networks	4 years	6 Years
Mobiles	2 Years	5 Years
Vehicles	3 Years	8 Years
Building	58 Years	60 Years

(d) Depreciation on revalued amount of Leasehold Land & Buildings is provided on SLM basis over the remaining useful life of asset. An amount equivalent to the 'depreciation on revalued amount' provided during the period is withdrawn from the revaluation reserve and credited to the General reserve.

(e) Leasehold Improvements are amortized over the remaining lease period. Except in case of one step down subsidiary of SHCIL where it is amortized over three years.

(f) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/ disposal. Assets having individual value of less than ₹5000/- are charged to statement of Profit and Loss in the year of purchase.

9. Intangible assets and amortization

(a) Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

(b) Intangible assets include computer software having perpetual license and are amortized on Straight Line Method over the period of six year from the date of capitalization except in case of IFIN the computer software is identified as Intangible asset and has been amortized at the rate of 40% following WDV method.

(c) In case of SHCIL, computer software which forms an integral part of the related hardware is capitalized along with the hardware as fixed asset. Softwares which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortized over their estimated useful life, namely three years. Costs related to development, upgradation and maintenance of software are charged to revenue.

(d) Intangible assets consisting of Computer software with indefinite period utility / user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition /period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.

(e) The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortized as per terms of the agreement on straight line basis.

10. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the P&L statement in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimates of recoverable amount.

11. Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary. IFCI factors is making provisions for standard assets @ 0.50%.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances received there-against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

13. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

In case of SHCIL and IFCI Factors, payments made under operating leases are charged to Statement of Profit & Loss on a straight line basis over the period of lease.

14. Issue Expenses

(a) Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 52 of Companies Act, 2013.

(b) In the case of IIDL, pre-operative/ preliminary expenditure incurred by the company is written off over a period of 5 years.

15. Employee Benefits

(a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.

(b) Prior to 01.04.2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme for employees existing on 01.04.2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

(c) IFCI, IVCF and IFIN group have a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

In case of IFIN Group, the liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of Employee benefit entitlement. The Gratuity Scheme is operated through Group Gratuity Scheme of LIC. Gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Statement of Profit & Loss.

(d) Provision for leave encashment/ long term compensated absences and Leave Fare Concession is being made on actuarial valuation basis. However, short term compensated absences are provided based on estimates.

In case of IFIN Group employees are entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the basic pay along with December/January month salary of immediate next calendar year. The expenses on account thus arising are recognized in the Statement of Profit & Loss.

(e) IFCI has a post-retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment.

(f) In case of IFIN, all short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

16. Employee Stock Option Plan

IFCI and IFCI Factors Ltd. have formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees (including employees deputed in subsidiaries/ associates/ joint ventures) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

17. Income Tax

Tax Expense comprises of current & deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax resulting from timing differences between book profits and tax profits is accounted for at the current rate of tax or the substantively enacted rate of tax to the extent the timing differences are expected to crystallize, in case

of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with reasonable certainty that there would be adequate future taxable income against which deferred tax assets can be realized. However, deferred tax asset arising on account of unabsorbed depreciation and business losses are recognized only if there is virtual certainty supported by convincing evidence that there would be adequate future taxable income against which the same can be realized/set off.

18. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

19. Cash and Cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

B. NOTES ON ACCOUNTS

1. SHARE CAPITAL

1.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2018 Number of Shares	As at March 31, 2018 Amount (₹ crore)	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)
AUTHORISED				
Equity Shares of ₹10/- each	**2,00,00,00,000**	**2,000.00**	2,00,00,00,000	2,000.00
Cumulative Redeemable Preference Shares of ₹10/- each	**1,00,00,00,000**	**1,000.00**	1,00,00,00,000	1,000.00
	3,00,00,00,000	**3,000.00**	3,00,00,00,000	3,000.00
ISSUED				
Equity Shares of ₹10/– each	**1,76,32,40,546**	**1,763.24**	1,72,92,84,689	1,729.28
Cumulative Redeemable Preference Shares of ₹10/– each	**26,38,43,100**	**263.84**	26,38,43,100	263.84
	2,02,70,83,646	**2,027.08**	1,99,31,27,789	1,993.12
SUBSCRIBED				
Equity Shares of ₹10/- each	**1,69,73,09,792**	**1,697.32**	1,66,33,53,935	1,663.36
Cumulative Redeemable Preference Shares of ₹10/- each	**26,38,43,100**	**263.84**	26,38,43,100	263.84
	1,96,11,52,892	**1,961.16**	1,92,71,97,035	1,927.20
PAID UP				
(A) EQUITY				
Equity Shares of ₹10/- each	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04
TOTAL EQUITY	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04
(B) PREFERENCE				
0.10% Cumulative Redeemable Preference Shares of ₹10/– each				
Redeemable at par on 31.03.2021	**20,00,000**	**2.00**	20,00,000	2.00
Redeemable at par on 03.03.2021	**80,00,000**	**8.00**	80,00,000	8.00
Redeemable at par on 02.03.2021	**3,00,00,000**	**30.00**	3,00,00,000	30.00
Redeemable at par on 01.03.2021	**1,00,00,000**	**10.00**	1,00,00,000	10.00
Redeemable at par on 31.10.2020	**20,00,000**	**2.00**	20,00,000	2.00
Redeemable at par on 31.03.2019	**3,00,00,000**	**30.00**	3,00,00,000	30.00
Redeemable at par on 17.09.2018	**5,00,00,000**	**50.00**	5,00,00,000	50.00
Redeemable at par on 15.09.2018	**9,30,00,000**	**93.00**	9,30,00,000	93.00
Redeemable at par on 02.08.2017	**–**	**–**	3,88,43,100	38.84
TOTAL PREFERENCE	**22,50,00,000.00**	**225.00**	26,38,43,100	263.84
TOTAL SHARE CAPITAL		**1,920.99**		1,925.88

1.2 Reconciliation of the number of equity shares and share capital:

The Company has allotted 3,39,55,857 number of equity shares of Face Value of ₹10/- each to the Government of India on Preferential Basis on March 31, 2018.

Particulars	As at March 31, 2018 Number of Shares	As at March 31, 2018 Amount (₹ crore)	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59
Add: Shares issued to Government of India on Preferential basis	**3,39,55,857**	**33.95**	–	–
Add: Shares issued to employees on exercise of employee stock options	**–**	**–**	1,39,538	0.14
Add: Sold in the open market pursuant to automatic cancellation of the unexercised options *(foot-note 1)*	**–**	**–**	3,16,153	0.31
Outstanding at the end of the period	**1,69,59,93,092**	**1,695.99**	1,66,20,37,235	1,662.04

1.3 Terms/ rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of ₹10/- per share entitled to one vote per share.

Note 1 (contd..)

1.4 Shareholders holding more than 5% of equity shares as at the end of the year:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Share-holding %	Number of Shares	Share-holding %
President of India	**95,69,55,857**	**56.42**	92,30,00,000	55.53

1.5 Reconciliation of the number of Preference Shares and Share Capital:

There has been no change in the Authorised, Issued and Subscribed Share Capital during the Year

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**26,38,43,100**	**263.84**	26,38,43,100	263.84
Less: Redeemable at par on 02.08.2017	**(3,88,43,100)**	**(38.84)**	–	–
Outstanding at the end of the period	**22,50,00,000**	**225.00**	26,38,43,100	263.84

1.6 Terms/ rights attached to Preference Shares:

The Preference Shares are cumulative redeemable at par on the dates as mentioned in Note 1.1 above.

1.7 Shareholders holding more than 5% of Preference shares as at the end of the year:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
State Bank of India	**7,10,00,000**	**31.56**	7,00,00,000	26.53
President of India	**6,00,00,000**	**26.67**	6,00,00,000	22.74
Punjab National Bank	**5,20,00,000**	**23.11**	5,20,00,000	19.71
Oriental Bank of Commerce	**–**	**–**	3,06,61,200	11.62
Canara Bank	**2,00,00,000**	**8.89**	2,82,64,600	10.71

1.8 Employee Stock Option Scheme

The Company had, during the financial year 2011-12, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme. The Board in its meeting dated November 12, 2013 has withdrawn the scheme, subject to all the regulatory compliances required in this regard and no further vesting under the scheme shall be held. All applicable compliance have since been ensured and the granted options that have not vested under the scheme, have been cancelled.

ESOP A	As at March 31, 2018		As at March 31, 2017	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**–**	**–**	2,89,194	17.55
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**–**	**–**	1,16,677	17.55
Less: Expired during the period	**–**	**–**	1,72,517	17.55
Outstanding at the end of the period *	**–**	**–**	–	–
** shares allotted to Employee Stock Option Trust (foot-note 1)*	**–**	**–**	–	–

ESOP B	As at March 31, 2018		As at March 31, 2017	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**–**	**–**	78,840	23.40
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**–**	**–**	22,861	23.40
Less: Expired during the period	**–**	**–**	55,979	23.40
Outstanding at the end of the period *	**–**	**–**	–	–
** shares allotted to Employee Stock Option Trust (foot-note 1)*	**–**	**–**	–	–

Foot-notes to Note 1

1 The remaining shares corresponding to expired options have been sold in the open market and the remaining monies in IFCI Employee Stock Options trust shall be transferred to Employee Welfare Trust/scheme of the Company as per SEBI share based employee benefits regulations.

2. RESERVES AND SURPLUS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
(A)	**Capital Reserve** *(foot-note 1)*		**0.89**		0.89
(B)	**Amalgamation Reserve**		**0.98**		0.98
(C)	**Capital Redemption Reserve** *(foot-note 2)*				
	Opening Balance	**211.27**		211.27	
	Additions/ Deductions	**38.84**		–	
	Closing Balance		**250.11**		211.27
(D)	**Capital Reserve on consolidation**				
	Opening Balance	**6.73**		9.10	
	Additions/ Deductions	**(6.73)**		(2.37)	
	Closing Balance		**–**		6.73
(E)	**Securities Premium Reserve**				
	Opening Balance	**1,017.91**		1,024.34	
	Additions	**66.05**		–	
	Deductions	**–**		(6.43)	
	Closing Balance		**1,083.96**		1,017.91
(F)	**Debenture Redemption Reserve** *(foot-note 3)*				
	Opening Balance	**171.00**		94.92	
	Additions	**76.08**		76.08	
	Deductions	**–**		–	
	Closing Balance		**247.08**		171.00
(G)	**Revaluation Reserve**				
	Opening Balance	**783.20**		810.60	
	Additions on account of reversal of depreciation	**–**		0.26	
	Transfer to General Reserve	**(19.54)**		(19.72)	
	Deduction on account of transfer/ sale/ disposal of assets	**(2.60)**		(7.94)	
	Closing Balance		**761.06**		783.20
(H)	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961** *(foot-note 4)*				
	Opening Balance	**136.74**		136.74	
	Additions/ Transfers during the year	**–**		–	
	Closing Balance		**136.74**		136.74
(I)	**Reserve u/s 45IC of RBI Act** *(foot-note 5)*				
	Opening Balance	**924.57**		920.16	
	Additions/ Transfers during the year	**0.10**		4.41	
	Closing Balance		**924.67**		924.57
(J)	**General Reserve**				
	Opening Balance	**503.98**		484.26	
	Additions/ Transfers during the year	**32.54**		19.72	
	Closing Balance		**536.52**		503.98
(K)	**Profit & Loss Account**				
	Opening Balance	**2,125.94**		2,575.48	
	Less: WDV of the assets with no useful life	**–**		–	
	Add: Profit/ (loss) for the year (before minority interest and share of profits of associates)	**(971.52)**		(324.27)	
	Share of the profits/ (loss) in Associates	**1.51**		16.04	
	Less: Reduction in accumulated profits of the associates $	**(103.87)**		(31.45)	
	Appropriations:				
	Reserve u/s 45IC of RBI Act	**(0.10)**		(4.41)	
	Special Reserve u/s 36(1)(viii)	**–**		–	
	Capital Redemption Reserve	**(38.84)**		–	
	Debenture Redemption Reserve	**(76.08)**		(76.08)	

Note 2 (contd..)

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
General Reserve	**(13.00)**		–	
Preference dividend @ ₹0.01 per share	**(0.24)**		(0.26)	
Dividend to minorities by subsidiaries	**(12.18)**		(18.96)	
Preference	**(0.05)**		(0.05)	
Add: Dividend tax credit u/s 115O(1A) of Income Tax Act	**0.05**		0.05	
Dividend to minorities by subsidiaries	**(6.10)**		(10.14)	
Closing Balance		**905.52**		2,125.94
TOTAL		**4,847.53**		5,883.22
Less: Minority Interest		**373.32**		353.36
Less: Share of pre-acquisition reserves in Subsidiary Companies		**321.96**		321.96
TOTAL RESERVES AND SURPLUS		**4,152.25**		5,207.90

$ represents ₹101.10 crore in respect of Tourism Finance Corporation of India Ltd., ₹1.16 crore in respect of HIMCON Ltd. and ₹1.61 crore in respect of NITCON Ltd. upon reduction in shareholding below 20%. (In previous year ₹1.61 crore in respect of HARDICON Ltd. upon reduction in shareholding below 20% and ₹29.84 crore in respect of Tourism Finance Corporation of India Ltd. upon partial disposal of investment).

Foot-notes to Note No. 2

1. Capital Reserve represents proceeds of forfeited shares.
2. Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Section 80 of the Companies Act, 1956.
3. Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non-Convertible Debentures issued by IFCI Ltd. through public offer.
4. Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f. FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.
5. Pursuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reserve created u/s 45IC of RBI Act, 1934.

3. LONG-TERM BORROWINGS

3.1 RUPEE LOANS- UNSECURED

(₹ crore)

			As at March 31, 2018		As at March 31, 2017	
			Non-Current	**Current**	Non-Current	Current
(A)	**Non-Convertible Debentures (NCDs)**					
	(i) 6.00%	LIC - Redeemable on 28.12.2021	**200.00**	**–**	200.00	–
	(ii) 6.00%	SBI - Redeemable on 25.01.2022	**200.00**	**–**	200.00	–
	(iii) 9.37%	LIC - Redeemable on 01.04.2022	**418.19**	**–**	418.19	–
	Sub - Total 'A'		**818.19**	**–**	818.19	–
(B)	**Bonds**					
	(i)	Privately Placed Bonds *(refer foot-note 1)*	**4,721.80**	**313.01**	5,158.95	471.66
	(ii)	Privately Placed Zero Coupon Bonds [Unamortised discount - ₹831.12 crore (Previous year - ₹853.59 crore)]	**205.64**	**–**	187.36	–
	(iii)	Infrastructure Bonds	**780.07**	**–**	801.56	–
	(iv)	Subordinate - Tier II Bonds	**1,313.30**	**–**	1,313.30	–
	Sub-Total 'B' *(refer foot note 2)*		**7,020.81**	**313.01**	7,461.17	471.66
(C)	**Other Long Term Borrowings**					
	(i)	Banks and FIs *(refer foot note 3)*	**4,911.65**	**3,399.95**	7,574.90	3,232.43
	(ii)	Financial Institutions (repayable on 01/04/2022)	**100.00**	**–**	100.00	–
	Sub-Total 'C'		**5,011.65**	**3,399.95**	7,674.90	3,232.43
	TOTAL (RUPEE LOAN - UNSECURED)		**12,850.65**	**3,712.96**	15,954.26	3,704.09

Note 3 (contd..)

Foot-notes to Note No. 3.1

1. Privately placed Bonds of ₹5,034.81 crore shown at 3.1(B)(i) above includes ₹1,280.58 crore of bonds which were guaranteed by the Govt. of India at the time of issue. These bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such rolled over erstwhile government guaranteed bonds are clubbed under Privately Placed Bonds as on March 31, 2018 above.
2. Out of the bonds of ₹7,020.81 crore disclosed as Non-current at 3.1(B) above, Put/ Call Option applicable on ₹1,782.31.88 crore (previous year: ₹1,927.88 crore) of Bonds.
3. (a) Out of the bank borrowings disclosed at 3.1(C)(i) above Put/ Call Option applicable on ₹.2,068.5(previous year: ₹3,670.00 crore)
   (b) Bank borrowings include loan of ₹300 crore (previous year: ₹300 crore), against escrow of cash flow/ lien against certain identified loan assets.

3.2 RUPEE LOANS - SECURED

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	**Term Loan**				
	- From Banks *(foot note 1)*	**91.35**	**113.22**	201.35	173.99
	- Others	**–**	**–**	–	–
(B)	**Privately Placed Bonds**				
	Tax-free Bonds *(foot note 2)*				
	- subscribed by associates companies	**–**		50.00	
	- subscribed by others	**265.00**	**–**	215.00	–
	Other Bonds *(foot note 3)*	**156.40**		198.30	
(C)	**Public Issue on NCDs**				
	Secured Reedemable Non Convertible Debentures *(foot note 4)*				
	- subscribed by associates companies	**–**	**–**	15.03	–
	- subscribed by others	**1,938.22**		1,923.17	
(D)	**Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)**	**575.00**		575.00	
	TOTAL RUPEE LOAN - SECURED	**3,025.97**	**113.22**	3,177.85	173.99

Foot-notes to Note No. 3.2

1. Term Loan of ₹158.93 crore from Banks are secured by hypothecation of Book debts of IFCI Venture Capital Funds Ltd (PY ₹326.73 crore) on pari pasu basis and term loan of ₹45.64 crore (PY ₹48.61 crore) are secured by way of hypothecation of factored debt of IFCI Factors Ltd. on pari pasu basis.
2. Tax free bonds of ₹265 crore (PY ₹265 crore) are secured by way of floating charge on the receivables of IFCI Ltd.
3. Other secured bonds of ₹98.30 crore (PY ₹98.30 crore) are secured by way of pari pasu charge on the receivables of IFCI Venture Capital Funds Ltd.
4. Secured redeemable NCDs of ₹1,938.22 crore (PY ₹1,938.20 crore) are secured by way of floating charge on the receivables of IFCI Ltd.

3.3 FOREIGN CURRENCIES - UNSECURED

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	**KfW Line - Guaranteed by Government of India**	**443.32**	**28.56**	404.64	24.49
	(repayment in half-yearly instalments - earliest date of repayment 30/06/2018)				
	TOTAL (FOREIGN CURRENCIES)	**443.32**	**28.56**	404.64	24.49
	TOTAL LONG-TERM BORROWINGS	**16,319.94**	**3,854.74**	19,536.75	3,902.57

4. LONG-TERM LIABILITIES

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Funds placed with the Corporation				
	(a) Scheduled Caste Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**240.81**	**–**	232.31	–
	(b) Employees' Provident Fund	**65.67**	**5.69**	61.86	9.13
(B)	Interest accrued but not due on bonds & borrowings	**558.50**	**550.88**	454.30	474.67
(C)	Other Liabilities (security deposits)	**35.66**	**–**	38.65	–
	TOTAL	**900.64**	**556.57**	787.12	483.80

5. PROVISIONS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Long-term	**Short-term**	Long-term	Short-term
(A)	Provision for standard and securitised assets	**52.45**	**15.88**	102.08	19.35
(B)	Sundry Liabilities (Interest Capitalisation)	**59.40**	**0.01**	119.65	0.02
(C)	Employee Benefits	**54.14**	**13.92**	37.84	12.48
(D)	Claims & Expenses	**24.46**	**2.98**	25.61	6.72
	TOTAL	**190.45**	**32.79**	285.18	38.57

6. SHORT-TERM BORROWINGS

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
Secured			
(A)	Loan from banks repayable on demand *(refer foot-note 1)*	**130.00**	175.00
(B)	Bank Overdraft	**3.37**	–
(C)	Loans *(refer foot-note 2)*		
	- from banks	**20.00**	18.00
	- from others	**–**	–
(D)	Cash Credit - From Banks *(refer foot-note 3)*	**42.87**	15.85
Unsecured			
(A)	Loans		
	- from banks	**200.00**	–
	- from others	**0.10**	7.15
	TOTAL	**396.34**	216.00

Foot-notes

1. Loan from banks payable on demand of ₹130 crore (PY ₹175 crore) are secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd.
2. Other loan of ₹20 crore (PY - ₹18 crore) from banks are secured by way of charge on the receivables of IFCI Venture Capital Funds Ltd.
3. Cash Credit of ₹37.15 crore (PY ₹3.24 crore) secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd. and ₹5.72 crore (PY ₹1.30 crore) secured by way of pledge of fixed deposit by Stock Holding Corporation of India Ltd.

7. TRADE PAYABLES

		As at March 31, 2018	As at March 31, 2017
(A)	**Sundry Creditors**		
	(i) Total outstanding dues to Micro, Small and Medium Enterprises	**0.73**	0.19
	(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	**202.74**	148.46
(B)	Contractual Liability against Sundry Debtors Collection @	**45.21**	55.80
	TOTAL	**248.68**	204.45

@ This represents the margin on debts factored and payable to the clients on collection of total debt. The total factored debts are shown under trade receivables.

8. OTHER CURRENT LIABILITIES

(A)	**Current maturities of Long-term debt**			
	(i)	Rupee *(refer notes 3.1 and 4 (C))*	**3,826.18**	3,878.08
	(ii)	Foreign Currencies *(refer note 3.3)*	**28.56**	24.49
	Sub - Total 'A'		**3,854.74**	3,902.57
(B)	**Others**			
	(i)	Current maturity of provident fund placed with the company *(refer note 4(A))*	**5.69**	9.13
	(ii)	Interest accrued but not due on bonds and borrowings *(refer note 4(B))*	**550.88**	472.88
	(iii)	Income received in Advance	**20.69**	23.71
	(iv)	Unclaimed Dividend	**14.57**	16.50
	(v)	Unpaid Matured Debentures & Interest	**0.36**	0.56
	(vi)	Other Liabilities (trade deposits and other payables)	**822.43**	1287.74
	Sub - Total 'B'		**1,414.62**	1,810.52
	TOTAL		**5,269.36**	5,713.09

9. FIXED ASSETS - TANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01-Apr-17	Additions	Disposals	**As at 31-Mar-18**	Revalued Amount	As at 01-Apr-17	For the year	Disposals	**As at 31-Mar-18**	**As at 31-Mar-18**	As at 31-Mar-17	Revalued Amount
Owned Assets												
Freehold Land	129.47	–	–	**129.47**	66.90	–	–	–	**–**	**129.47**	129.47	66.90
Leasehold Land	315.30	–	2.36	**312.94**	260.20	47.72	9.39	0.39	**56.72**	**256.22**	267.58	223.94
Buildings	999.92	0.47	2.60	**997.79**	569.86	165.14	20.94	0.85	**185.23**	**812.56**	834.78	470.22
Leasehold Improvements	4.39	0.01	2.13	**2.27**	–	2.43	0.20	1.64	**0.99**	**1.28**	1.96	–
Plant & Machinery	113.61	2.57	6.64	**109.54**	–	37.72	8.18	1.92	**43.98**	**65.56**	75.88	–
Furniture & Fixtures	59.89	0.20	0.43	**59.66**	–	36.12	6.61	0.21	**42.52**	**17.13**	23.76	–
Vehicles	6.28	0.31	0.41	**6.18**	–	5.06	0.85	0.38	**5.53**	**0.65**	1.22	–
Office Equipments	121.85	7.52	5.04	**124.33**	–	100.58	9.73	4.95	**105.36**	**18.97**	21.27	–
Electrical Installations and Equipments	28.34	0.08	0.56	**27.86**	–	16.92	3.22	0.52	**19.62**	**8.24**	11.42	–
Leased Assets												
Leased Assets - Plant & Machinery	197.92	–	–	**197.92**	–	197.92	–	–	**197.92**	**–**	–	–
TOTAL	1,976.97	11.16	20.17	**1,967.96**	896.96	609.61	59.12	10.86	**657.87**	**1,310.08**	1,367.34	761.06
Previous Year	1,965.31	29.34	17.68	**1,976.97**	900.10	560.28	57.63	8.30	**609.61**	**1,367.34**	1,405.03	783.20

Foot-notes to Note No. 9

The additional charge of depreciation of ₹19.54 crore for the year ended March 31, 2018 (previous year - ₹19.72 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10, has been charged to Statement of Profit & Loss.

Above includes following assets which are held for sale as on March 31, 2018

Particulars	Gross Block	Revalued Amount	Accumulated Depreciation	Net Block	Revalued Amount
Freehold Land	0.01	–	–	0.01	–
Leasehold Land	0.01	–	–	0.01	–
Buildings	26.84	2.78	0.71	26.13	2.61
Total	**26.86**	**2.78**	**0.71**	**26.15**	**2.61**

10. FIXED ASSETS - INTANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01-Apr-17	Additions	Disposals	**As at 31-Mar-18**	Revalued Amount	As at 01-Apr-17	For the year	Disposals	**As at 31-Mar-18**	**As at 31-Mar-18**	As at 31-Mar-17	Revalued Amount
Computer Softwares	43.49	1.09	0.47	**44.11**	–	35.44	3.39	**0.47**	**38.36**	5.76	8.07	–
Non-compete Fee	0.99	–	–	**0.99**	–	0.99	–	**–**	**0.99**	–	–	–
Membership Card	0.32	–	–	**0.32**	–	0.32	–	**–**	**0.32**	–	–	–
TOTAL	44.80	1.09	0.47	**45.42**		36.75	3.39	0.47	**39.67**	5.76	8.07	–
Previous Year	41.47	3.37	0.04	**44.80**		33.76	2.99	–	**36.75**	8.07	7.71	

11. NON-CURRENT INVESTMENTS

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
A.	**QUOTED**		
1.	**Equity Shares**		
(a)	Associates	**0.00**	166.52
(b)	Assistance under financing	**666.27**	146.37
(c)	Others *(Refer foot-note 1)*	**416.29**	502.05
		1,082.56	814.94
2.	**Bonds**	**30.00**	30.57
3.	**Government Securities** [$]	**16.72**	30.56
4.	**Units**	**9.85**	–
B.	**UNQUOTED**		
1.	**Equity Shares**		
(a)	Associates	**12.83**	14.48
(b)	Joint-Venture	**0.01**	0.01
(c)	Assistance under financing	**1,364.82**	1,901.30
(d)	Others	**83.88**	83.88
		1,461.54	1,999.67
2.	**Preference shares**	**255.74**	265.82

Note No. 11 (contd..)

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
3.	**Debentures/ Bonds**		
	(a) Joint-Venture	**–**	–
	(b) Others *(Refer foot-note 2)*	**173.73**	223.98
4.	**Security Receipts**	**1,163.58**	1000.09
5.	**Bonds**	**–**	–
6.	**Government Securities** [$]	**400.00**	400.00
7.	**Units**	**361.32**	314.01
TOTAL		**4,955.04**	5,079.64
Less: Provision for Diminution in value		**919.55**	905.63
TOTAL		**4,035.49**	4,174.01
QUOTED:			
(1)	Total Book Value	**1,139.13**	873.07
	- *Equity Shares*	**1,082.56**	811.94
	- *Others*	**56.57**	61.13
(2)	Total Market Value	**635.69**	796.57
	- *Equity Shares*	**533.76**	678.54
	- *Others*	**101.93**	118.03
UNQUOTED:			
(1)	Total Book Value	**3,815.91**	4,206.57
	- *Equity Shares*	**1,461.54**	2,002.67
	- *Preference Shares*	**255.74**	265.82
	- *Others*	**2,098.63**	1,938.08

[$] includes securities of ₹16.72 crore (PY ₹30.56 crore) placed on Margin with CCIL.

Foot-notes:

1 The above balances include:

- Equity Shares of ₹23.47 crore (Previous Year ₹14.19 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines as indicated below: -

As on 31/03/2018

Name	No. of shares Lent	Cost (₹ crore)
Interglobe Aviation Limited	**14500**	1.73
Indusind Bank Limited.	**20000**	3.27
HDFC Bank Limited	**20000**	3.68
Vedanta Limited	**36426**	1.21
Tata Steel Limited	**44000**	2.84
Infosys Limited	**100000**	10.74
		23.47

As on 31/03/2017

Name	No. of shares Lent	Cost (₹ crore)
Bharti Airtel Ltd	**250000**	9.70
Indian Oil Corporation Limited	**143000**	4.49
		14.19

2 Includes corporate bonds having value of Nil (March 31, 2017: Nil) sold under Repo Transactions.

(₹ crore)

NON-CURRENT INVESTMENTS - DETAILS	As at March 31, 2018		As at March 31, 2017	
	No. of shares/ units	**Amount**	No. of shares/ units	Amount
QUOTED				
Equity Shares (Associates)				
(i) Tourism Finance Corporation of India Ltd	**–**	**–**	23,432,875	58.89
Add : Capital Reserve		**–**		6.53
Add : Share of accumulated profits/ reserves*		**–**		106.49
Less : Other adjustments/ distribution of profits		**–**		(5.39)
		–		166.52
[*including share of current year's profit Nil (P.Y. ₹20.42 cr.)]				
UNQUOTED				
Equity Shares (Associates)				
(i) HIMCON Ltd	**–**	**–**	735	0.07
Add : Share of accumulated profits/ reserves*		**–**		1.17
Less : Other adjustments/ distribution of profits		**–**		(0.01)
		–		1.23
[*including share in current year's profit Nil (P.Y. ₹0.40 cr.)]				

Note No. 11 (contd..)

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		No. of shares/ units	**Amount**	No. of shares/ units	Amount
(ii)	NITCON Ltd.	**–**	**–**	9,750	0.13
	Add : Capital Reserve		**–**		0.20
	Add : Share of accumulated profits/ reserves*		**–**		1.66
	Less : Other adjustments/ distribution of profits		**–**		(0.05)
			–		1.94
	[*including share in current year's profit Nil (P.Y. ₹0.25 cr.)]				
(iv)	KITCO Ltd.	**19,950**	**0.04**	19,950	0.04
	Add : Share of accumulated profits/ reserves*		**13.03**		11.64
	Less : Other adjustments/ distribution of profits		**(0.25)**		(0.37)
			12.82		11.31
	[*including share in current year's profit ₹1.77 cr. (P.Y. ₹1.59 cr.)]				
Equity Shares (Joint Venture)					
(i)	IFCI Sycamore Capital Advisors Pvt. Ltd.	**10,000**	**0.01**	10,000	0.01

12. DEFERRED TAX ASSET (NET)

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(A)	Provision against Loans/ Advances & other Assets	**1,813.77**	1,147.25
(B)	DTL on Timing difference in Depreciable Assets	**(77.79)**	(77.72)
(C)	DTL on Special Reserve u/s 36(i)(viii)	**(46.72)**	(46.72)
(D)	Other Timing Differences	**139.80**	49.89
	TOTAL	**1,829.06**	1,072.70

13. LOANS

		As at 31st March, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Loans to Assisted Concerns	**16,487.32**	**3,428.42**	18,685.17	3,906.35
(B)	Debentures	**1,725.78**	**104.96**	1,833.22	102.32
(C)	Lease Rental Receivable	**0.04**	**–**	0.05	–
		18,213.14	**3,533.38**	20,518.44	4,008.67
	Less: Allowance for bad and doubtful assets				
	- Loans	**3,024.72**	**72.44**	1,715.33	47.44
	- Lease Rental Receivable	**0.04**		0.05	
	- Debentures	**800.47**	**–**	221.93	–
		3,825.23		1,937.31	
	TOTAL	**14,387.91**	**3,460.94**	18,581.13	3,961.23
	Classification of Loans				
(i)	Secured	**15,877.54**	**3,343.17**	20,041.00	3,878.84
(ii)	Unsecured	**2,335.60**	**190.21**	477.44	129.83
		18,213.14	**3,533.38**	20,518.44	4,008.67

14. LOANS & ADVANCES - OTHERS

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Capital Advances	**9.72**	**–**	3.34	–
(B)	Security Deposits	**85.47**	**–**	93.14	–
(C)	Advance Tax paid (net of provision)	**103.09**	**7.21**	75.50	5.04
(D)	MAT Credit Entitlement	**82.78**	**–**	54.79	–
(E)	Other Deposits/ Loan				
	- Considered good	**31.00**	**1.36**	23.25	50.00
	- Considered doubtful	**–**	**12.12**	0.26	12.12
	Less: Allowance for bad and doubtful debts	**–**	**(12.12)**	(0.26)	(12.12)
(F)	**Other Loans and advances**				
(a)	Loans to Staff (Secured - considered good)	**10.40**	**2.60**	10.97	2.86
(b)	Others (Unsecured)	**–**	**–**	–	–
	- Considered good	**21.02**	**148.98**	16.65	32.71
	- Considered doubtful	**0.04**	**6.10**	0.04	7.71
	Less: Allowance for bad and doubtful debts	**(0.04)**	**(6.10)**	(0.04)	(7.71)
	TOTAL	**343.48**	**160.15**	277.64	90.61

15. OTHER ASSETS

(₹ crore)

		As at March 31, 2018		As at March 31, 2017	
		Non-Current	**Current**	Non-Current	Current
(A)	Accrued Income				
	(i) Interest and commitment charges on Loans	**–**	**63.69**	–	77.47
	(ii) Interest on debentures	**–**	**13.12**	–	25.69
	(iii) Interest on Investments	**12.98**	**41.88**	15.93	32.46
	(iv) Other Income	**5.10**	**46.28**	5.14	54.38
(B)	Sundry Deposits	**0.35**	**8.29**	0.36	5.55
(C)	Forward Deal Outstanding	**–**	**20.93**	–	–
(D)	Pre-paid Expenses	**0.61**	**9.69**	0.27	7.35
(E)	Advance receivable in cash or in kind	**–**	**153.79**	–	95.82
	TOTAL	**19.04**	**357.67**	21.70	298.72

16. CURRENT INVESTMENTS

		As at March 31, 2018	As at March 31, 2017
A.	**QUOTED**		
	Fully paid-up, non-trade Investment		
	1. Equity Shares	**51.04**	65.22
	2. Bonds	**74.97**	0.39
	3. Government Securities #	**209.00**	5.35
	4. Units of Mutual Funds	**3.90**	–
		338.91	70.96
B.	**UNQUOTED**		
	Fully paid-up, non-trade Investment		
	1. Equity Shares	**74.37**	107.21
	2. Bonds	**24.90**	69.43
	3. Commercial Paper	**49.05**	197.08
	4. Certificate of Deposit	**732.78**	392.21
	5. Units of Mutual Funds	**80.08**	214.22
		961.18	980.15
C.	**APPLICATION MONEY**		
	1. Equity shares		
	(i) Subsidiaries - IFCI Financial Services Ltd.	**0.02**	0.02
	(ii) Others	**–**	–
	2. Preference shares	**0.08**	0.08
		0.10	0.10
TOTAL		**1,300.19**	1,051.21
Less: Provision for Mark to Market		**93.12**	74.85
TOTAL		**1,207.07**	976.36
QUOTED:			
(1)	Total Book Value	**263.94**	146.57
	- *Equity Shares*	**51.04**	65.22
	- *Others*	**212.90**	81.35
(2)	Total Market Value	**333.56**	114.55
	- *Equity Shares*	**24.46**	33.06
	- *Others*	**309.10**	81.49
UNQUOTED:			
(1)	Total Book Value	**1,922.46**	1,808.40
	- *Equity Shares*	**74.37**	107.21
	- *Others*	**1,848.09**	1,701.19

Placed with CCIL as collateral under Collaterised Borrowings Lending Operations (CBLO).

- Govt. Securities	**200.00**	NIL

17. TRADE RECEIVABLES

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(A)	Secured		
	- More than 6 months	**47.09**	23.97
	- Others	**67.88**	90.02
(B)	Unsecured	**–**	–
	- More than 6 months	**355.40**	341.81
	- Others	**302.07**	380.52
		772.44	836.32
	Less: Allowance for bad and doubtful debts	**(309.22)**	(259.25)
	TOTAL	**463.22**	577.07
	Out of the above,		
	(i) Considered good	**407.54**	501.78
	(ii) Considered doubtful	**364.90**	334.54
	Less: Allowance for bad and doubtful debts	**(309.22)**	(259.25)
		463.22	577.07

18. CASH AND CASH EQUIVALENT

		As at March 31, 2018	As at March 31, 2017
(A)	**Cash and Cash Equivalent**		
(i)	Balances with Banks		
	- Bank balance	**412.23**	638.69
	- Bank Deposits	**166.65**	143.24
(ii)	Collaterised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	**–**	499.80
(iii)	Cheques on hand & under collection & remittances in transit	**40.44**	12.27
(iv)	Cash in hand (including postage stamps)	**3.57**	6.96
		622.89	1,300.96
(B)	**Other Bank Balances**		
(i)	Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
	- Bank balance	**0.06**	0.13
	- Bank Deposits	**240.29**	231.71
(ii)	Unclaimed dividend Account	**14.54**	16.47
(iii)	Balances with Banks held as margin money/ security against guarantees *	**351.14**	279.92
(iv)	Bank Deposits under directions of Court & Tribunal etc.	**361.17**	384.27
		967.20	912.50
	TOTAL	**1,590.09**	2,213.46
* includes Bank deposits with more than 12 months remaining maturity		**311.19**	275.22

19. REVENUE FROM OPERATIONS

		As at March 31, 2018	As at March 31, 2017
(A)	**Interest Income**		
	(i) Loans	**1,967.91**	2,384.72
	(ii) Debentures	**0.59**	44.35
	(iii) Income from deployment of funds	**125.19**	144.96
	(iv) Interest on Bonds/ Government Securities/ other contractual obligation	**67.40**	105.22
	SUB-TOTAL (A)	**2,161.09**	2,679.25
(B)	**Other Financial Services**		
	(i) Dividend (Gross)		
	- Investments - non-current	**82.69**	62.69
	- Investments - current	**5.17**	5.16
	(ii) Profit on sale of Long term Shares/ Debentures (Net)		
	- Assistance under financing - non-current	**204.22**	98.01
	- Investments - non-current	**388.50**	159.29
	- Investments - current	**6.97**	5.78
	(iii) Business Services Fees and Commission (including guarantee commission)	**132.91**	167.16
	(iv) Custodial & Depository Participant Services	**124.71**	119.17
	(v) Brokerage & Commission	**211.70**	164.52
	(vi) Exchange Fluctuation Gains/ (Loss)	**4.27**	6.01
	(vii) Income from Hospitality Business	**13.98**	11.49
	(viii) Provision/ Liability no longer required written back	**60.81**	32.57
	SUB-TOTAL (B)	**1,235.93**	831.85
(C)	**Sale proceeds of stock in trade**	**48.22**	68.02
	TOTAL (A)+(B)+(C)	**3,445.24**	3,579.12

(₹ crore)

20.	OTHER INCOME	As at March 31, 2018	As at March 31, 2017
(A)	Interest on staff advances	**0.68**	0.73
(B)	Profit on sale of fixed assets (Net)	**24.26**	19.99
(C)	Rental Income	**31.85**	33.28
(D)	Dividend from Associates	**4.52**	2.59
(E)	Miscellaneous Income	**8.29**	45.58
	TOTAL	**69.60**	102.17

21.	FINANCE COST	As at March 31, 2018	As at March 31, 2017
(A)	Interest on Rupee Bonds and Borrowings	**2,052.74**	2,327.17
(B)	Interest on Foreign Currency Borrowings	**40.34**	20.58
(C)	Interest on Bank Overdraft	**8.15**	21.42
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social Resposibility)	**6.12**	5.83
(E)	Commitment Charges, Brokerage, Commission and other costs	**1.88**	4.75
	TOTAL	**2,109.23**	2,379.75

22.	EMPLOYEE BENEFIT EXPENSES	As at March 31, 2018	As at March 31, 2017
(A)	Salaries and Allowances	**222.08**	204.31
(B)	Contribution to Retirement Funds	**45.63**	24.39
(C)	Staff Welfare Expenses	**18.41**	23.76
	TOTAL	**286.12**	252.46

23.	OTHER EXPENSES	As at March 31, 2018	As at March 31, 2017
(A)	Rent	**15.52**	14.59
(B)	Rates and Taxes	**6.58**	5.84
(C)	Insurance	**2.28**	2.20
(D)	Repairs and Maintenance	**–**	–
	- Buildings	**12.73**	12.95
	- IT	**26.07**	20.84
	- Others	**2.55**	1.89
(E)	Electricity & Water Charges	**17.98**	18.04
(F)	Security	**3.29**	2.54
(G)	Payment to Auditors	**1.17**	1.92
(H)	Directors' Fee & Expenses	**0.34**	1.03
(I)	Publications, Advertisement & Business Development	**6.68**	7.59
(J)	Consultation and Law Charges	**62.69**	54.09
(K)	Commission	**31.56**	18.65
(L)	Travelling & Conveyance	**8.86**	8.36
(M)	Training & Development	**9.11**	11.35
(N)	Postage & Telephone	**13.42**	13.53
(O)	Printing & Stationery	**7.52**	6.37
(P)	Listing/ Filing/ Custody Fee	**1.88**	1.82
(Q)	Library/ Membership Subscription	**1.80**	1.88
(R)	Expenses on CSR Activity	**10.84**	10.38
(S)	Outsourcing Expenses	**30.24**	46.08
(T)	Depository Participant & Custodian Fee	**13.14**	12.41
(U)	Expenses related to Hospitality Business	**2.08**	1.72
(V)	Other Miscellaneous Expenses	**27.62**	23.94
	TOTAL	**315.95**	300.01

24. PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(A)	Loans & Advances		
	- Provision Reversal on recovery from NPAs	**(64.06)**	(106.26)
	- Write-off	**473.49**	420.72
	Less: transfer from provision held for bad & doubtful debts	**(482.07)**	(427.26)
	- Provision for assets	**2,458.74**	1,104.49
(B)	Investments		
	- Provision Reversal	**(245.80)**	(85.64)
	- Write-off	**–**	28.36
	Less: Transfer from provision held	**0.53**	(29.03)
	- Provision made	**277.45**	355.51
(C)	Debtors		
	- Write-off	**1.23**	0.47
	- Provision Reversal	**(1.67)**	(1.78)
	- Provision made	**0.54**	–
	TOTAL	**2,418.38**	1,259.58

25.1 The consolidated financial statements comprise the individual financial statements of IFCI Ltd. and its following subsidiaries as on 31.03.2018 and for the year ended on that date: -

Name of the Subsidiary	Proportion of Ownership Interest (%)
Direct Subsidiary	
IFCI Financial Services Limited (IFIN)	94.78
IFCI Venture Capital Funds Limited (IVCF)	98.59
IFCI Infrastructure Development Limited (IIDL)	100.00
IFCI Factors Limited (IFL)	99.74
MPCON	79.72
Stockholding Corporation of India Ltd. (SHCIL)	52.86
Step-Down Subsidiary *	
Subsidiary of IFIN	
IFIN Commodities Limited - Wholly owned subsidiary of IFIN	100.00
IFIN Credit Limited - Wholly owned subsidiary of IFIN	100.00
IFIN Securities Finance Limited - Wholly owned subsidiary of IFIN	100.00
Subsidiary of IIDL	
IIDL Realtors Pvt. Limited - Wholly owned subsidiary of IIDL.	100.00
Subsidiary of SHCIL	
SHCIL Services Limited - wholly owned subsidiary of SHCIL	100.00
Stockholding Document Management Services Ltd- Wholly owned subsidiary of SHCIL	100.00

* % of ownership represents shareholding of respective immediate holding company.

25.2 The following associate companies are considered in consolidation based on equity method as provided in AS-23 and the Company's ownership interest therein are as under:

Name of the Associate	Proportion of Ownership Interest (%)
KITCO Ltd	20.26

All the subsidiaries and associates are incorporated in India.

25.3 Pursuant to sale of our substantial/entire stake in Tourism Finance Corporation of India Ltd, Himachal Consultancy Organisation Ltd. and North India Technical Consultancy Organisation Ltd. has ceased to be an Associate company of IFCI w.e.f September 29, 2017, April 21, 2017 and April 25, 2017 respectively. In view of this TFCI, HIMCON, NITCON has not been considered for consolidation.

25.4 Un-audited accounts of KITCO Ltd has been compiled to include all their components and the management takes complete responsibility for the correctness and appropriateness of these accounts.

26. List of Associates / Joint Venture not Consolidated:

26.1

Sl. No.	Name of the Associate
1.	ABG Energy (GUJARAT) Ltd
2.	Gati Infrastructure Bhasmey Power Pvt Ltd
3.	Nagai Power Private Limited
4.	Raichur Power Corporation Ltd
5.	Shiga Energy Private Limited
6.	Sravanthi Energy Private Limited

IFCI Ltd. has acquired shares in these companies as a part of regular business activity of financing through equity participation with firm buy-back commitment for such shares with the promoters/ group companies of the investee companies at pre-determined rate of return after a pre-determined period. Since, the shares have been acquired with the intention to dispose-off at a pre-determined rate of return, share in net-worth of the investee company following 'equity method' is not appropriate indicator of the real economic interest of IFCI Ltd. In certain Companies, buy-back due within 12 months reducing the shareholding of IFCI Ltd. below 20%. Therefore, the investment in these companies has been considered as investment in 'Consolidated Financial Statements' as per AS -13.

26.2

Sl. No.	Name of the Joint Venture
1.	IFCI Sycamore Capital Advisors (P) Limited (ISCAPL)

The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd. in IFCI Sycamore Capital Advisors (P) Limited as on March 31, 2018 was at ₹0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquidation of the Company. In view of the this joint venture has not been considered for consolidation.

26.3 Additional Disclosure under Schedule III of Companies Act, 2013.

Name of the Entity	Net Assets		Share in Profit or Loss	
	% of Consolidated Net Assets	Amount (₹ crore)	% of Consolidated Profit or Loss	Amount (₹ crore)
Indian Parent Company				
IFCI Ltd *	89.48%	5780.13	105.22%	(1022.22)
Indian Subsidiary Company				
IFCI Venture Capital Funds Ltd.	3.45%	222.99	(0.54%)	5.22
IFCI Factors Ltd	1.96%	126.93	3.76%	(36.53)
MPCON Ltd.	0.12%	7.63	(0.06%)	0.61
IFCI Infrastructure Development Ltd. (including step down-subsidiary)	9.23%	596.00	(0.64%)	6.17
Stock Holding Corporation of India Ltd. (including step down-subsidiary)	12.43%	802.71	(7.61%)	73.93
IFCI Financial Services Ltd. (including step down-subsidiary)	1.74%	112.43	(0.13%)	1.30
Minority Interest	5.99%	386.75	(3.60%)	35.01

* profit of IFCI Ltd. is net of ₹13.71 crore dividend received from subsidiary companies

Note No. 26.3 (contd..) (₹ crore)

Name of the Entity	Net Assets		Share in Profit or Loss	
	% of Consolidated Net Assets	Amount (₹ crore)	% of Consolidated Profit or Loss	Amount (₹ crore)
Indian Associate Company (investment as per equity method)				
KITCO Ltd	0.20%	12.82	(0.16%)	1.52

27. Contingent Liabilities and Commitments (to the extent not provided for)

27.1 Contingent Liabilities:

(₹ crore)

	As at	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Claims not acknowledged as debts	**69.76**	326.31
(ii)	Bank Guarantees Provided	**169.01**	103.14
(iii)	Guarantee/Letter of comfort Issued on behalf of third parties	**123.54**	68.49
(iv)	Export obligations under EPCG Licenses	**10.57**	16.12
(v)	Tax Matters –		
	Income Tax	**7.76**	45.00
	Service tax	**8.31**	16.44

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2018.

27.2 Commitments:

(₹ crore)

	As at	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**45.36**	13.68
(ii)	Estimated amount of contract remaining to be executed on revenue account (net of advances)	**–**	7.32
(iii)	Undrawn Commitments	**2,134.95**	2,258.01

28. Company has made the provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as on March 31, 2018.

29. The company is one of the lenders in various cases which have been referred to National Company Law Tribunal (NCLT). In terms of clarifications received by the Company from RBI, vide letter dated March 6, 2018, the Company has classified these accounts and made provisions in terms of extant norms provided in the "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".

30. In IFCI Ltd during the financial year 2017-18, the accounting policy of appropriating the amounts received from borrowers against "loans and advances" in the order of other debits across due dates and then, similarly of interest and principal dues without considering due dates, except in the case of one time or negotiated settlements, where the appropriation was done as per the terms of the settlement has been revised to, appropriating such amounts due date-wise in the order of other debits, interest and principal dues, starting from the earliest due date, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement." The loss for the current year has been increased by ₹32.17 crore because of this change in policy.

31. SHCIL had during the year 2000-01 undertaken a transaction of ₹24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount alongwith compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from 1st August 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit ₹30.00 crore with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalised bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The Revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹30.00 crore. Accordingly, the Company made the deposit. The amount of ₹60.00 crore, deposited by the Company in the High Court (₹30.00 crore) and Supreme Court (₹30.00 crore) is shown under the heading "Long Term Loans and Advances" under the sub heading "Security and other deposits" in the Statement of Balance Sheet as on March 31, 2018. The bank was granted liberty to withdraw ₹30.00 crore along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹38.04 crore was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹15.00 crore along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹15.45 crore was released to the Bank. The case has been converted from Special Leave petition to a Civil Appeal by the Hon'ble Supreme Court. The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honourable Supreme Court and also in view of the legal opinion obtained by SHCIL, in the opinion of SHCIL management no provision is required to be made in the statement of Profit and Loss for financial year 2017-2018.

32. In terms of RBI circular No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012, the IFCI Factors Ltd. has identified and reported to Reserve Bank of India four fraud accounts amounting to ₹30.22 crore during the current year (Previous year ended March 2017: ₹32.33 crore).

33. In the case of IFCI Infrastructure Development Ltd. (IIDL): -

(a) Inventory includes one property acquired during the financial year 2008-09 for ₹15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the Hon'ble High court of the Chandigarh. The High court has dismissed the writ petition and the company has filed the SLP in the Hon'ble Supreme court. Pending final outcome from the Hon'ble Supreme court, no adjustment has been made in the books.

(b) Inventories include one property against which the Regional Provident Fund Commissioner-II has ordered for the recovery of those defaulted by the earlier company i.e. Haryana Sheet Glass Ltd, A writ petition has been filed by the company before High court of Punjab and Haryana at Chandigarh against said order. The court was of prima facia opinion that proper procedure has not been followed in assessing the liability. Accordingly the impugned order has been quashed giving liberty to the PF department to decide afresh after following due procedure.

34. MPCON has continued to act as Nodal Agency for the implementation of various government programmes i.e. National Handicapped Finance & Development Corp., National Safai Karamchari Fin. & Dev. Corp. Ministry of Textile, Govt. of India, M.P State Open School Bhopal, Entrepreneurship Development Institute of India. The Government of India has sanctioned grant amounting to ₹8.83 crore in 2017-18 (Previous year ended March 2017: ₹10.85 crore).

35. SHCIL has an amount of ₹0.73 crore payable to suppliers under Micro, Small and Medium Enterprises Development Act 2006. No interest has been paid/ payable by the company to suppliers under the Micro, Small and Medium Enterprises Development Act 2006.

36. Expenditure/ Earnings in Foreign Currencies:

(₹ crore)

Expenditure in Foreign Currency:	Year ended 31.03.2018	Year ended 31.03.2017
Interest on borrowings	**3.57**	3.69
Import Factor Commission	**0.13**	0.53
Other matters	**1.88**	1.07
TOTAL	**5.58**	5.29

37 Earnings in Foreign Currency:	Year ended 31.03.2018	Year ended 31.03.2017
Hospitality Services	**–**	–

Note No. 44 (contd..)

38. Payment to Auditors:

(₹ crore)

	Year ended 31.03.2018	Year ended 31.03.2017
Audit Fees	**1.25**	1.04
Taxation Matters	**0.02**	0.04
Certification and other services	**0.27**	0.17
Reimbursement of Expenses	**0.04**	0.06
TOTAL	**1.58**	1.31

39. Certain balances appearing under, trade receivables and payables are subject to confirmation.

40. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 read with RBI guidelines.

41. IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Dist, West Bengal. The financials relating to the contract are as under:

(₹ crore)

Contract	Amount
Contract revenue recognized during the year	Nil
Contract expenses recognized during the year	Nil
Recognized Profits	Nil
Estimated Contract Cost	Nil
Amount recoverable from MDI	0.46

Cost-plus contract method has been used to determine the contract revenue recognized in the period.

42. IIDL is developing residential complex at Ghaziabad & Kochi, revenue from construction contract recognized during the year is ₹21.34 crore. Percentage completion method is used to determine the revenue. The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/ architect.

43. The Company operates in India and hence it is considered to operate only in domestic segment. More than 90% of revenue for the Company comes from a single segment of Financing. Accordingly, segment reporting as required under Accounting Standard-17, is not required.

44. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18,- "Related Party Disclosures" is as under:

1. Name of the related party and nature of relationship:-

Nature of Relationship	Name of the Related Party
Associates	Tourism Finance Corporation of India Ltd. (cease to be associate w.e.f. September 29, 2017)
	Himachal Consultancy Organisation Ltd. (cease to be associate w.e.f. April 21, 2017)
	North India Technical Consultancy Organisation Ltd. (cease to be associate w.e.f. April 25, 2017)
	KITCO Ltd
Joint Venture	IFCI Sycamore Capital Advisors Pvt. Ltd.
Trust incorporated for CSR activity	IFCI Social Foundation

2. Transaction with the related party during the period:-

(₹ crore)

Nature of Transaction	Year ended 31.03.2018	Year ended 31.03.2017
Associates		
Tourism Finance Corporation of India Ltd		
Bonds issued by IFCI – outstanding	**65.00**	65.00
Interest paid/ payable by IFCI	**2.89**	5.80
Professional fee received	**0.04**	–
Rent & Maintenance received by IFCI	**0.01**	3.59
Dividend Received	**4.21**	2.23
Dividend Paid on Preference Shares	–	₹20,000
HIMCON		
Dividend Received	**–**	0.01
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.02**	0.25
HARDICON		
Dividend Received	**–**	0.01
NITCON		
Rent & Maintenance received by IFCI	**0.01**	0.16
Dividend Received	**–**	0.04
KITCO		
Dividend Received	**0.30**	0.30
Trust incorporated for CSR activity		
IFCI Social Foundation		
Contribution for CSR activities	**6.06**	1.89
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.22**	0.36

45. Earnings per share:

(₹ crore)

	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a)	Profit/(Loss) Computation for Equity shareholders		
	Net profit as per Statement of Profit & Loss	**(1,005.02)**	(377.53)
	Less: Preference Dividend	**(0.24)**	(0.26)
	Net profit for Equity Shareholders	**(1,005.26)**	(377.79)
(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
(a)	Profit/(Loss) Computation for Equity shareholders (including potential shareholders)		
	Net profit as per Statement of Profit & Loss	**(1,005.02)**	(377.53)
	Less: Preference dividend	**(0.24)**	(0.26)
	Net profit for equity shareholders (including potential shareholders) *	**(1,005.26)**	(377.79)
(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
	Earnings Per Share (Weighted Average)		
	Basic (₹)	**(6.05)**	(2.27)
	Diluted (₹)	**(6.05)**	(2.27)

* There are no potential equity shares outstanding as on March 31, 2018.

The Company has allotted 3,39,55,857 equity shares of Face Value of ₹10 each, at a premium of ₹19.45 per share, to the Government of India on Preferential Basis, on March 31, 2018. Therefore, these shares have not been considered for computing Earning Per Share for the quarter and for the year ended March 2018.

46. In terms of Accounting Standard 19 on 'Leases'

(a) The Company has entered into lease agreement at five centres and lease rent is charged to the Statement of Profit & Loss.

(b) Office premises of IFCI Factors is on operating lease with tenor upto 12 months and renewable on such terms and conditions as may be mutually agreed with the company and the Lessor.

(c) Office premises of SHCIL is on operating lease and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease agreements, lease terms are based on individual agreements.

(d) The year wise break up of future minimum lease payments in respect of leased premises are as under:

(₹ crore)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Minimum Lease payments:		
(a) Not later than one year	**0.32**	0.87
(b) Later than one year but not later than five years	**0.02**	1.81
(c) Later than five years	**–**	0.39
Rentals charged during the Period	**1.06**	1.44

47. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets". As on March 31, 2018 there were no events or changes in circumstances which indicate any impairment in the assets.

48. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 2.509 million (Previous Year ended March 2017: USD0.006 million) and EUR 0.049 million (Previous Year ended March 2017: EUR 0.053 million), equivalent to ₹16.75 crore (Previous Year ended March 2017: ₹0.41 crore).

49. **In case of SHCIL, Unhedged Foreign Currency Exposure:**

As at	Year ended 31.03.2018	Year ended 31.03.2017
Trade payables	**USD200,020**	USD12,522
	₹1.30 crore	₹0.08 crore
		YEN 10,800
		₹6,264

50. Open interest in the Currency Futures as at 31/03/2018 is EUR 10 million against USD, equivalent to ₹80.81 crore (Previous Year ended March 2017 : NIL)

51. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

Particulars	Maximum O/s during the Year	Daily Average O/s during the Year	O/s as on Mar 31, 2018
Securities sold under Repo:			
1. Govt. Securities	–	–	–
2. Corporate Bonds	–	–	–
Securities purchased under reverse repo:			
1. Govt. Securities	–	–	–
2. Corporate Bonds	–	–	–

Maximum & average outstanding is based on face value of securities.

52. Previous year figures have been re-grouped/ re-arranged wherever necessary, to conform to current period's presentation.

In terms of our Report of even date

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Regn. No- 02504N

S M YAMIN QURESHI
Partner
M. No. 081750

Place: New Delhi
Dated: May 23, 2018

For and on behalf of Board

DR E S RAO
Managing Director & Chief Executive Officer
DIN 05184747

B N NAYAK
Executive Director & Chief Financial Officer

PROF ARVIND SAHAY
Director
DIN 03218334

RUPA SARKAR
Company Secretary

THIS COMMUNICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder(s)

Sub.: Updation of PAN & Bank Account details and dematerialization of shares

(A) Mandatory updation of PAN & Bank Account details

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 ('the Circular') has issued guidelines for strengthening and raising industry standards for Registrars and Transfer Agents (R&TA), Issuer Companies and Banker to an Issue. The Circular, inter alia, requires the Company to take special efforts to update the PAN and Bank account details of security holders holding securities in physical form who have not updated their PAN and Bank account details.

Accordingly, you are required to furnish your PAN and Bank account details, by submitting the following documents to our R&TA, i.e. MCS Share Transfer Agent Ltd., on or before September 30, 2018:

- **Enclosed form duly filled in and signed by sole/first holder**
- **Self-attested copy of PAN Card of all the joint holders**
- **Cancelled cheque leaf in original bearing name of the first holder. If name is not printed on the cheque leaf, you are required to submit:**
  - **(i) bank attested copy of the first page of Bank pass book/statement; showing name of account holder; and**
  - **(ii) cancelled cheque leaf in original**

(B) Dematerialization of shares

The Securities and Exchange Board of India ('SEBI') vide Notification dated June 8, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These amended Regulations mandate that w.e.f. December 5, 2018, transfer of securities would be carried out in dematerialized form only. Accordingly, we advise you to initiate steps to dematerialize your shares, if held in physical form, in order to avoid any inconvenience.

In case of any query in this regard, you may contact our R&TA.

MCS Share Transfer Agent Ltd.
1st Floor, F-65, Okhla Industrial Area,
Phase - I, New Delhi - 110020
Tel. 011-41406149/50-51
Fax: 011-41709881
Email: helpdeskdelhi@mcs.registrars.com;
admin@mcsregistrars.com

Encl: As above

To,
MCS Share Transfer Agent Ltd.
1st Floor, F-65, Okhla Industrial Area,
Phase - I, New Delhi - 110020

Please return by
September 30, 2018

Dear Sir/Madam,

Re: Updation of PAN and Bank Account details as per SEBI Circular dated April 20, 2018

In reference to the above mentioned subject, this is to request you to kindly update my/our PAN, Bank details and Contact Details for future communications and records for the Folio No._____. I enclose the supporting documents to enable you to verify and update the details.

	Name	Permanent Account Number (PAN)									
First/Sole Shareholder											
Second Joint Holder											
Third Joint Holder											

BANK ACCOUNT DETAILS (for electronic credit of unpaid dividends and all future dividends)																	
Name of the Bank																	
Branch Name & Address																	
Bank A/c type (tick whichever is applicable)	Saving					Current					NRE/NRO						
Bank A/c No.																	
MICR Code No. (9 digit)																	
Banker's IFSC Code No. (11 digit)																	

Contact Details	
Email Id	
Telephone No./Mobile No.	
CIN/Registration No. *(Applicable to Corporate Shareholders)*	

Following documents are enclosed herewith:

- Self-attested copy of PAN Card of all the joint holders
- Cancelled cheque leaf in original bearing name of the first holder

OR

- Bank attested copy of the first page of the Bank pass book/statement and cancelled cheque leaf in original (if name is not printed on the cheque leaf)

I/We hereby declare that the particulars furnished by me/us in this letter are correct and complete. If the transactions delayed because of incomplete or incorrect information, I/we would not hold the Company/R&TA responsible. I/we also undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/we understand that the above details shall be maintained by you till I/we hold the securities under the Folio No. mentioned above.

Signature of sole/first holder: _____ Place: _____ Date: _____

Signature of Second Joint Holder: _____ Place: _____ Date: _____

Signature of Third Joint Holder: _____ Place: _____ Date: _____

NOTE: The above details will not be updated if the supporting documents are not attached and/or not duly signed by the shareholders (including joint holders).

ATTENDANCE SLIP

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
CIN : L74899DL1993GOI053677
E-mail : complianceofficer@ifciltd.com
Website : www.ifciltd.com
Tel: +91-11-4173 2000 Fax: +91-11-2623 0201

(Please complete this Attendance Slip and hand it over at the registration counter)

DP. Id. *	
Client Id.	

Folio No. *

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company being held on Friday, September 28, 2018 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019.

NAME OF THE SHAREHOLDER .....

NAME OF PROXY # .....
To be filled in case proxy attends instead of Shareholder

SIGNATURE OF THE SHAREHOLDER/PROXY*
* Strike out whichever is not applicable

NOTE: NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

PROXY FORM

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
CIN : L74899DL1993GOI053677
E-mail : complianceofficer@ifciltd.com
Website : www.ifciltd.com
Tel: +91-11-4173 2000 Fax: +91-11-2623 0201

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No.:
DP-Client ID:

I/We, being the member(s) of ..... shares of the above named company, hereby appoint:

(1) Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him/her

(2) Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him/her

(3) Name: ..... Address: .....

E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, September 28, 2018 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	Resolutions Matter	For	Against
1.	To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the reports of the Auditors' and Boards' thereon.		
2.	To confirm the interim dividend already paid on Preference Shares as Final dividend.		
3.	To appoint a Director in place of Ms Kiran Sahdev (DIN: 06718968), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
4.	To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013.		
5.	To appoint Prof N Balakrishnan (DIN: 00181842) as Director liable to retire by rotation.		
6.	To appoint Prof Arvind Sahay (DIN: 03218334) as Director liable to retire by rotation.		
7.	To authorise Board of Directors for making offer(s) or invitation to subscribe to securities, including but not limited to bonds and non-convertible debentures, by way of private placement in one or more tranches, upto an amount aggregating upto ₹5,000 crore.		
8.	To authorise the Board of Directors to issue cumulative non-convertible redeemable Preference Shares aggregating to an amount not exceeding ₹500 crore (Rupees Five Hundred crore) in one or more tranches.		

Affix

Revenue Stamp

Signed this ..... day of 2018

Signature

Signature of Shareholder(s)

Signature of proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
2. For the resolutions, Explanatory Statements and Notes, please refer to the notice of the Annual General Meeting.
3. For any other item of business, if any (permitted under the Companies Act, 2013), which may be taken up for consideration at the Annual General Meeting, may please refer to our website i.e. www.ifciltd.com.
4. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in the box before submission.

NOTES

NOTES

OFFICES OF IFCI

As on 31st March, 2018

Registered Office
IFCI Ltd

IFCI Tower, 61 Nehru Place, New Delhi-110019
Tel: +91-11-4179 2800, 4173 2000, 2648 7444, 2648 7622
Fax No.: +91-11-2648 8471, 2623 0201
Website : www.ifciltd.com
CIN: L74899DL1993GOI053677

REGIONAL OFFICES

AHMEDABAD

501, IFCI Bhawan
Near Lal Bunglow
C G Road, Navrangpura
PIN-380 006
Tel: +91-79-2640 5984, 2646 8433

BENGALURU

IFCI Bhawan (4th Floor)
No.2, Cubbonpet Main Road, N R Square
(Hudson Circle)
PIN-560 002
Tel: +91-80-2221 0882, 2221 1623
Fax: +91-80-2227 1802

CHANDIGARH *

IFCI Bhawan
1-C, Sector 27-A, Madhya Marg
PIN-160 019
Tel: +91-172-265 6096, 265 0878, 265 0743
Fax: +91-172-265 6734

CHENNAI

Continental Chambers
(2nd Floor), 142 M G Road
Nungambakkam
PIN-600 034
Tel: +91-44-2833 4110-11
Fax: +91-44-2833 4109

DELHI *

IFCI Tower
61 Nehru Place
PIN-110 019
Tel: +91-11-4173 2000, 2648 7055

HYDERABAD

Taramandal Complex
(8th Floor), 5-9-13 Saifabad
PIN-500 004
Tel: +91-40-2324 3505 / 06 / 07
Fax: +91-40-2324 1138

KOLKATA

Chatterjee International Center (3rd Floor)
33-A, Jawaharlal Nehru Road
PIN-700 071
Tel: +91-33-2226 2672, 2265 3344
Fax: +91-33-2217 1618

MUMBAI

Earnest House
(9th Floor), NCPA Marg
Nariman Point
PIN-400 021
Tel: +91-22-6129 3400
Fax: +91-22-6129 3440/3441

PUNE

#307, 3rd Floor
Amar Neptune Building
Near Food Bazaar, Baner Road
Baner
PIN-411 045
Tel: +91-20-2729 1731

* These Regional Offices have since been closed.

REGISTRAR & TRANSFER AGENTS

For Equity Shares & Family Bonds:
MCS Share Transfer Agent Ltd
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110 020
website: www.mcsregistrars.com
E-mail: helpdeskdelhi@mcsregistrars.com
admin@mcsregistrars.com
Tel: +91-11-4140 6149/50/51/52
Fax: +91-11-4170 9881

For Infrastructure Bonds (Series I & II):
Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi -110 062
Tel: +91-11-2996 1281-83
Fax: +91-11-2996 1284
E-mail: ifci@beetalfinancial.com

For Infrastructure Bonds (Series III, IV & V) & IFCI NCD (Tranche I & II)
Karvy Computershare Pvt Ltd
Corporate Office :
"Karvy Selenium Tower B",
Plot number 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad -500 032
E-mail : einward.ris@karvy.com
Phone : 040-6716 2222 / 040-67161595 /
040-67161589 / 040- 6716 1678
Fax: +91-040- 2342-0814
Toll Free No. 1800-3454-001

CIN NO.U72400TG2003PTC041636
Registered Office : Karvy House, 46,
Avenue 4, Street No.1, Banjara Hills,
Hyderabad - 500 034
Tel : +91-40-233-2454/ 2332-0751/52/251
Fax : +91-40-2331-1968

For Subordinate Bonds (Series I & III) :
Link Intime India Pvt Ltd
C-101, 247 Park,
L.B.S Marg, Vikhroli West,
Mumbai - 400 083
Tel No.: +91 22 4918 6270
Fax No.: +91 22 4918 6060
Email: bonds.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE FOR - INFRASTRUCTURE BONDS SERIES I, II, SUBORDINATE BONDS, TAX FREE BONDS, OTHER REGULAR RETURN BONDS

Registered Address:
Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli, Mumbai - 400025

Communication Address:
Kind Attention: Chief Operating Officer
Address:
Ground Floor Axis House
Wadia International Centre
Pandurang Budhkar Marg
Worli Mumbai-400 025
Phone no. 022 6226 0050/54
Fax:022-43253000
Email: debenturetrustee@axistrustee.com

Desk Office:
2nd Floor, Parsvnath Capital Tower,
Bhai Veer Singh Marg, Gole Market,
New Delhi-110001

DEBENTURE TRUSTEE FOR – INFRASTRUCTURE BONDS SERIES III, IV & V
IDBI Trusteeship Services Ltd
Regd. Office: Asian Building, Ground Floor.
17, R. Kamani Marg, Ballard Estate,
Mumbai-400 001
Tel: +91-22-4080 7000-01
Fax: +91-22-6631 1776
Website: www.idbitrustee.in
E-mail: itsl@idbitrustee.com

DEBENTURE TRUSTEE FOR – REGULAR BONDS SERIES NO. 47, 50 & 51
Centbank Financial Services Ltd
Regd. Office:
3rd Floor (East Wing)
Central Bank of India, MMO Building
55 M G Road, Mumbai - 400 001
Tel: +91-22-2261 6217
Fax: +91-22-2261 6208
Website: www.cfsl.in
E-mail: info@cfsl.in

If undelivered, please return to:

MCS Share Transfer Agent Ltd
F-65, Okhla Industrial Area
Phase-I
New Delhi - 110 020

www.sapprints.com