



ANNUAL REPORT 2012 - 13

## **TWENTIETH ANNUAL GENERAL MEETING**

DATE : November 13, 2013  
DAY : Wednesday  
TIME : 10:30 A.M.  
PLACE : Air Force Auditorium  
Subroto Park  
New Delhi - 110 010

- 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.

## **AN APPEAL**

**Shareholders are requested to register their email ID with the Company/  
Registrar & Transfer Agent at [complianceofficer@ifcilttd.com](mailto:complianceofficer@ifcilttd.com) to support the  
Green Initiative taken by the Ministry of Corporate Affairs.**

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**BOARD OF DIRECTORS**

(As on 16.09.2013)

**Shri P. G. Muralidharan**

**Chairman of the Board**

**Shri Santosh B. Nayar**

**CEO & Managing Director**

**Shri Ashok Kumar Jha**

**Shri Anurag Jain**

**Shri Arvind Kumar**

**Smt. Usha Sangwan**

**Prof. Omprakash Mishra**

**Smt. Savita Mahajan**

(As on 16.09.2013)

**PRINCIPAL OFFICERS**

**EXECUTIVE DIRECTOR**

Smt. Shashi Sharma

**CHIEF GENERAL MANAGERS**

Shri Satpal Arora

Shri B.N. Nayak (CFO)

**GENERAL MANAGERS/VICE PRESIDENTS**

Shri D. K. Jain

Shri Gautam Meour

Shri V. Satyavenkata Rao

Shri Sanjeev Kumar Jain

Shri S.K. Vats

Shri Biswajit Banerjee

Shri Prasoon

Shri Shivendra Tomar (CCO)

Shri Sachikanta Mishra

Shri Suneet Shukla  
(Deputed to IFIN as MD)

Smt. Rashmi Sachdev

Smt. Pooja S. Mahajan  
(Deputed to IVCF as COO)

Shri Rajeev Arora  
(Deputed to IFL as MD)

Shri Pawan Kumar

Shri Bikash Kanti Roy

Shri Atul Saxena

Shri Vijay Pal

Smt Rita Kaul

**COMPANY SECRETARY**

Smt. Rupa Sarkar

**STATUTORY AUDITORS**

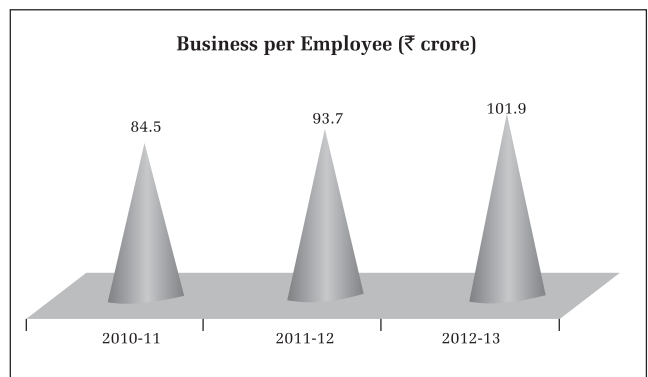
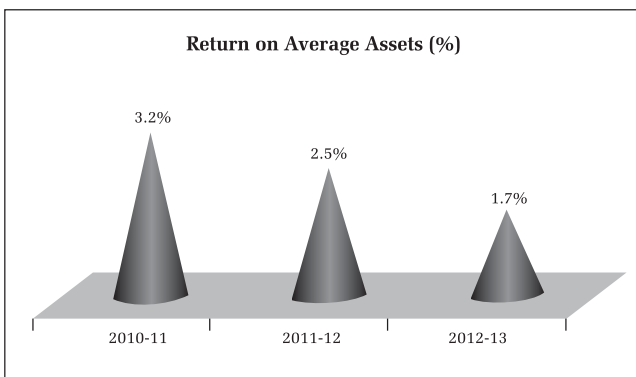
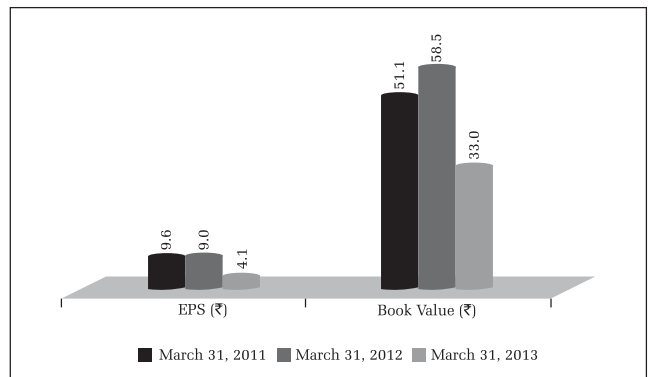
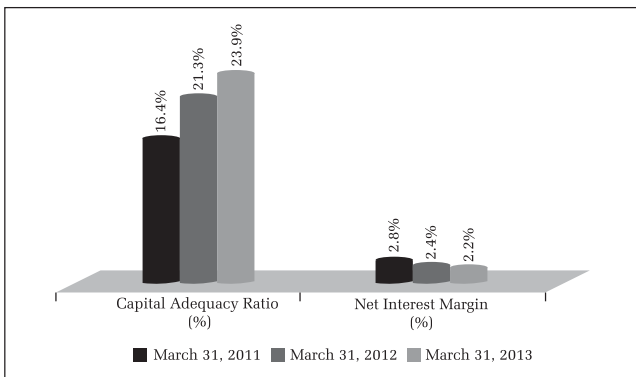
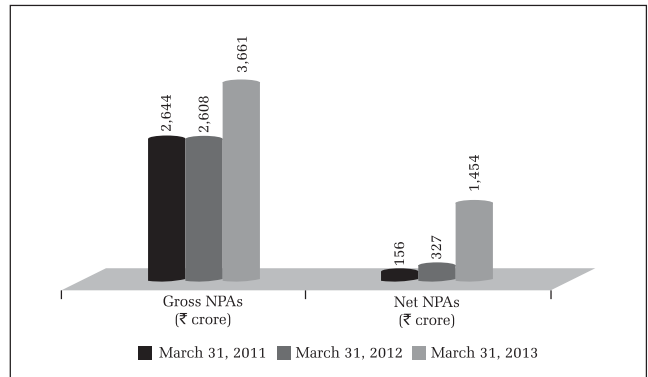
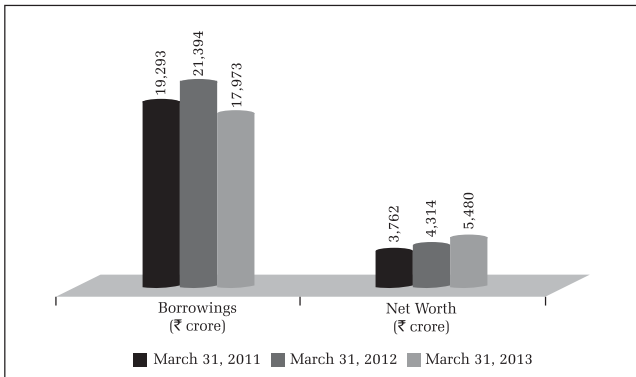
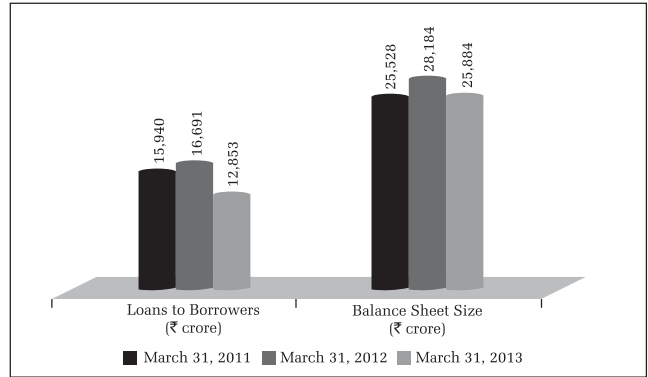
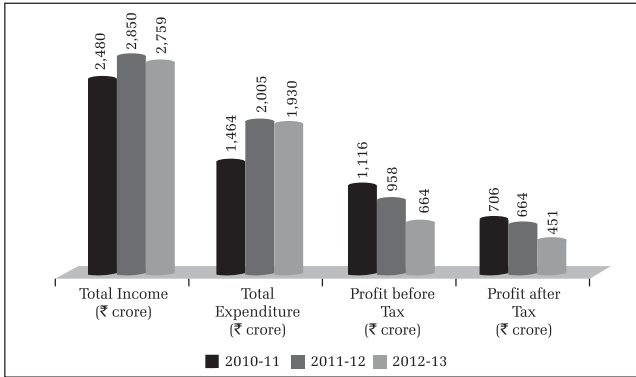
Ray & Ray  
Chartered Accountants

## FINANCIAL HIGHLIGHTS

(₹ crore)

	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
<b>EQUITY &amp; LIABILITIES</b>		
Share Capital	1,925.88	1,001.68
Reserves and Surplus	4,757.31	4,534.07
Non-current Liabilities	14,369.73	17,711.40
Current Liabilities	4,830.72	4,936.65
	<b>25,883.64</b>	<b>28,183.80</b>
<b>APPLICATION</b>		
Fixed Assets	1,172.59	1,165.92
Deferred Tax Assets	726.79	836.92
Non-current Assets	16,718.87	18,763.93
Current Assets	7,265.39	7,417.03
	<b>25,883.64</b>	<b>28,183.80</b>
	<b><u>2012-2013</u></b>	<b><u>2011-2012</u></b>
<b>EARNINGS</b>		
Total Income (₹ crore)	2,759.30	2,850.20
Profit before tax (₹ crore)	664.12	957.74
Profit after tax (₹ crore)	450.87	663.62
<b>RATIOS</b>		
Capital to Risk Assets Ratio	23.9%	21.3%
Debt-Equity Ratio	3.3	5.0

**ANNUAL PERFORMANCE TRENDS**



## NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of IFCI Limited will be held on Wednesday, November 13, 2013\* at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss Account for the year ended March 31, 2013 and the report of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend already paid on Preference Shares as final dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Prof. Omprakash Mishra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section 224 of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED that the Board/Audit Committee 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 (CAG) for the Financial Year 2013-14, as may be deemed fit.”

### Special Business

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:  
“RESOLVED that Smt. Savita Mahajan, who was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, with effect from February 12, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member, in writing under Section 257 of the Companies Act, 1956, proposing her candidature as a Director of the Company, be and is hereby appointed as a 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 an Ordinary Resolution:  
“RESOLVED that subject to the provisions of Sections 198, 269, 309, 311, read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, if any, [including any statutory modification(s) or re-enactment(s)

thereof for the time being in force] and Article 162 of Articles of Association of the Company, Shri Anurag Jain, Government Director, be and is hereby appointed as the Chief Executive Officer and Managing Director (CEO & MD) of the Company w.e.f. May 31, 2013 to July 14, 2013.”

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

“RESOLVED that Shri Ashok Kumar Jha, who was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and Article 130 of the Articles of Association of the Company, with effect from July 15, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member, in writing under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED that Shri Santosh Balachandran Nayar, who was appointed as an Additional Director and Chief Executive Officer & Managing Director (CEO & MD) by the Board of Directors of the Company w.e.f. July 15, 2013 and who, as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act 1956, received a notice from a member, in writing, proposing the candidature of Shri Nayar for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER that subject to the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Article 162 of Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the Members, be and is hereby accorded for the appointment of Shri Santosh Balachandran Nayar, as CEO & Managing Director of the Company for a period of three years w.e.f. July 15, 2013 and upto July 14, 2016, and to the payment of remuneration and other terms and conditions as set out hereunder:

- (i) Pay: ₹80,000/- p.m.

- (ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.
- (iii) **City Compensatory Allowance:** Entitlement to City Compensatory Allowance in accordance with the following admissible rate:
- Delhi, Mumbai, Chennai : ₹300/- per month and Calcutta
- (iv) **Housing:**
- (a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/furnishings shall not exceed ₹3.00 lakh.
- Or
- In case the stay is in own accommodation or private arrangements are made for stay, then entitled to a compensation comprising 10% of the pay and admissible House Rent Allowance @30% of actual pay drawn p.m. (If the stay is in Delhi).
- (b) Charges incurred for water, electricity and fuel consumed is to be borne by self. The expenditure incurred on providing Security Guards, Servants, Gardner shall be borne by the Company.
- (v) **Conveyance:** Entitled to free use of the Company's car for official purpose. Journeys from residence to office and back shall be treated as on duty.
- (vi) **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work, as per rules of IFCI.
- (vii) **Medical Benefits:** Actual expenses incurred for self and dependent family members, in India. For expenditure to be/incurred relating to treatment abroad, specific approval of the Board will be required.
- (viii) **Personal Accident Insurance:** Forms part of Group Insurance of the Company, covering accidents also.
- (ix) **Leave Travel Concession:** Entitled to travel for self and family, by any mode, once in a block of two years for visiting any place in India as per entitled class as applicable for official tour.
- (x) **Entertainment:** Actual entertainment expenses subject to ceiling of ₹6,000/- p.a. (membership fee(s) of Club(s) adjustable within the above ceiling).
- (xi) **Gratuity:** At the rate of half-months' pay for every completed year of service or more than six months of service as CEO & MD.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on Retirement:** Entitled to encash Earned Leave at the time of retirement/exit, which may be lying to his credit. The amount of

leave salary shall be calculated on the basis of last pay drawn.

- (xiv) **Telephone:** The Company shall provide telephone at residence for office use. Mobile shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors/HR and Compensation Committee of Directors, from time to time.
- (xvi) **Retirement Fare Concession/Shifting of Household Goods:** Single fare journey by entitled Class for self and family and cost of shifting of household goods to hometown at the time of retirement/exit from IFCI.
- (xvii) **Reimbursement of Travelling/Transportation Expenses:** Entitled to reimbursement of traveling expenses for himself and family members from the place of residence to the place of posting at the time of taking up the board level assignment and similarly from the place of posting to the place where he and his family is to settle down permanently (even if it is other than the declared home town).
- (xviii) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xix) **Pension and Provident Fund:** Pension and Provident Fund will be finalized in consultation with State Bank of India/Central Government.
- (xx) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxi) The Contract of employment can be terminated by either side by giving one month's notice or one month's basic pay in lieu thereof.
- (xxii) Subject to the above, in all other matters, he will be governed by the Staff Regulations of IFCI and other rules and regulations, Administration/HR Circulars and Office Orders, as may be in force from time to time in IFCI.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof for the time being in force.

RESOLVED FURTHER that the Board/HR and Compensation Committee of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites and other terms and conditions) within the ceiling limits in that behalf as laid down in Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company



be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the following new Sub-Article (ii) after Sub-Article (i) of Article 124 of the Articles of Association of the Company, be and is hereby inserted and the existing Sub-Article (ii) in the said Article is re-numbered as Sub-Article (iii) with marginal notes:”

<p><b>Article 124</b></p> <p><b>(ii)</b> Subject to the provision of the Act, as long as Government of India continue to hold not less than 51% of the paid up equity share capital of the Company, Government of India shall be entitled to nominate up to one-third of the total number of existing Directors of the Company (excluding Government Director(s) under Sub-Article (i) of Article 124) and shall be entitled to remove any or all of the Directors so nominated by it from their office and to nominate any other person(s) thereto from time to time.</p>	<p>Nomination of Directors</p>
<p><b>(iii)</b> Any trust deed covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as “the Debenture Director”) for and on behalf of the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid but he shall be counted in determining the number of retiring directors.</p>	<p>Debenture Director</p>

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

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or

reenactment(s) thereof for the time being in force), the existing Sub-Article (a) of Article 162 of the Articles of Association of the Company be and is hereby deleted and substituted with the marginal notes by the following new Sub-Article, as given below:”

<p><b>162 (a)</b> Subject to the provisions of the Act and Article 124 of the Articles of Association of the Company, the Directors may, from time to time, appoint or reappoint one or more of their body to be the Managing Director or Directors or the Whole Time Director or Directors of the Company in consultation with the Central Government for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may deem fit.</p>	<p>Managing Director</p>
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**Registered Office: By order of the Board of Directors**

IFCI Tower  
61 Nehru Place  
New Delhi-110019

Dated: September 19, 2013

**Rupa Sarkar**  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE 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 DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the business under Item No(s). 6 to 11 are annexed hereto.
3. Brief profile of Directors proposed to be appointed is set out in the “Information about Directors seeking Appointment/Re-appointment as mandated under Clause 49 of the Listing Agreement” annexed with the notice.
- \*4. Registrar of Companies, NCT of Delhi & Haryana granted extension of 3 months for holding the Annual General Meeting of the Company.
5. Register of Members and Share Transfer Books for equity shares will remain closed from Monday, November 4, 2013 to Wednesday, November 13, 2013 (both days inclusive).
6. IFCI is not including the financial statements and other details of its subsidiaries in its financial statements in terms of exemption granted by the Ministry of Corporate Affairs under General Circulars 2/2011, dated February 8, 2011. However, annual accounts of these companies and the related detailed information will be made available to the investors of IFCI or its subsidiary companies seeking

such information at any point of time on specific request in writing to the Company. 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 Annual General Meeting on any working day.

7. The Members holding equity shares in physical form are requested to intimate to the Registrar and Transfer Agent (R&TA), MCS 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.
8. 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.
9. 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.
10. 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.
11. The Comptroller & Auditor General of India has appointed M/s Thakur Vaidyanath Aiyar & Co. (DE 0016) and M/s Andros & Co. (DE 1122) as Joint Statutory Auditors of the Company for the year 2013-14.
12. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared up to 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. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Delhi & Haryana.
13. 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.
14. The dividend for the Financial Years 2008-09, 2009-10, 2010-11 and 2011-12, that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Accounts (2008-09, 2009-10, 2010-11 and 2011-12 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
2008-09	22.10.2016
2009-10	16.10.2017
2010-11	18.10.2018
2011-12	17.08.2019

15. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.
16. 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 shall send the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail IDs have been provided by them through their DPs/RTAs. The Annual Report is also uploaded on the website of the Company at [www.ifciltd.com](http://www.ifciltd.com).

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

##### Item No. 6

Smt. Savita Mahajan, was appointed as an Additional Director by the Board of Directors of the Company w.e.f. February 12, 2013.

Brief profile of Smt. Mahajan is set out in the "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice. Smt. Mahajan's background and rich experience in diverse field would be of considerable value to the Company. She shall be on the Board of the Company as Independent Director.

Your Directors recommend the Resolution for approval of the Members.

Smt. Mahajan is interested in the resolution as it relates to her appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said Resolution.

All documents referred to in the resolution 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. upto the date of this Annual General Meeting.

##### Item No. 7

Shri Anurag Jain, Joint Secretary, Ministry of Finance, was nominated on the Board of the Company as Government Director w.e.f. January 4, 2013. Consequent upon the

resignation of Shri Atul Kumar Rai, the Board appointed Shri Anurag Jain as CEO & MD of the Company w.e.f. May 31, 2013 to hold office till further orders from the Board without any remuneration, in the interest of continuity and smooth running of the operations of the Company. As per the decision of the Board to appoint Shri Santosh B. Nayar as CEO & MD of the Company, Shri Anurag Jain handed over the charge of CEO & MD on July 15, 2013 (start of business) to Shri Nayar.

Brief profile of Shri Jain is set out in the "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice.

Your Directors recommend the Resolution for approval of the Members.

Shri Anurag Jain is interested in the resolution as it relates to his appointment. Shri Arvind Kumar is interested in the said resolution in his capacity of a Government Director on the Board of the Company. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution.

#### **Item No. 8**

Shri Ashok Kumar Jha was appointed as an Additional Director by the Board of Directors of the Company w.e.f. July 15, 2013.

Brief profile of Shri Jha is set out in the "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice. Shri Jha has had a brilliant career in the civil service, both in India and abroad and distinguished himself as Finance Secretary, Government of India. His background and vast experience would be of great value to IFCI. Shri Jha shall be on the Board of the Company as Independent Director.

Your Directors recommend the Resolution for approval of the Members.

Shri Ashok Kumar Jha is interested in the resolution as it relates to his appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolution.

All documents referred to in the resolution 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. upto the date of this Annual General Meeting.

#### **Item No. 9**

Shri Santosh B. Nayar, was appointed on the Board of the Company as an Additional Director and is designated as CEO & Managing Director of the Company for a period of three years w.e.f. July 15, 2013. Shri Nayar as an Additional Director, shall hold office upto the date of this Annual General Meeting.

The approval of Members is being sought for appointment of Shri Santosh B. Nayar, as CEO & Managing Director, not liable to retire by rotation, and payment of remuneration to him as set out in Resolution No. 9.

Brief profile of Shri Nayar is set out in the "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement" which is annexed with the notice.

Shri Nayar comes with an outstanding record of work in State Bank of India, where he acquired a very strong credit background and exposure to international banking. He had also established wide contacts with corporates in the country. This background should help IFCI in building a good credit base and improving its business.

This statement along with Resolution under Item No. 9 may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolution for approval of the Members.

Shri Santosh B. Nayar is interested in the resolution as it relates to his appointment. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution.

All documents referred to in the resolution and other related documents 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. upto the date of this Annual General Meeting.

#### **Item Nos. 10 and 11**

After the conversion of ₹923 crore Optionally Convertible Debentures held by Government of India (GoI) into equity shares of the Company at par, the holding of GoI currently stands at 55.53% of the paid up equity share capital of the Company. GoI therefore, is the largest equity shareholder of the Company.

In view of the resulting change in shareholding of the Company, requisite alterations are required to be made in Articles of Association of the Company, reflecting the change in control.

Your Directors recommend the Resolutions for approval of the Members.

Shri Anurag Jain and Shri Arvind Kumar are interested in the resolutions in their capacity of being Government Directors on Board of the Company. None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolutions.

All documents referred to in the resolutions 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. upto the date of this Annual General Meeting.

**Registered Office:**

**By order of the Board of Directors**

IFCI Tower  
61 Nehru Place  
New Delhi-110019

Dated: September 19, 2013

**Rupa Sarkar**  
Company Secretary

**INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS MANDATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

At this Annual General Meeting, Prof. Omprakash Mishra shall retire by rotation and being eligible, offers himself for re-appointment. Smt. Savita Mahajan and Shri Ashok Kumar Jha, who were appointed as Additional Directors and Shri Santosh B. Nayar, who has been appointed as an Additional Director and CEO & Managing Director by the Board, also seek approval of Members for appointment. Also Shri Anurag Jain, who was appointed as CEO & Managing Director from May 31, 2013 to July 14, 2013 seeks approval of the Members. Brief profiles of the aforesaid Directors are as under:

- (a) Prof. Omprakash Mishra, aged around 52 years, is Professor of International Relations at Jadavpur University, Kolkata. Earlier, he served as the Pro-Vice Chancellor of Indira Gandhi National Open University (IGNOU) and as Member, National Security Advisory Board, Government of India. An alumnus of North Bengal University and Jawaharlal Nehru University, Prof. Mishra has served as the Head of the Department of International Relations and as Founder Coordinator of Centre for Refugee Studies at Jadavpur University. He is Member Secretary, Global India Foundation, a not-for-profit think tank on international affairs and public policy. He serves on various committees and expert groups and is regularly consulted on policy and governance issues by a number of Government Departments and academic and research institutes in the country and abroad.

He is a member of the Board of Governors of Management Development Institute, Gurgaon. At present, he does not hold any shares in IFCI Ltd.

- (b) Smt. Savita Mahajan, aged around 54 years, is Deputy Dean, Indian School of Business (ISB). She has been associated with ISB since its inception in 2001.

After obtaining an undergraduate degree in Economics from Delhi University, she did her MBA from the Indian Institute of Management, Ahmedabad, in 1981. Since then, she has worked in several Indian organisations, including Maruti Udyog Limited, Bharat Technologies, Karvy Consultants and Intergraph India, in diverse industry sectors, including automobiles, engineering, financial services and software.

Smt. Mahajan has carried out consulting and training assignments for corporations and development organisations, including GE Capital, the Planning Commission, the World Bank and the Tibetan Government in exile of His Holiness, the Dalai Lama. She is a member of the GMAT School Advisory Group, which is responsible for providing practical insights into strategic decisions that the Graduate Management Admission Council (GMAC) makes regarding the examination.

She is widely travelled and spent a year at the Woodrow Wilson School of Public Policy and International Affairs,

at Princeton University, USA, as part of a mid-career fellowship programme.

She does not hold any Directorship/Committee Membership in any other Company, at present. She does not hold any shares in IFCI Ltd.

- (c) Shri Anurag Jain, aged around 48 years, Joint Secretary (FI & CVO), Department of Financial Services, Ministry of Finance, Government of India, is B. Tech. (Hons.) Electrical Engineer from IIT-Kharagpur. He also holds a Master Degree in Public Administration from Maxwell School of Syracuse, USA.

He has work experience of about 26 years; 3 years in Larsen & Toubro as Commissioning Engineer and 23 years as Indian Administrative Service Officer in various fields such as, General Administration (District/Sub-Divisions), Rural Development, Health and Family Welfare, Energy, Information Technology etc. in Government Departments. In the previous assignment as Secretary, Chief Minister's Office, coordinated activities of development departments in the State Government – Planning, Finance, PWD, Irrigation, Public Health, Engineering, Health, Education, Women and Child Development, Tribal Welfare, SC Welfare etc.

Besides IFCI Limited, he is also on the Board of Punjab National Bank and National Insurance Company Limited. He is also Member of the Audit Committee of these Companies. Shri Jain does not hold any shares in IFCI Ltd.

- (d) Shri Ashok Kumar Jha, IAS (Retd.) aged around 66 years, an IAS officer of the 1969 batch, has had a 38 year stint in the civil services and held crucial positions in India's State and Central Government apparatus. He is one of the very few civil servants to have had extensive work experience in Foreign Policy, Industrial Promotion, International Trade as well as Economic Affairs and Finance.

For about two years he was in the Finance Ministry, first as Secretary, Economic Affairs and later as Finance Secretary in addition to continuing as Secretary, Economic Affairs. Apart from preparing the Union Budget for two years – the years when GDP growth in India clocked about 9.5% – he was instrumental in formulating macroeconomic policies. These included issues relating to fiscal policy and public finance, inflation, public debt management and the functioning of Capital Markets.

He was India's alternate Governor in the World Bank and the Asian Development Bank.

Prior to joining the Finance Ministry, Shri Jha was Secretary, Department of Industrial Policy and Promotion in which capacity he promoted Foreign Direct Investment into India besides ushering in a patents regime to conform to international obligations. He was also Advisor – International Affairs in the Federation of Indian Chambers of Commerce & Industry (FICCI).

After retiring from Government, Shri Jha had a two year stint with Hyundai Motor India as its Executive President.



Shri Jha graduated from St. Stephen's College in Economics and went on to do his Masters from the Delhi School of Economics. He has another Master's Degree in Development Economics from the Australian National University, Canberra and was also a visiting fellow at Oxford University, UK.

He currently holds Directorship on the Board of Great Eastern Energy Corporation Ltd, Nuziveedu Seeds Ltd, Setco Automotive Ltd and XPRO India Ltd. He is also the member of the Audit Committee of Great Eastern Energy Corporation Ltd, Nuziveedu Seeds Ltd and Setco Automotive Ltd. Shri Jha does not hold any shares in IFCI Ltd.

- (e) Shri Santosh B. Nayar, aged around 59 years, had been the Deputy Managing Director & Group Executive (Corporate Banking Group) at State Bank of India before joining IFCI as CEO & MD. He was responsible for the overall supervision of several business verticals which inter-alia included Corporate Accounts Group (with FB and NFB asset base of over ₹300,000 crore), Project Appraisal Group, Financial Institution Business Group, Transaction Banking Group, Cash Management and Capital Market business of the Bank. He was also in-charge of Project Finance Unit (PFSBU) of the Bank which handled all infrastructure lending of the Bank and non infra projects of above ₹250 crore. Besides, he also piloted

all infra sanctions through Credit Committee as well as Bank's Board. He has also led large scale restructuring/refinancing of major projects in infra and non infra sector during FY 2012-13 with total exposure from the Banking Sector in excess of ₹150,000 crore.

Before taking up the responsibilities of being Deputy Managing Director & Group Executive in the State Bank of India, he was handling the large Corporate Accounts Group (which is the most prestigious business group in the bank) as the Chief General Manager for a period of 3 years. During his tenure, he tripled the asset base and profit by 6 times. He also has had an extensive exposure to the retail, SME and Corporate Business of the Bank in different parts of the country.

Shri Nayar has also had an exposure to International Banking at Bank's Hong Kong office. He also had around 4 years of exposure to Investment Banking with SBI Capital Markets Ltd. He was also the member of the core team which set up SBI Life Insurance Co. Ltd, a Joint Venture with a French Insurance Company.

Shri Nayar holds Directorship/Committee Membership in IFCI Infrastructure Development Ltd, IFCI Venture Capital Funds Ltd, IFCI Factors Ltd, Tourism Finance Corporation of India Ltd and IFCI Financial Services Ltd.

### LISTING AT STOCK EXCHANGES

The Company's Equity Shares are listed at following six Stock Exchanges in India. Besides, the bonds issued to the public by the Company were also listed at Stock Exchanges mentioned at Sl. Nos. 1, 2 and 3 below. After the redemption of these Bonds on maturity/through exercise of call option, listing of these bonds have been discontinued.

- |                                                                                                             |                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Bombay Stock Exchange Ltd<br/>Phiroze Jeejeebhoy Tower<br/>Dalal Street, Fort<br/>MUMBAI-400 001</p>  | <p>2. The National Stock Exchange of India Ltd<br/>Exchange Plaza, 5<sup>th</sup> Floor<br/>Plot No. C/1, G Block<br/>Bandra-Kurla Complex, Bandra (East)<br/>MUMBAI-400 051</p> |
| <p>3. The Delhi Stock Exchange Ltd<br/>3/1 Asaf Ali Road<br/>DELHI-110 002</p>                              | <p>4. The Calcutta Stock Exchange Ltd<br/>7 Lyons Range<br/>KOLKATA-700 001</p>                                                                                                  |
| <p>5. The Madras Stock Exchange Ltd<br/>Exchange Building<br/>11, Second Line Beach<br/>CHENNAI-600 001</p> | <p>6. Ahmedabad Stock Exchange Ltd<br/>Kamdhenu Complex, 1<sup>st</sup> Floor<br/>Opp. Sahajanand College<br/>Panjara Pole<br/>AHMEDABAD-380 015</p>                             |

The Company has paid the annual listing fee to the Stock Exchanges for the financial year 2013-14, except to the Stock Exchanges at New Delhi, Kolkata, Ahmedabad and Chennai as the Company had applied for delisting of securities pursuant to the resolution passed at the Annual General Meeting held on September 10, 2001 and September 12, 2003.

## DIRECTORS' REPORT

### To the Members

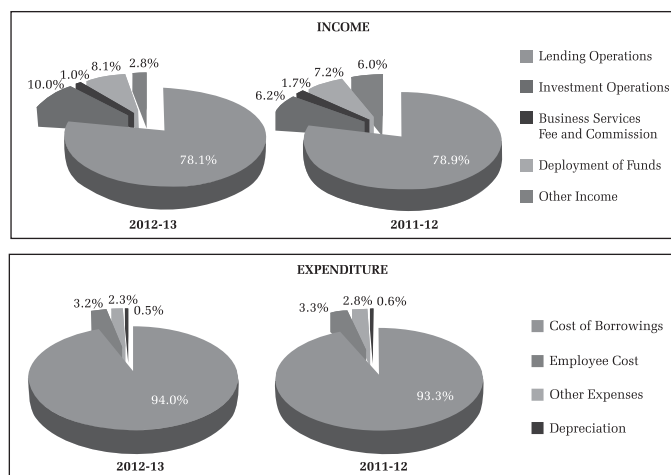
The Board of Directors of your Company has the pleasure of presenting the Twentieth Annual Report of IFCI Limited together with the Audited Statements of Accounts for the year ended March 31, 2013.

### FINANCIAL RESULTS

PARTICULARS	(₹ crore)	
	2012-13	2011-12
1. Operational Income	2,706	2,801
2. Total Income	2,759	2,850
3. Cost of Borrowings	1,815	1,871
4. Staff Cost/Other Expenditure	105	122
5. Depreciation	10	12
6. Total Expenditure	1,930	2,005
7. Profit before provisions/write-off	829	845
8. Provision for Bad & Doubtful Assets and others (Net of Write-off)	165	(113)
9. Profit before Tax	664	958
10. Tax Expense	213	294
11. Profit after Tax	451	664
12. Surplus brought forward from previous year	1,496	1,066
13. Appropriations:		
Reserve u/s 45IC of RBI Act	90	133
Special Reserve u/s 36(1)(viii) of the Income Tax Act	15	15
Dividend on Equity Shares (incl. Tax)	193	86
Dividend on Preference Shares (incl. Tax)	0*	0*
14. Balance carried to Balance Sheet	<b>1,648</b>	<b>1,496</b>

\* ₹0.31 crore

Your Company's total income declined marginally by 3.2% to ₹2,759 crore in 2012-13 from ₹2,850 crore in 2011-12, mainly due to subdued fresh asset creation in an uncertain environment and downgrading of certain assets during the year. However, lower income was partly offset by reduction in cost of borrowings by 3.0% to ₹1,815 crore in 2012-13 from ₹1,871 crore in 2011-12, due to substantial downward revision in interest rates on existing bank loans and prepayment of certain high cost bank borrowings. Your Company also took steps for rationalization of overhead cost which resulted in a saving of ₹19 crore during 2012-13.



### Dividend

Your Directors have recommended a dividend of ₹1/- per equity share, i.e. 10% of the face value of ₹10/- for the FY 2012-13. Further, dividend at the applicable rates aggregating to ₹0.31 crore (including corporate dividend tax) on Preference Shares, paid as interim dividend has been proposed by your Directors for your confirmation.

The dividend proposed by your Company does not exceed 10 percent of the paid up share capital. Thus, the amount to be transferred to reserves is nil as per the Companies (Transfer of Profits to Reserves) Rules, 1975.

### Change in Ownership and Reconstitution of the Board

The most significant development in 2012-13 was the assumption by the Government of India of 55.57% (Currently 55.53%) equity holding in IFCI on December 20, 2012, thereby making it the majority stakeholder of the Company.

Since the last Annual General Meeting, the following changes occurred on the Board of IFCI:

S/Shri Prakash P. Mallya, Shilabhadra Banerjee, K. Raghuraman, Sujit Kumar Mandal, Vijay Kumar Chopra, Atul Ashok Galande, Vijendra Singh Jafa, S. Shabbeer Pasha, Rakesh Bharti Mittal, Chandan Bhattacharya and Prof. Shobhit Mahajan ceased to be Directors on the Board of the Company.

The Government of India nominated Shri Anurag Jain, Joint Secretary, Ministry of Finance, Department of Financial Services, New Delhi as Government Director. Shri Sanjeev Kumar Jindal, Director, Ministry of Finance, Department of Financial Services, New Delhi whose nomination was withdrawn by the Government of India was later re-nominated as Government Director on the Board of IFCI Ltd. However, on July 29, 2013 the Government of India nominated Shri Arvind Kumar, Joint Secretary, Ministry of Finance, Department of Financial Services, New Delhi as Government Director vice Shri Sanjeev Kumar Jindal.

Smt. Savita Mahajan was appointed as Additional Director on the Board of your Company w.e.f. February 12, 2013.

Shri Atul Kumar Rai ceased to be on Board of the Company and CEO & Managing Director w.e.f. May 31, 2013 and Shri Anurag Jain, Joint Secretary, Ministry of Finance, Department of Financial Services, was appointed as CEO & Managing Director of the Company w.e.f. May 31, 2013.

Subsequently, Shri Anurag Jain handed over the charge of CEO & MD to Shri Santosh B. Nayar, who was appointed as Additional Director and CEO & MD w.e.f. July 15, 2013.

Shri Ashok Kumar Jha was appointed as Additional Director on the Board w.e.f. July 15, 2013.

At this Annual General Meeting, Prof. Omprakash Mishra, is retiring by rotation and being eligible, has offered himself for re-appointment.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) that the Directors have 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 or loss of the Company for the year under report;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended March 31, 2013 on a 'going concern basis'.

#### **Auditors**

M/s Ray & Ray, Chartered Accountants, the current Statutory Auditors of your Company shall hold office till this Annual General Meeting. Consequent on the change in the equity structure of your Company, henceforth, the Statutory Auditors of your Company shall be appointed by the Comptroller & Auditor General of India (CAG). CAG has appointed M/s Thakur Vaidyanath Aiyar & Co. (DE0016) and Andros & Co. (DE1122) as Joint Statutory Auditors for FY 2013-14.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **MACRO ECONOMIC ENVIRONMENT**

##### **(A) Global Developments and Outlook**

The global economic environment continued to remain challenging in 2012-13, owing to economic slowdown in advanced and emerging economies. While a supportive policy environment in advanced countries prevented a crisis like situation, global growth remained sluggish with uncertainty hovering around about its revival. According to IMF, the world economic growth moderated to 3.2% in 2012 compared to 4.0% in 2011. Though the sovereign debt crisis in the Euro zone subsided to a great extent leading to improved confidence and financial conditions in 2012, economic activity remained weak due to subdued private demand and tighter lending conditions. In fact, the debt crisis induced several policy decisions in Europe including recapitalization of Greece, agreement on the single supervisory mechanism and the completion of the European Stability Mechanism which contained the financial stress of the Euro zone. However, the overall macro economic outlook for Europe remained weak with recessionary trend in some economies, which is likely to spill over to 2013.

Among all the major advanced economies, except for US and Japan, other economies experienced a slowdown in 2012 compared to 2011. The growth prospects in the US economy improved to some extent during 2012 due to pick up in credit demand and moderate recovery in house prices. Though this acceleration in private demand is likely to continue, the overall growth prospect for the US economy is expected to remain muted due to strong fiscal consolidation measures of the Government and a weak external environment. The Japanese economy, which registered a negative growth in 2011, showed some signs of recovery in 2012 due to quantitative easing, fiscal stimulus and structural reforms.

There was deceleration in growth in the emerging markets and developing economies during 2012, which can be attributed to slowdown in exports due to weak demand from key advanced economies and tightening of domestic policy.

Inflation remained subdued in advanced economies, whereas some developing economies witnessed a spurt in inflationary pressures in 2012, mainly due to high commodity prices including oil prices, which moderated towards the end of 2012. The outlook for global commodity prices during 2013 remains benign, with a further decline expected in metal and oil prices.

##### **(B) Domestic Developments and Outlook**

Economic activity in India moderated during 2012-13 and the slowdown was visible across all sectors. India's Gross Domestic Product (GDP) grew by 5.0% during 2012-13 as against 6.2% in 2011-12. The services sector registered a growth of 6.6% during 2012-13 compared to 8.2% in 2011-12. The industrial sector grew by 3.1% and agriculture sector by 1.8% during 2012-13 compared to a growth of 3.5% and 3.6% respectively in 2011-12. The deceleration in growth in the services sector, which has been the mainstay of high growth in recent years, dampened the overall growth to a great extent. While the agriculture sector growth during 2012-13 was dented by deficient rainfall that affected the kharif crop, the industrial and services sectors slowdown during the year can be ascribed to slacking external demand, weak business sentiment and relatively tight monetary policy measures aimed at containing inflation.

The WPI inflation remained relatively high for most part of 2012-13, moderating only towards the end of the financial year, mainly due to easing of manufacturing product inflation. The average headline inflation for 2012-13 was 7.4%, while the year-end inflation was marginally lower than 6.0%. However, the Consumer Price Inflation (CPI), in double digits at 10.4% in March 2013, was substantially higher, which underlines the persistence of high food inflation in the economy. The monetary and fiscal policy responses during 2012-13 were geared towards taming domestic inflationary pressures. However, with the Government's determination to contain fiscal deficit (Budgetary estimate at 4.8% of GDP for 2013-14) and moderation in inflationary pressures towards the end of 2012-13, the RBI's calibrated easing of policy measures has become more pronounced, aimed at stimulating growth in the economy.

During 2012-13, merchandise exports fell by 1.8% to \$300.6 billion from \$306.0 billion in 2011-12, while imports stood at \$491.5 billion compared with \$489.3 billion in the previous financial year leading to a high trade deficit of \$190.9 billion. The rupee also remained volatile and depreciated against the US Dollar, primarily due to external imbalances as the current account deficit (CAD) to GDP ratio reached 5.1% in 2012-13. However, the current account deficit is likely to fall in 2013-14 owing to moderation in global commodity prices of oil, gold and other metals.

Though 2012-13 was a challenging year for the Indian economy, a slow-paced recovery in economic activity is expected in 2013-14. The expected mild improvement in external demand coupled with fall in global commodity prices is expected to provide impetus to economic activity, while domestic fiscal consolidation together with moderation in headline inflation is expected to create policy space for the monetary policy to support growth. As per the latest report of the Prime Minister's Economic Advisory Council, though there are weaknesses in the economy, the decline in growth appears to have bottomed out and the economy is likely to grow by

6.4% during 2013-14, which will make India a significant out-performer in the global context.

## INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Non-Banking Finance Companies (NBFCs) faced a difficult economic environment during 2012-13 on account of slowdown in industrial growth and relatively high credit costs due to increased risk perception in the economy. In spite of RBI undertaking several steps to inject liquidity into the system through reduction in CRR by cumulative 75 basis points and Repo Rate by cumulative 100 basis points during the year, the credit growth of scheduled commercial banks declined to 13.9% during 2012-13 compared to 18.7% during 2011-12. Difficult operating environment also enhanced the stress on asset quality of the NBFCs.

During the year under report, NBFCs were affected by the following regulatory changes:

1. RBI in August 2012 put out the guidelines on securitization and direct assignment of assets by NBFCs. The most important stipulation in the guidelines was prohibition of credit enhancement by originator in direct assignment transactions. Other key stipulations were a minimum holding period (MHP) for obligators before off-loading the receivables and a minimum retention requirement (MRR) through tenure of the transaction. However, the above may not have any material impact on your Company.
2. RBI in July 2012 and October 2012 put out a policy on lending to priority sector by banks that excludes bank loans to NBFCs for priority sector lending and imposes restriction on bilateral assignments. This may not also have any impact on your Company.
3. RBI in December 2012 issued draft guidelines on Issues and Concerns of NBFC regulatory frame work, based on recommendations made by the Committee headed by Mrs. Usha Thorat. If implemented, these guidelines may impact the profitability and business models of NBFCs in early stages of its implementation. The key guidelines are listed below:
  - Tier I capital requirement increased to 10% from the current 7.5%, with certain exceptions where the same will be increased to 12%.
  - Asset classification and provisioning norms similar to those in banks are to be introduced in a phased manner.
  - NBFCs to cover any Asset Liability Maturity (ALM) mismatch in less than 30 days bucket with high quality liquid assets maturing within 30 days.
  - The following changes have been proposed to enhance corporate governance and disclosure standards of NBFCs:
    - (i) Prior approval from RBI for change in control, increase in shareholding by 25% or increase in capital in excess of paid up equity capital of the Company.
    - (ii) RBI approval for appointment of CEO for an NBFC with an asset size of more than ₹1000 crore.
    - (iii) NBFCs with asset sizes above ₹1,000 crore would have to include additional disclosures like capital adequacy, investments and provisions, movement of NPAs and provisions, details of securitisation transactions etc.

- Risk weights to be increased for capital market exposures for commercial real estate exposures.

## INITIATIVES AND DEVELOPMENTS AT IFCI

During the year under report, in spite of the deteriorating and challenging economic and business environment, your Company continued to exhibit resilience.

IFCI's approach towards lending and investments was guided by maximization of return on investments, preservation of capital while ensuring adequate security cover, adequate risk containment and helping your Company achieve an appropriate trade off between returns and risk during the year under report.

Your Company, during the year under report, was quick to see the deterioration in the business outlook and being prone to a higher degree of risk than the financial intermediaries with stable sources of funds, it moderated the sanctions and disbursements during the year under report. Even though your Company curtailed the sanctions and disbursements for FY 2012-13, it continues to look for avenues for expanding its asset base and is keeping a close watch on macro economic environment and changing business outlook for short and medium term and will adjust its business plans accordingly.

During the year under report, Government of India increased its shareholding in your Company by converting optionally convertible debentures into equity shares, thereby making it the majority shareholder with a 55.53% equity stake in your Company. With this conversion, the Government of India has reposed faith in your Company and post conversion, the expanded equity base has enhanced your Company's ability to leverage and increase its asset base. Further increased shareholding by Government of India in your Company has also facilitated a downward revision of interest rates being charged by banks and financial institutions on funds borrowed by your Company.

The RBI issued revised guidelines for issue of banking licenses in February 2013 and the applications for new bank licenses were to be submitted by July 01, 2013. Your Company evaluated its strategy for foray into the Banking arena, with the assistance of a reputed Consultant. The Board approved to submit application to RBI under the Reserve Bank of India Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013 and the associated clarifications issued by RBI in this regard. The application was accordingly submitted with RBI.

### Right to Information

Your Company has become a public authority under the Right to Information Act, 2005, due to majority equity holding of Government of India. In order to promote transparency and accountability in working, your Company has designated a Senior Associate Vice President in Head Office as Central Public Information Officer and all Regional Office Heads as Central Assistant Public Information Officers and General Manager as Appellate and Transparency Officer to attend to the RTI applications. During the year, your Company received 32 applications seeking information, which were disposed of as per the provisions of the RTI Act within the stipulated time.

### Promotion of Rajbhasha

Your Company, in line with Government of India's policy, has set-up a Rajbhasha Department in December, 2012 to ensure compliance and implementation of the Official Language Policy of Government in all the offices of the Company. To promote the use of Hindi, Official Language Implementation Committee has been constituted



at Head Office and in all the Regional Offices. Quarterly meetings of Official Language Implementation Committee were held to review the progress of the use of Hindi. All the computers available with your Company have also been upgraded with unicode facility.

#### Employees Stock Option Scheme

With a view to aligning personal goals with organizational objectives enabling employees to participate in the ownership of the organization, IFCI had introduced Employee Stock Option Scheme in your Company in FY 2011-12. In FY 2012-13, the Committee of Directors on Employees Stock Options allotted equity shares to IFCI Stock Option Trust which would facilitate exercise of options under the Scheme.

Disclosures as required under Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are annexed to this Report as Annexure-1.

#### Corporate Social Responsibility

As a responsible corporate citizen, it has been the vision of your Company to empower the community through socio-economic development of underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, your Company continued to undertake Corporate Social Responsibilities (CSR) initiatives, with special focus on public health, education, environmental and micro-finance. Under this initiative, in FY 2012-13, your Company released an amount of ₹89.93 lakh towards various social activities including sponsoring the Delhi Half Marathon, continuation of Village Adoption Programme in Sonapat District (Haryana), undertaking new Village Adoption Programme of Neemkhera Village, Madhya Pradesh and Amal Agosh in Rajasthan, Sanitation awareness programme in Dakshin Dinajpur, West Bengal and Solar lighting and low cost sanitation in Japorigog and Ramching Sapori near Guwahati.

#### PERFORMANCE OF IFCI

Your Company continued its emphasis on retaining existing customers by providing customized financial products and simultaneously enlarging the customer base by adding new customers to its portfolio. During FY 2012-13, considering the maturity profile of its existing liabilities, IFCI sanctioned term loans for various maturities to meet the short term fund requirements of companies with excellent track record, for general corporate purpose, refinancing of high cost debt and capital expenditure for ongoing projects against adequate tangible security. Apart from fund based activity, your Company also extended its presence in non fund based activities including advisory services. The details of performance on various parameters are outlined below:

##### (a) Financial Performance

Your Company's profit before provisions at ₹829 crore for 2012-13 was only marginally lower than ₹845 crore for 2011-12. However, due to higher net provisions of ₹165 crore made against bad & doubtful assets in the current year as against net reversal of provisions of ₹113 crore in the previous year, profit before and after tax were lower at ₹664 crore and ₹451 crore respectively for the current year compared to ₹958 crore and ₹664 crore respectively for the previous year. The increase in provisions during the current year was the outcome of impact of economic slowdown on the business of your Company, giving rise to fresh NPAs as well as further slippages of a few substandard assets. As a result of this and also due to lower disbursements compared to recoveries from existing loans, the net loans and debentures in the standard asset category declined from ₹16,691 crore as on

March 31, 2012 to ₹12,853 crore as on March 31, 2013.

During the current year, ₹923 crore of optionally convertible debentures held by Government of India was converted into 92,30,00,000 equity shares of your Company at par after exercise of such right by the Government. Further, 11,99,904 equity shares were allotted to IFCI Employees Stock Option Trust in terms of the IFCI Employees Stock Option Scheme. As a result, the equity capital of your Company increased to ₹1,662 crore as on March 31, 2013, from ₹738 crore as on March 31, 2012 and the Government of India now holds 55.53% of the equity capital of your Company. The earning per share and book value per share reduced substantially in 2012-13 because of the conversion and decline in net profit. Key financial ratios viz. CRAR, debt-equity ratio and net worth as at March 31, 2013, however, improved compared to the positions as on March 31, 2012.

##### (b) Sanctions and Disbursements

During FY 2012-13 the total fund based sanctions were ₹2,192 crore as against ₹4,467 crore in the previous year, registering a decline of around 50.94%. Out of the above sanctions, an amount of ₹537 crore (24.50%) was by way of rupee term loan, ₹1,319 crore (60.19%) by way of corporate loan, ₹334 crore (15.24%) by way of debentures. The amount sanctioned towards equity was ₹1.63 crore (0.07%).

Total disbursements during FY 2012-13 amounted to ₹1,504 crore compared to ₹5,950 crore in the previous year, a drop of around 74.72%. Out of the disbursements during the year, ₹626 crore (41.63%) was by way of rupee term loan, ₹547 crore (36.40%) by way of corporate loan, ₹231 crore (15.36%) by way of debentures and ₹99.38 crore (6.61%) by way of equity and other investments

##### (c) Treasury, Investment and Forex Operations

Despite the year under report being the year with the highest FII inflows on the back of reform initiatives that included opening up of FDI in multi-brand retail, aviation and broadcasting and deferment of the implementation of GAAR, the year passed through an uncertain economic environment, both domestic and international, with GDP growth touching new lows and global environment continuing to be sluggish. In this scenario, your Company has been cautious in investing surplus funds with focus on safety while making every effort to ensure resourceful management of funds.

In rupee operations, the objective has been to manage the liquidity efficiently, undertaking minimum risk and maintaining minimum possible cash balance while ensuring availability of funds for daily requirement. With priority on safety, your Company invested more in safe instruments like Short Term Deposits (STDs) and Certificates of Deposits (CDs). Average surplus funds during the year was ₹2,755 crore and the annualized return on deployment of this was 9.17%, which fully covered the average cost of borrowing of your Company during the year. Your company registered an income of ₹254 crore from Fixed Income Money Market operations during FY 2012-13, as against ₹231 crore in the previous year.

The Foreign Currency (FC) operations were restricted to containing the exchange risks arising due to mismatch in the outstanding amount of FC assets and liabilities. The net mismatch position was invariably maintained at almost square position by covering the mismatches through forward contracts and currency futures, which ensured that your Company

remained unaffected by the high volatility in currency exchange fluctuations during the year under report. Your company also continued to keep a distance from any kind of exotic derivatives in equity/debt or foreign exchange market.

Considering the unpredictable market conditions, trading activities in equity were avoided during major part of the year. Your Company continued with the strategy of gradual disinvestment of slow moving/illiquid stocks and strengthening the portfolio through selective investment in liquid stocks and also utilized the inventory of listed stock for earning risk free income through Stock Lending and Borrowing Mechanism.

**(d) Management of Non-Performing Assets**

Your Company continued its efforts to aggressively exploit all channels available to reduce NPAs. Considerable success was achieved in the last few years by way of substantial recovery from the old cases of NPAs. As a result of the efforts the outstanding amount under NPAs has reduced. Accordingly, the same is also reflected in the reduced recovery of old cases as under:

Resolution Strategy	Amount (₹ crore)
One Time Settlement (OTS) & Guarantee Assignment	32.95
SARFA & ESI Act & Legal	43.41
<b>TOTAL</b>	<b>76.36</b>

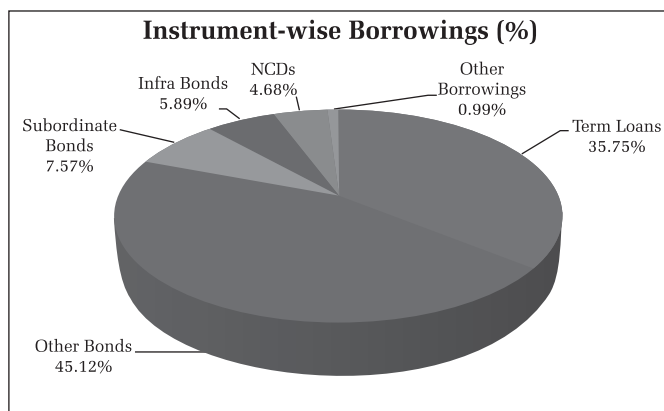
Moreover, innovative steps were taken during FY 2012-13 for resolution of NPAs particularly for cases where IFCI holds minority stake to resolve under the provisions of the SARFA & ESI Act, 2002. Efforts were also made to ensure that fresh NPAs are kept at a minimum possible level.

**(e) Resource Mobilization**

During the year under report, your Company arranged rupee resources aggregating ₹3,535 crore at competitive rates comprising term loans from Banks, private placement of Bonds and Commercial Papers. The private placement of bonds included ₹80 crore of subordinate bonds issued during the year to augment the Tier II capital of your Company.

The total borrowings of your Company stood at ₹17,968 crore as at March 31, 2013, which comprised of rupee and foreign currency borrowings of ₹17,439 crore and ₹529 crore respectively.

The broad instrument wise break-up of rupee borrowings outstanding as at March 31, 2013 is indicated below:



Investor service continued to be of utmost importance for your Company. Investors' grievances, received in physical or electronic form, were taken up promptly and redressed.

**(f) 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 year ended on March 31, 2013.

**(g) Segment-wise/Product-wise Performance**

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, issued by the Institute of Chartered Accountants of India, is not applicable.

**SUBSIDIARY COMPANIES THAT SYNERGIZED THEIR OPERATIONS WITH IFCI**

**(a) IFCI Infrastructure Development Ltd (IIDL)**

IIDL has been promoted as a wholly owned subsidiary of IFCI Limited, for availing the opportunities available in the real estate and infrastructure sector. In a short span of five years from incorporation, the Company has successfully delivered the prestigious project of Serviced Apartments of international standards at Mayur Vihar, New Delhi which is being managed by Frasers Hospitality Pte Ltd. Another major project, named '21st Milestone' is in an advanced stage of completion at Meerut Road, Ghaziabad. The entire project is scheduled to be completed by the middle of 2014. Around 75% of the flats have been sold till date. Also, the construction of the project named "IIDL Aerie", which is located in the prime residential area of Panampilly Nagar in Kochi, is in full swing. The project has a mix of two and three bedrooms and is expected to be completed by December, 2014.

On the commercial side, spread over an area of 50 acres, a financial Hub, the first of its kind in South India, is coming up near Devanahalli Airport at Bengaluru. The land has been allotted by Karnataka Industrial Areas Development Board (KIADB) and IIDL has already allotted 33 acres of land to various Banks and Financial Institutions. IIDL has also undertaken construction of office complex at Bengaluru and Ahmedabad. In Bengaluru, the construction had been completed and in Ahmedabad, the construction is nearing completion.

Continuing the legacy of professionalism and integrity, inherited from IFCI, IIDL believes in delivering value by creating products and services to reap rich profits in the coming years, which would contribute significantly towards enhancing value of its shareholder i.e. IFCI.

**(b) IFCI Venture Capital Funds Ltd (IFCI Venture)**

IFCI Venture was set-up in 1975 by your Company with the objective to broaden entrepreneurs' base in India by providing risk capital mainly to first generation entrepreneurs under "Risk Capital Scheme". In 1988, IFCI Venture launched "Technology Finance & Development Scheme", to provide financial assistance for setting up projects aimed at commercialization of indigenous technologies. In 1991, IFCI Venture took up management of a Venture Capital Fund named VECAUS-III, floated by SUUTI and IFCI to promote high

profitability venture. The VECAUS-III fund was close ended in the year 2007 and portfolio companies were transferred to SUUTI.

In the year 2008, IFCI Venture undertook management of 3 new PE/VC funds viz., India Automotive Component Manufacturers Private Equity Fund-1-Domestic (IACM-1-D), Green India Venture Fund (GIVF) and India Enterprise Development Fund (IEDF) with an aggregate corpus of ₹512 crore. All the three funds focused on investments in mid sized companies involved in setting up niche business models in respective industry sectors with prospects of scalability. All the three funds were fully invested by 2012 and partial disinvestments have also started in these funds. Under the three funds, IFCI Venture has invested in 29 companies.

IFCI Venture is also registered with RBI as an NBFC and provides secured Corporate Loan to profit making mid-market companies in the range of ₹5-20 crore with security of shares of listed companies and/or mortgage of property. The company has a well defined credit policy for sanction of loans to its clients. As on March 31, 2013, IFCI Venture had a book-debt position of ₹416 crore financed by bonds and bank borrowings of ₹337 crore.

**(c) IFCI Factors Ltd (IFL)**

IFL continues to be a major provider of Factoring services in India. After registering a sizeable growth year on year in the business post its acquisition by IFCI Ltd, the company has been in a phase of consolidation since FY 2012-13 in the wake of adverse economic environment. The company having pioneered export factoring business in India achieved a record Export factoring business during FY 2012-13, the highest among Factoring companies in India. With India's share being a meager 0.17% of global factoring turnover during calendar year 2012, there is immense potential for factoring business to grow in India. Lack of conducive legal environment and appreciation of factoring as a significant working capital finance alternative by stake holders were major impediments in the orderly growth of factoring business in India. With the enactment of the Factoring legislation in 2012 and the initiative for setting up a Credit Guarantee Fund for factoring business announced in the Union Budget for FY 2013-14, Factoring business in India is poised to grow in future and augur well for IFL.

**(d) IFCI Financial Services Ltd (IFIN)**

IFIN was promoted in 1995, by IFCI Ltd, to provide a wide range of financial products and services to institutional and retail clients. IFIN is primarily involved in the business of Stock Broking, Currency Trading, Portfolio Management Services, Depository Participant Services, Merchant and Investment Banking, Insurance (Corporate agent for both life and General Insurance), Mutual Fund Products Distribution, IPO Distribution and Corporate Advisory Services.

**(e) MPCON Ltd**

MPCON Ltd is a professionally managed Technical Consultancy Organization promoted by your Company. Established in 1979, it is the premier consulting organization in Central India, and has consistently endeavoured to provide quality consulting services and created a niche market for itself. During FY 2012-13, MPCON expanded its operations in other

parts of India such as Jharkhand, West Bengal etc. It consolidated its project consultancy business and also enhanced its presence in the training and capacity building spheres. It bagged the tender floated by the Central Bank of India (Lead Bank of Madhya Pradesh) on behalf of consortium of Banks for further financial inclusion in the state of Madhya Pradesh and part of Chhatisgarh. Further, it has entered into strategic tie ups with likeminded institutions for expanding its business.

**DEPARTMENTS AT IFCI**

**(A) Credit Appraisal, Monitoring and Industry Research**

With a view to pitch in new business for IFCI, carry out quality appraisal and timely recovery in standard assets, a dedicated department viz. Credit Appraisal, Monitoring and Industry Research was created in your Company. The department deals inter-alia, with business development, credit appraisal of proposals, monitoring of existing standard cases of Delhi, Mumbai and Ahmedabad Regional Offices and need-based reliefs/concessions/restructuring of stressed accounts, besides carrying out studies of various sectors/industries in order to have a fair idea about the potential of the respective sector/industry. The department has undertaken analysis of various Companies during the period under review for pitching new business for IFCI. Further, the department has also undertaken comparative studies of various companies in the same industry in order to have in depth knowledge about their market standing. Also, the department carries out site visits of manufacturing facilities of industrial assisted concerns and also facilities/offices of other non-industrial assisted concerns. Such visits has enabled IFCI to establish cordial relations with various major players/industrial houses and also ensured effective monitoring of assisted concerns. The department also carries out site visits periodically of all the mortgaged properties and has undertaken valuation of the same through IFCI appointed valuers to ensure adequate security cover.

**(B) Project Development Group (PDG)**

PDG was established in FY 2008-09, as a part of IFCI's strategy to enter into infrastructure projects early in their life cycle, ensuring IFCI reasonable returns on investments. Over the period, it has developed strong relationships with India's leading infrastructure companies and is associated with them throughout the project development life cycle from inception to commissioning and thereafter nurturing the projects to realize returns. PDG, with its dedicated team of well qualified and experienced professionals, has developed invaluable insights into the technical, practical and financial aspects of the infrastructure sector in general and power generation and roads in particular.

During FY 2012-13, aligning to various external challenges facing infrastructure sector, the Group focused on consolidation of the investment portfolio from a value preservation standpoint. Simultaneously, it also achieved exits in some of the investments in power and road sectors with expected returns.

While keeping in view the current challenging environment in Indian infrastructure space, PDG intends to continue to consolidate existing investments and create new assets selectively in FY 2013-14.



**(C) NPA Acquisition and Resolution**

Your Company, while managing its own NPA portfolio and showing exemplary performance in terms of recovery out of NPAs, acquired expertise in this business segment. Making use of the said expertise and taking care of the regulatory framework and other advantageous factors, your Company floated a separate business vertical for acquisition of NPAs from Banks/ other FIs starting from FY 2008-09. The acquisitions were aimed at unlocking true worth out of the said NPAs for making profit at substantially higher level, as compared to profits generated out of the normal lending operations.

Till March 31, 2013, your Company had acquired 195 NPA accounts at a total consideration of ₹317.43 crore and recovered an aggregate amount of ₹352.55 crore (from 62 NPA accounts). Thus, the entire acquisition cost had already been recovered while the remaining 133 NPA accounts, where substantial recovery is expected, are still to be resolved. During FY 2012-13, your Company realized an aggregate amount of ₹76.80 crore from acquired NPAs and booked profit of ₹59.68 crore after recovering the entire acquisition cost in accordance with the RBI guidelines. Your Company will continue to give emphasis to the said business and ensure higher level of profits in future from this segment of business to maintain pre-eminent position in NPA acquisition business segment.

**(D) Corporate Advisory Group**

During FY 2012-13, the Group tried to diversify its activities to get into more lucrative and high value segments of financial and management consulting. As a sequel, currently, IFCI provides the entire gamut of Financial Advisory Services to clients across different sectors of the economy. Moreover, IFCI has managed to have a strong presence in the niche Bid Advisory segment, where only a handful of global consultants have the expertise to provide consultancy services for competitive tariff based Power Projects, Petroleum and Petroleum Products, Pipeline Projects etc. During FY 2012-13, IFCI also managed to create a space for itself in the extremely competitive as well as lucrative segment of advising Indian companies in overseas business transactions.

**(E) Sugar Development Fund**

Your Company has been acting as the nodal agency of the Government of India since the inception of the Sugar Development Fund (SDF) for the purpose of disbursement, follow-up and recovery of SDF loans for the purpose of modernization of sugar factories, setting-up of bagasse-based cogeneration projects, ethanol projects and cane development schemes. Cumulative sanctions and disbursements under SDF upto March 31, 2013 stood at ₹4,844 crore and ₹4,107 crore respectively. The agency commission booked for FY 2012-13 was of the order of ₹15.04 crore, against which an amount of ₹2.50 crore was received and the balance would be received in FY 2013-14.

In addition, IFCI carried out financial appraisals for SDF loans and contracted a fee of ₹1.43 crore, out of which a fee of ₹1.13 crore has been received during FY 2012-13.

**(F) Human Resources**

FY 2012-13 was a year of reflection, stock taking and consolidation in the sphere of Human Resource Management.

More focus was laid on effective utilisation of the human resource pool that was enriched by way of induction of fresh blood, training and development and other HR interventions over the past few years.

Your Company further enriched its manpower by appointing new professionals in various streams like IT, Legal, Treasury and Accounts.

The manpower strength of your Company as on March 31, 2013 was 229.

**(G) Information Technology and Communications**

Information Technology and Communications has played an important role in speeding up processing of proposals, creating of data bank of past cases, collecting industry-specific information and accessing such information through the network, effectively monitoring the progress of assisted projects or the health of the assisted units. The most noteworthy developments related to IT sector in your Company are:

**IT Policy** - The Information Technology Policy was revised to cater to the latest developments in Information Technology needs of your Company.

**IT Applications/Automations:**

- Centralization of Service Tax Accounting and its implementation at Head Office and all Regional Offices.
- Loan Accounting System further enhanced to capture the security details, Benchmark Rates, Floor Rate, Interest Reset Clause etc.
- Integration of Letter of Intent system with loan accounting system.
- Development of Bonds, Treasury Bills, G-Sec, CBLO, FD, Mutual Funds modules in the Integrated Treasury System.
- Enhancements in Sugar Development Fund (SDF) Accounting System and its rollout at all regional offices.
- Implementation of Biometric Attendance System at Head Office and its integration with Leave Management System.
- Tour Approval Process Automation.
- Redesign of Integrated Legal Monitoring System to cater enhanced needs.
- IFCI's website was revamped to comply with the WEB Content Accessibility Guidelines (WCAG) 2.0 Standards.

Further as part of the efforts to provide IT support to its Associates and Subsidiaries, the IT team of your Company implemented the Financial Accounting and Loan Accounting modules of Centralised Integrated Information System (CIIS) at IFCI Venture.

**(H) Legal**

On the legal activities front, your Company has been in compliance with all the statutory requirements in relation to sanction and disbursements of financial assistance to various borrowers. During FY 2012-13, your Company has done documentation in 42 cases disbursing ₹1,503.92 crore to 30 borrower concerns. Your Company has endeavored that where loans have been disbursed, the security is perfected and all statutory compliances have been met.

Your Company has also taken appropriate steps for initiation of legal action against defaulters and in defending the cases filed by or against IFCI.

## RISK MANAGEMENT AT IFCI

### (a) Risk Management and Concern

Financial intermediaries including IFCI are prone to losses associated with change in credit quality of borrowers and counterparties and are confronted with credit risks in its lending processes. This makes management, control and mitigation of these risks imperative for ensuring the successful functioning of such institutions. Realizing the dual importance of business and revenue growth while minimizing credit risks, your Company has incorporated robust credit risk management practices in its business model, which encompasses identification, assessment, measurement, monitoring and mitigation of credit risks in line with best practices prevailing in the industry.

In pursuance of RBI guidelines, necessary role centers have been created in the organizational structure to facilitate discharge of risk management functions, which include the Board of Directors, the Risk Management Committee of Directors (RMCD), the Risk Management Committee of Executives (RMCE) and the Credit Risk Management Department (CRMD).

The internal ratings framework at IFCI facilitates credit approval decisions, risk-based pricing, identification of loan problems and determination of default rate, recovery rate, portfolio management and capital allocation. The models have been installed at IFCI and adopted, at an organizational level, for rating proposals for fresh sanction as well as existing cases for portfolio monitoring purposes, and have become an integral part of credit assessment process. The internal ratings are periodically mapped with external ratings assigned by rating agencies to understand reasons for variation in the ratings assigned. Further, periodic migration analysis of rated exposures to observe the transition in ratings is also undertaken. The credit policy and risk management policy of your Company are reviewed periodically keeping in view the changing economic and business environment.

For the purpose of ensuring proper credit evaluation and monitoring standards, credit audit of standard exposures is carried out at regular intervals. The main objectives of the audit exercise include 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 top management to assess the quality of credit administration.

The market and liquidity risk is managed by the Asset Liability Committee of Executives (ALCO) through analysis of structural liquidity gaps and interest rate sensitivity positions and deployment of surplus funds by treasury besides approved limits and triggers for various types of deployment. The investment policy of your Company is reviewed periodically in the light of the prevalent market scenario. 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 and appropriate insurance.

Going forward, the risk management function at IFCI is expected to assume a more critical role, with emphasis on protection of asset quality in a challenging and dynamic credit environment given the continued macro economic headwinds. 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 impacts 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.

### (b) Internal Control Systems

Your Company has in place adequate systems of Internal Control and Internal Audits are carried out, based on the scope approved by the Audit Committee of Directors (ACD). A 'Risk based Internal Audit' system has already been introduced, which has made the Internal Audit more focused and such reports are constantly reviewed by the ACD.

### (c) Nominee Directors

Your Company appoints Nominee Directors on the Boards of assisted concerns following the long and well established practice of Institutions and Banks to monitor the performance of the companies where your Company has lent (or provided financial assistance). The underlying objective of making such appointment is to help build up 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 acts as a useful tool for credit monitoring. The system of Nominee Directors is functioning effectively in your Company.

## Opportunities, Threats and Future Outlook

IFCI as an NBFC-ND-SI has developed an entire range of financial products including debt, equity, mezzanine instruments, equity related products, project development etc. of short, medium and long term duration. Your Company will continue to explore possibilities of new business opportunities in the form of creation of fresh assets, disinvestment including unlocking of unquoted shares, advisory services, sugar development fund, appraisals and syndications for generating higher fund based income, acquisition of NPAs and so on.

The Company shall also take exposure in real estate sector based on criteria as laid down. In order to improve the overall profitability and diversify in terms of product types, your Company will also look for takeover financing at negotiated rates with satisfactory return and tangible securities.

The weak outlook for the domestic economy is expected to continue which in turn will exert pressure on performance of your Company. The sectors in which your Company has major exposures include infrastructure, construction and real estate and the services sector that performed less satisfactorily during the year 2012-13. Being an NBFC, IFCI does not enjoy leverage of access to low cost funds and deceleration in growth and change in operating environment pose challenges to IFCI in terms of asset quality, growth and profitability.

However, the expected moderate upturn in domestic economic growth in 2013-14 and improvement in global economic climate are expected to ease some pressure on NBFCs and your Company.

Your Company shall continue to persue creation of fresh assets, project development activities by way of participating in debt/equity. This will result in ample opportunities in future in the form of appraisals, underwriting, syndication of debt, equity etc.

### Compliance

Timely submission of various returns and data/information to RBI, SEBI and other regulatory bodies and the Government of India was complied with during 2012-13.

### Cautionary Statement

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.

### Corporate Governance

A detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

Certificate from Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement has been obtained and is annexed at the end of Corporate Governance Report.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1998 regarding conservation of energy and technology absorption, are not applicable. The Company is also not engaged in any acitivity

relating to exports. The particulars regarding expenditure and earning in the foreign exchange are as under:

Particulars	(₹ crore)	
	Year ended 31.03.2013	Year ended 31.03.2012
<b>Foreign Exchange used:</b>		
Interest on borrowings	4.41	4.29
Other matters	0.01	0.19
<b>TOTAL</b>	<b>4.42</b>	<b>4.48</b>
<b>Earnings in Foreign Exchange:</b>		
Earnings in Foreign Currency	-	-

### Particulars of Employees

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in Annexure-2 to the Directors' Report.

### Comments of Comptroller & Auditor General of India

The Comments of Comptroller & Auditor General of India (CAG) form part of this report as per Annexure-3. CAG has given "No Comments" Audit Report under Section 619(4) of the Companies Act, 1956.

### Appreciation

Your Directors wish to express gratitude for the cooperation, guidance and support received from the Ministry of Finance, various other Ministries and Departments of the Government of India, Securities and Exchange Board of India, Reserve Bank of India, other regulatory bodies, Comptroller & Auditor General of India and State Governments. Your Directors are also grateful to all the employees of the Company for their dedicated service. 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.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: September 19, 2013

**P. G. MURALIDHARAN**  
Chairman of the Board

ANNEXURE-1

**DIRECTORS' REPORT DISCLOSURES**

**STATEMENT AS AT MARCH 31, 2013, PURSUANT TO CLAUSE 12 (DISCLOSURE IN THE DIRECTORS' REPORT) OF THE SEBI (EMPLOYEES STOCK OPTION SCHEME AND EMPLOYEES STOCK PURCHASE SCHEME) GUIDELINES, 1999**

**A. Summary of Status of ESOPs Granted**

The position of the existing schemes is summarized as under:

Sl. No.	Particulars	Details
1.	Details of the Meeting	Authorised by Shareholders of the Company on September 13, 2011
2.	Approved Limit	Upto 3% of the paid up equity share capital
3.	The Pricing Formula	Exercise Price is upto 25% discount from the Market Price of the equity shares in the Company as on date of grant. Accordingly, exercise prices are ₹17.55 and ₹23.40 for ESOP-A and ESOP-B Stock Options respectively.
4.	Options Granted	7,196,993
5.	Options Vested and Exercisable	1,199,904
6.	Options Exercised	0
7.	Options Cancelled	1,370,218
8.	Options Lapsed	0
9.	Total Number of Options in force	5,826,775
10.	Variation in terms of ESOP	Not Applicable
11.	Total number of shares arising as a result of exercise of options	0
12.	Money realised by exercise of options (₹ lakh)	0

**B. Employee-wise details of options granted during Financial Year 2012-13:**

(i)	Senior Managerial Personnel	The Company has not granted options during the current financial year.
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	The Company has not granted options during the current financial year.
(iii)	Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	The Company has not granted options during the current financial year.

**C. Weighted Average Fair Value of Options granted during the year whose:**

(a)	Exercise price equals market price	
(b)	Exercise price is greater than market price	The Company has not granted options during the current financial year.
(c)	Exercise price is less than market price	

**Weighted Average Exercise Price of Options granted during the year whose:**

(a)	Exercise price equals market price	
(b)	Exercise price is greater than market price	The Company has not granted options during the current financial year.
(c)	Exercise price is less than market price	

**D.** The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2012-13 is ₹90,38,785. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2012-13 would be ₹2,66,32,550. Had the Company adopted the fair value method (based on Black Scholes pricing model), net profit after tax would have been lower by ₹1,75,93,765 for FY 2012-13.

The effect of adopting the fair value method earnings per share is presented below:

<b>Earning Per Share: Basic (₹)</b>	
As Reported	4.14
Adjusted Pro Forma	4.13
<b>Earning Per Share: Diluted (₹)</b>	
As Reported	4.14
Adjusted Pro Forma	4.12

**E. Method and Assumptions used to estimate the Fair Value of Options granted during the year:**

The Company has not granted options during the current financial year.

**STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, FOR THE YEAR ENDED MARCH 31, 2013 AND FORMING PART OF THE DIRECTORS' REPORT**

Name & Designation and Age of the Employee	Remuneration Received	Nature of Employment and the Other Terms & Conditions	Nature of Duties of the Employees	Qualifications & Experience of the Employees	Date of Commencement of Employment	Details of the Employment held by the Employee before Joining	No. and Percentage of Equity Shares held by the Employee
1. Shri Atul Kumar Rai - Ex- CEO & MD 51.9 years	₹1,84,58,547.11	Contractual, as per Rules of the Company	Had Substantial powers of Management	B.A. (Hons.) (ECO) from DU, PG in ECO from JNU <b>Exp:</b> Over 26 years	01.06.2007 Resigned w.e.f. May 31, 2013	Forward Market Commission, Planning Commission, Ministry of Industry, DDA and Ministry of Finance	1,18,000 (0.0%)
2. Shri Sujit K. Mandal - Ex-Whole Time Director 62.2 years	₹71,56,152.69	Contractual, as per Rules of the Company	Reported to CEO & MD and Board with specific delegation	B.E. (Mech), PG Dip. in Business Management <b>Exp:</b> 40 years	08.04.1992 Resigned w.e.f. 12.12.2012	Hindustan Aeronautics Ltd, Braithwate & Company Ltd	Nil
3. Smt. Shashi Sharma - Executive Director 52.8 years	₹73,51,941.20	Contractual, as per Rules of the Company	Heading the Treasury, Rupee Resources, Accounts, CCD, Establishment, Services and IT Departments	B. Com. (Hons.), CA, PG Dip. in Treasury & Forex Mgmt <b>Exp:</b> Over 26 years	01.12.1997	MMTC Ltd	Nil
4. Shri T K Ray - Ex-Executive Director 54.5 years	₹1,06,06,449.19	Contractual, as per Rules of the Company	Was heading the NPA Acquisition & Resolution Group, Estates & Security, Legal Departments at Head Office and Bangalore, Kolkata, Guwahati & Bhubneshwar Regional/ Branch Offices of the Company	M. Com., CA, LL B, DBF, CAIIB <b>Exp:</b> 29.8 years	01.11.1996 Voluntary Retired on 28.03.2013	Registrar of Companies, West Bengal Industrial Development Corporation and Allahabad Bank	Nil

Notes:

1. Shri Sujit K. Mandal was employed for part of the financial year.
2. None of the above employees were related to any Director.
3. The remuneration includes gratuity and retirement salary as and where applicable.



**ANNEXURE-3**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4)  
OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF IFCI LIMITED FOR THE  
YEAR ENDED 31 MARCH, 2013**

The preparations of financial statements of IFCI Limited for the year ended 31 March, 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20 May, 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of IFCI Limited for the year ended 31 March, 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

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

Place: New Delhi  
Date : September 10, 2013

**NAINA A. KUMAR**  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board-II, New Delhi

## 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.

### 2. BOARD OF DIRECTORS:

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

As on March 31, 2013, the Board of the Company consisted

of six Directors, out of whom five Directors were Non-Executive while one was Managing Director and Chief Executive Officer.

The composition of the Board is in conformity with the listing agreement. 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 in other Companies in respect of each Director as on March 31, 2013 is given here-in below:

Sl. No.	Name of Director	Category	Attendance Particulars		At AGM held on July 18, 2012	No. of Directorship(s)/Committee Membership(s)/Chairmanship(s) of Other Companies			
			No. of Board Meetings during FY 2012-13	Held		Attended	Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)
1.	Shri P.G. Muralidharan	Non Executive - Independent Director	9	9	No	1	1	-	
2.	Shri Atul Kumar Rai	Chief Executive Officer & Managing Director	9	9	Yes	7	-	-	
3.	Shri Anurag Jain(*)	Nominee Director - Government of India	2	2	N.A.	2	2	-	
4.	Smt. Usha Sangwan	Non Executive - Independent Director	9	7	No	-	-	-	
5.	Prof. Omprakash Mishra	Non Executive - Independent Director	9	9	Yes	-	-	-	
6.	Smt. Savita Mahajan(*)	Non Executive - Independent Director	2	2	N.A.	-	-	-	
DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2012-13									
1.	Shri Shilabhadra Banerjee	Non Executive - Independent Director	2	2	Yes	1	-	-	
2.	Shri K. Raghuraman	Non Executive - Independent Director	2	2	No	6	3	1	
3.	Shri Prakash P Mallya	Non Executive - Independent Director	2	2	Yes	2	1	1	
4.	Shri Sujit K. Mandal	Whole Time Director	7	7	Yes	5	3	-	
5.	Shri Sanjeev Kumar Jindal(**)	Nominee Director - Government of India	7	6	No	1	1	-	
6.	Shri Vijay Kumar Chopra	Nominee Director - Government of India	7	7	No	-	-	-	
7.	Prof. Shobhit Mahajan	Non Executive - Independent Director	7	7	Yes	1	-	-	
8.	Shri Atul Ashok Galande	Non Executive - Independent Director	5	5	N.A.	-	-	-	
9.	Shri S. Shabbeer Pasha	Non Executive - Independent Director	7	6	Yes	2	-	1	
10.	Shri Vijendra Singh Jafa	Non Executive - Independent Director	5	3	N.A.	-	-	-	
11.	Shri Rakesh Bharti Mittal	Non Executive - Independent Director	7	4	No	10	4	-	
12.	Shri Chandan Bhattacharya	Non Executive - Independent Director	5	4	N.A.	5	3	3	

(\*) Shri Anurag Jain, Joint Secretary, Ministry of Finance, Government of India, was nominated on the Board w.e.f. January 04, 2013. Smt. Savita Mahajan was appointed as Additional Director on the Board w.e.f. February 12, 2013.

(\*\*) Shri Sanjeev Kumar Jindal, Director, Ministry of Finance, Government of India, was re-nominated on the Board w.e.f. 20.05.2013.

**NOTES:**

- Number of Meetings represents the Meetings held during the period in which the Director was Member of the Board.
- Number of other Directorships indicated above is exclusive of the Directorships on the Board of private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, alternate directorship and non-corporate Institutions.
- 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.
- The details of Committee Memberships considered for the purpose are those prescribed under Clause 49(I)(c)(ii) of the Listing Agreement viz. Audit Committee and Investors' Grievance Committee of public limited and private limited companies which are subsidiaries of public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956.
- None of the Directors are related to each other.
- None of the Directors on the Board are Members of more than ten committees or Chairman of more than five committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2013 have been made by the Directors.
- The independence of a Director is determined by the criteria stipulated under Clause 49 of the Listing Agreement.

**(B) Number of Board Meetings held and dates**

During FY 2012-13, the Board of Directors met nine times. The dates of the Meetings were April 17, May 14, August 09, September 06, October 04, October 19 and December 07 in 2012, February 12 and March 25 in 2013.

**(C) Information available to the Board**

During the year 2012-13, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the Board Meeting or is placed at the table during the course of the Meeting. The CFO and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The detailed agenda is sent to the Directors a week before the Board Meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item' with the permission of the Chairman. The Board also periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

**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 the periodical and annual financial statements before submission to the Board with the management 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 proposes the fixation of the audit fees of the Statutory Auditors.

**(B) Composition, Meetings and Attendance of the Committee**

The Audit Committee of IFCI consists of three Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. The composition of the Audit Committee and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	No. of Meetings during FY 2012-13	
			Held	Attended
<b>MEMBERS OF THE COMMITTEE</b>				
1.	Prof. Omprakash Mishra	Chairman	7	7
2.	Shri Anurag Jain(*)	Member	1	1
3.	Smt. Savita Mahajan(*)	Member	1	1
<b>DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2012-13</b>				
1.	Shri S. Shabbeer Pasha	Chairman	4	3
2.	Shri Sanjeev Kumar Jindal	Member	6	4
3.	Shri Shilabhadra Banerjee	Member	3	3
4.	Shri Sujit K. Mandal	Member	6	6
5.	Shri Chandan Bhattacharya	Member	2	2
6.	Shri Atul Ashok Galande	Member	2	2

(\*) Became Member of the Committee w.e.f. 12.02.2013.

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 2012-13, the Audit Committee of Directors of IFCI met seven times. The Meetings were held on April 17, May 15, June 21, August 09, October 18, December 07 in 2012 and on February 12, 2013.

**4. REMUNERATION OF DIRECTORS:**

**(A) Terms of Reference**

The Board has formed HR & Compensation Committee of Directors with a mandate for policy on HR matters including compensation, career management and succession planning. The Committee also looks after the compensation structure at the Board level. The Committee consists of four Directors as on March 31, 2013, out of whom three Directors were non-executive independent directors. During the year, six Meetings of the Committee were held on April 16, August 09, October 19, December 07 in 2012, February 12 and March 25 in 2013.

- (B)** The following are the details of the remuneration paid to the managerial personnel during FY 2012-13:

**Shri Atul Kumar Rai, Chief Executive Officer and Managing Director, from 01.04.2012 to 31.03.2013**

Particulars	(₹ lakh)
Salary & Allowances (excluding Perquisites)	161.04
Contribution to PF & Other Funds	11.78
Perquisites as per IT Act	11.31
Others	0.45
PLI & Bonus	-
<b>TOTAL</b>	<b>184.58</b>

**Shri Sujit K. Mandal, Whole Time Director, from 01.04.2012 to 12.12.2012\***

Particulars	(₹ lakh)
Salary & Allowances (excluding Perquisites)	60.30
Contribution to PF & Other Funds	3.49
Perquisites as per IT Act	7.76
PLI & Bonus	-
<b>TOTAL</b>	<b>71.55</b>

\*Shri Sujit K. Mandal resigned from the Board of the Company w.e.f. 12.12.2012. Pursuant to his resignation from the Board of the Company, the options granted to him under Employee Stock Option Scheme has been cancelled.

(C) The Company pays sitting fee of ₹20,000/- per Meeting for the Board and ₹10,000/- per Meeting of Committee thereof, to the Non-Executive Independent Directors excluding Government Nominee/Institutional representatives.

(D) As per the disclosure made by the Non-Executive Directors of the Company, none of the Independent Directors hold any share or any other convertible instruments of IFCI Ltd. as on March 31, 2013.

#### 5. INVESTORS' GRIEVANCE COMMITTEE:

(A) Investors' Grievance Committee of IFCI consists of three Non-Executive Directors. During FY 2012-13, the Committee met two times on April 17 and October 19, 2012. The position of attendance of Directors at the Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during FY 2012-13	
			Held	Attended

#### MEMBERS OF THE COMMITTEE

1.	Shri P.G. Muralidharan	Chairman	2	2
2.	Prof. Omprakash Mishra(*)	Member	-	-
3.	Smt. Savita Mahajan(*)	Member	-	-

#### DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2012-13

1.	Shri K. Raghuraman	Member	1	1
2.	Shri Shilabhadra Banerjee	Member	1	1
3.	Shri S. Shabbeer Pasha	Member	2	2
4.	Shri Chandan Bhattacharya	Member	1	1

(\*) Became Member of the Committee w.e.f. 12.02.2013.

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, Senior Associate Vice President & Company Secretary  
Email: complianceofficer@ifcilttd.com

(C) The number of complaints received from the shareholders and bondholders during FY 2012-13 and the number of pending complaints are shown below:

Equity Shares and Bonds	
No. of Complaints received during FY 2012-13	15144(*)
Pending as on March 31, 2013	2

(\*) 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.

IFCI has made payment of cumulative dividend on the preference shares amounting to ₹26.38 lakh during 2012-13.

(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. 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, 1992, as amended, the Board of Directors of the Company adopted Code of Conduct for Prohibition and Prevention of Insider Trading to be followed by Directors, Officers and other employees. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers and other employees from trading in the securities of IFCI at the time when there is unpublished price sensitive information.

(F) The Board of Directors has laid down a Code of Conduct for all Board Members and senior management of the Company, which has been posted on the website of the Company.

#### 6. GENERAL BODY MEETING:

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

Sl. No.	AGM Date	Location	Time
1.	18.07.2012	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
2.	13.09.2011	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
3.	17.09.2010	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.

(B) 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.

(C) Details of special resolutions passed in the previous three Annual General Meetings:

AGM Date	As per Companies Act, 1956, U/S	Particulars of Special Resolutions
18.07.2012	224A	Appointment of Statutory Auditors
13.09.2011	224A	Appointment of Statutory Auditors
	314(1)(b)	Appointment of a relative of a Director in a place of profit
	81(1A)	ESOP - 2011
17.09.2010	224A	Appointment of Statutory Auditors
	163	Maintaining Register and Index of Members at premises of Registrar & Transfer Agent

#### 7. 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 transactions with the Companies, where the Directors of the Company were interested, were in the normal course of business and there were no related party transactions that had potential conflict with the interests of the Company at large.

**(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 Management Committee of Directors consisting of majority of Independent Directors, and a Risk Management Committee of Executives, for overseeing the process.

**(D) Management Discussion and Analysis Report**

Management discussion and Analysis forms part of the Directors' Report and is given separately in the Annual Report.

**(E) Information pursuant to Clause 49 IV(G) of the Listing Agreement**

A brief resume and name of the companies in which Directors, who are being appointed/re-appointed, hold Directorship/Committee Membership are given in the notice of the 20<sup>th</sup> Annual General Meeting of the Company under heading "Information about Directors seeking appointment/re-appointment as mandated under Clause 49 of the Listing Agreement."

**(F) 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.

**(G) Details of Compliance with mandatory requirements**

M/s Ray & Ray, Chartered Accountants, Statutory Auditors have certified the Corporate Governance Report as stipulated in Clause 49 of the Listing Agreement. The said certificate is appended to this report.

**(H) Subsidiary Companies**

The Company has five subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd, MPCON Ltd and four step down subsidiaries viz. IFIN Commodities Ltd, IFIN Credit Ltd, IFIN Securities Finance Ltd and IIDL Realtors Pvt Ltd. The requirements under Clause 49 of the Listing Agreement in respect of the above Companies, as and when required, have been duly complied with.

**(I) CEO/CFO Certificate**

The certification under Clause 49(v) of Listing Agreement by CEO and CFO to the Board is appended to this report.

**(J) Details of adoption of non-mandatory requirements**

The Company has complied with and adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

**1. The Board**

(i) The Non-Executive Chairman has been provided limited need-based facilities only to dispose off his responsibilities effectively.

(ii) No Independent Director is on the Board of the Company for more than Nine Years.

**2. 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 on BSE and NSE.

**3. Whistle Blower Policy**

The Company does not have a formal Whistle Blower Policy. The employees are free to communicate their concerns/report unethical happenings to the Management/Board through officers and even direct communication of the employee to Audit Committee/Board is entertained.

**8. MEANS OF COMMUNICATION:**

IFCI's quarterly/half-yearly financial results are published in the leading Hindi and English papers. Last year these were published in Rashtriya Sahara (Delhi) and all editions of Hindu Business Line, Financial Express, Business Standard, Jansatta, Mint etc. The Financial Results, official press releases are also displayed on Company's website (www.ifcilt.com). All price sensitive information is made public at the earliest through intimation to stock exchanges.

**9. GENERAL SHAREHOLDER INFORMATION:**

- (i) **Annual General Meeting:** Date : November 13, 2013  
Time : 10:30 A.M.  
Venue : Air Force Auditorium  
Subroto Park  
New Delhi - 110 010
- (ii) **Financial Calendar (Tentative):**  
Results for quarter ending : July 30, 2013  
June 30, 2013  
Results for quarter ending : Third week of October, 2013  
September 30, 2013  
Results for quarter ending : Third week of January, 2014  
December 31, 2013  
Results for quarter ending : Third week of May, 2014  
March 31, 2014
- (iii) **Dates of Book Closure** : Monday, November 4, 2013 to  
Wednesday, November 13, 2013  
(both days inclusive)
- (iv) **Dividend Payment Date** : A final dividend of ₹1/- per equity share will be paid for FY 2012-13 on/after November 13, 2013, subject to the approval by the shareholders at the Annual General Meeting.
- (v) **Listing on Stock Exchange:**  
– Equity Shares Bombay Stock Exchange,  
National Stock Exchange,  
Delhi, Calcutta, Madras and  
Ahmedabad Stock Exchanges

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.

(ii) Company had made request to Stock Exchanges at Delhi, Kolkata, Chennai and Ahmedabad for de-listing of securities, approval from Stock Exchanges awaited.



(vi) Stock Code : 500106 (BSE)  
 IFCI (NSE)  
 00563 (ASE)  
 9099 (DSE)  
 67 (CSE)

ISIN number  
 Equity Shares : INE039A01010

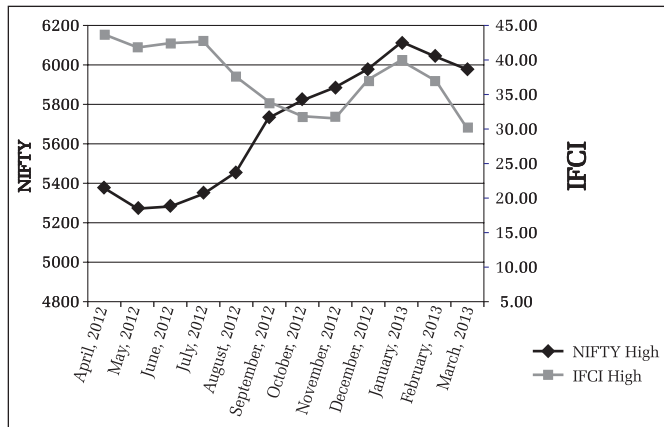
(vii) Market Price data: (Price in ₹)

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2012	43.90	39.55	43.90	39.25
May, 2012	42.00	32.25	41.85	32.85
June, 2012	42.40	31.05	40.50	32.90
July, 2012	42.80	33.75	42.75	33.70
August, 2012	37.50	25.25	37.50	25.25
September, 2012	33.80	24.00	33.65	24.00
October, 2012	32.00	26.60	31.90	26.60
November, 2012	31.55	27.60	31.60	27.55
December, 2012	37.20	31.20	37.25	31.35
January, 2013	40.20	32.85	40.20	32.90
February, 2013	36.95	28.75	36.95	28.80
March, 2013	30.10	24.75	30.05	24.75

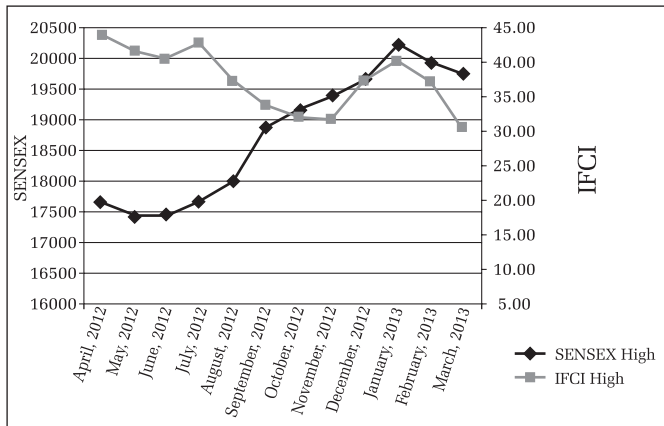
Source: NSE/BSE

(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 Agents:

Both for Equity Shares and Family Bonds MCS Limited, F-65 Okhla Industrial Area Phase -I, New Delhi-110 020

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

For Infrastructure Bonds (Series III, IV & V) Karvy Computershare Private Ltd Plot No. 17-24 Vittal Rao Nagar, Madhapur Hyderabad - 500 081

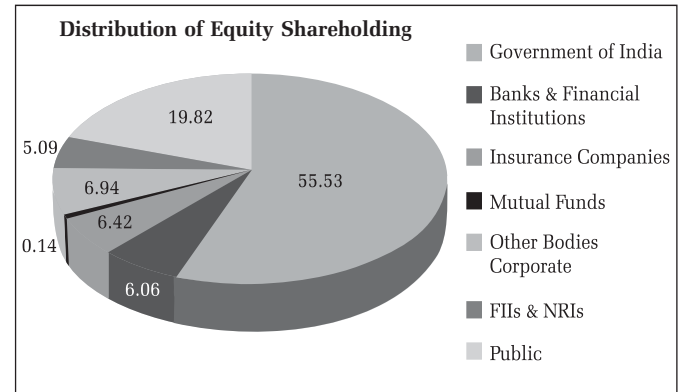
For Subordinate Bonds (Series I, III & IV) Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (W) Mumbai-400 078

(x) Share Transfer System:

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

(xi) Distribution of Equity Shareholding (as on March 31, 2013):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2013 is as under:



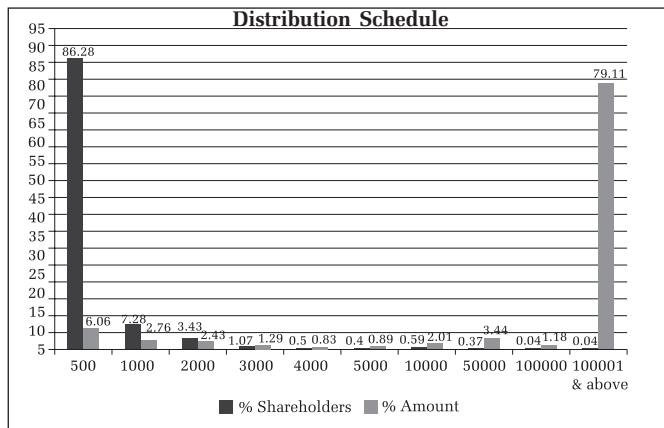
(a) Shareholding Pattern:

Shareholding pattern of equity shares of IFCI as on March 31, 2013 and March 31, 2012 is given as under:

Category	As on 31.03.2013		As on 31.03.2012	
	No. of Equity Shares	%	No. of Equity Shares	%
Government of India	92,30,00,000	55.53	-	-
Banks & Financial Institutions	10,06,94,919	6.06	11,16,56,574	15.13
Insurance Companies	10,66,98,758	6.42	10,66,98,758	14.46
Mutual Funds	23,17,411	0.14	74,00,714	1.00
Other Bodies Corporates	11,54,16,888	6.94	9,38,82,704	12.73
FIIs & NRIs	8,45,59,736	5.09	9,76,61,573	13.24
Public	32,93,49,523	19.82	32,05,37,008	43.44
<b>TOTAL</b>	<b>1,66,20,37,235</b>	<b>100.00</b>	<b>73,78,37,331</b>	<b>100.00</b>

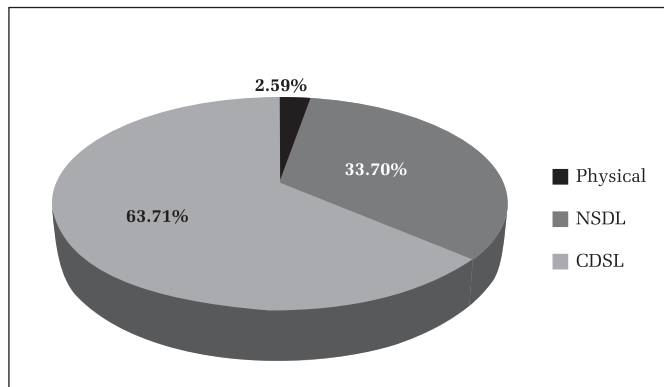
**(b) Distribution Schedule Range Analysis as on March 31, 2013:**

Sl. No.	Category		No. of Share-holders	% of total Share-holders	Amount (₹)	% of Total Amount
	From	To				
1.	1	500	6,62,334	86.28	1,00,64,66,990	6.06
2.	501	1000	55,932	7.28	45,90,15,780	2.76
3.	1001	2000	26,340	3.43	40,47,51,790	2.43
4.	2001	3000	8,256	1.07	21,36,37,960	1.29
5.	3001	4000	3,813	0.50	13,85,41,500	0.83
6.	4001	5000	3,106	0.40	14,80,01,220	0.89
7.	5001	10000	4,502	0.59	33,41,07,290	2.01
8.	10001	50000	2,814	0.37	57,17,00,940	3.44
9.	50001	100000	274	0.04	19,63,40,640	1.18
10.	100001	and above	300	0.04	13,14,78,08,240	79.11
<b>TOTAL</b>			<b>7,67,671</b>	<b>100.00</b>	<b>16,62,03,72,350</b>	<b>100.00</b>



**(xii) Dematerialization of Shares and liquidity:**

About 97.41% of the Equity Shares of the Company have already been dematerialized up to March 31, 2013. 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) Plant Location** : IFCI is a Public Financial Institution having its Registered Corporate Office at New Delhi.

**Regional Offices at** : Ahmedabad, Bengaluru, Bhopal, Kolkata, Chandigarh, Chennai, Hyderabad, Jaipur, Lucknow and Mumbai.

**Other offices at** : Bhubaneswar, Guwahati, Kochi, Patna and Pune

**(xv) Address for Correspondence:**

Investor Correspondence MCS Limited  
(Equity & Family Bonds) F-65, First Floor  
Okhla Industrial Area  
Phase I, New Delhi-110 020

For Infrastructure Bonds Beetal Financial & Computer  
(Series I & II) Services (P) Ltd, Beetal House  
3rd Floor, 99 Madangir, Behind LSC  
Near Dada Harsukhdas Mandir  
New Delhi-110 062

For Infrastructure Bonds Karvy Computershare Private Ltd  
(Series III, IV & V) Plot No. 17-24, Vittal Rao Nagar  
Madhapur, Hyderabad-500 081

Subordinate Bonds Link Intime India Pvt Ltd  
(Series I, III & IV) C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai-400 078

Any other query IFCI Limited, IFCI Tower  
61 Nehru Place  
New Delhi-110 019  
Website: [www.ifcilt.com](http://www.ifcilt.com)  
Email: [complianceofficer@ifcilt.com](mailto:complianceofficer@ifcilt.com)

**Declaration of Compliance with the Code of Conduct as provided in Clause 49 of the Listing Agreement with the Stock exchanges**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. It is further conformed that the Company has in respect of the Financial Year ended March 31, 2013, received from the Senior Management team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

**Santosh B. Nayar**  
Chief Executive Officer &  
Managing Director

**CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

In terms of Clause 49 of the Listing Agreement, 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.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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 during the year;
  - (ii) significant changes in accounting policies during the year and 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.

**B.N. NAYAK**  
Chief Financial Officer

**ATUL KUMAR RAI**  
Chief Executive Officer &  
Managing Director

Place : Thiruvananthapuram  
Date : May 20, 2013

**AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF IFCI LIMITED**

We have examined the compliance of conditions of Corporate Governance by IFCI Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For **RAY & RAY**  
Chartered Accountants  
Firm Registration No.301072E

**Arvind Yennemadi**  
Membership No.031004

Place : New Delhi  
Date : June 06, 2013



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF IFCI LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of IFCI Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

For **RAY & RAY**  
Chartered Accountants  
Firm Registration No.301072E

**Arvind Yennemadi**  
Partner

Place : Thiruvananthapuram  
Date : May 20, 2013

Membership Regn. No.031004

## ANNEXURE TO THE AUDITORS' REPORT

For the annexure referred to in our report of even date to the Members of IFCI Ltd ("the Company") for the year ended on March 31, 2013; we report that:

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets are being physically verified by the Management at all its offices 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) The Company did not dispose off any substantial part of fixed assets during the year that may affect the going concern.
- (ii) The nature of the Company's business/activities/transactions does not require it to hold inventories and as such Clause 4(ii) of the Companies (Auditors' Report) Order, 2003 ('Order') is not applicable.

- (iii) (a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) In view of our comment in paragraph (iii)(a) above, Clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the aforesaid Order are not applicable.
- (c) The Company has not taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (d) In view of our comment in paragraph (iii)(e) above, Clauses (iii)(f) and (iii)(g) of paragraph 4 of the aforesaid Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with

regard to purchase of inventories, fixed assets and with regard to the sale of services. Further during the course of our audit we have neither come across nor have we been informed of any instances indicative of major weaknesses in the aforesaid internal control procedures which would require corrective action.

- (v) (a) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanations given to us, as there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956, paragraph (v)(b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits from the public during the year under Sections 58A, 58AA or any other relevant provisions of the Act. Further, during the course of our audit, we have neither come across nor have we been informed of any order passed under the aforesaid Sections by the National Company Law Tribunal during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) In our opinion, Clause (viii) of paragraph 4 of the aforesaid Order is not applicable to the Company since the Central Government has not prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the Company.
- (ix) (a) According to the books and records as produced before us and examined by us in accordance with generally accepted auditing practices in India and also the management's representation, we are of the opinion that the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty which were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty/Cess which have not been deposited on account of any dispute other than those indicated below:

Name of the Statute	Nature of the disputed Dues	Amount (₹)*	Year to which demand relates	Forum, where dispute is pending
Finance Act, 1994 (Service Tax)	Service Tax and penalty Demanded#	7,02,33,120	FY 2005-06 to FY 2010-11	CESTAT, Delhi
Finance Act, 1994 (Service Tax)	Service Tax and penalty Demanded	45,34,112	FY 2005-06 to to FY 2007-08	CESTAT, Bangalore
MP Commercial Tax Act, 1994	Sales Tax on Lease Transactions	60,000	-	Board of Revenue (Commercial Transactions Tax Tribunal) M. P. Gwalior

\* net of amount deposited under protest

# stay order has been received against the amount disputed and not deposited

- (x) There are no accumulated losses and the Company has not incurred any cash losses during the financial year covered by our audit report and in the immediately preceding financial year.
- (xi) Based on our audit procedure and on the basis of the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) We are given to understand that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Society are not applicable to the Company.
- (xiv) Based on our examination of the records, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of the Company's dealing or trading in shares, debentures and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name except to the extent of the exemption, if any, granted under Section 49 of the Companies Act, 1956.
- (xv) The Company has given guarantees for loans taken by subsidiaries, joint venture companies from Banks and Financial Institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees are not prima facie prejudicial to the interests of the Company considering the relationship between the companies.
- (xvi) In our opinion and according to the information and explanations given to us, term loans availed by the Company were prima-facie applied by the Company during the year for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and based on the overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima-facie not been used for long term investment.
- (xviii) In our opinion and according to information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) Since the Company has not issued any debentures during the year, the question of creation of any security or charge does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the management nor have we been informed of such case by the management.

For **RAY & RAY**  
Chartered Accountants  
Firm Registration No.301072E

**Arvind Yennemadi**  
Partner

Place : Thiruvananthapuram

Date : May 20, 2013

Membership Regn. No.031004

**BALANCE SHEET AS AT MARCH 31, 2013**

	Note No.	As at March 31, 2013	(₹ crore) As at March 31, 2012
<b>I. EQUITY &amp; LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	<b>1,925.88</b>	1,001.68
(b) Reserves and Surplus	3	<b>4,757.31</b>	4,534.07
(2) Non-current Liabilities			
(a) Long-term Borrowings	4	<b>14,243.56</b>	17,493.22
(b) Other Long-term Liabilities	5	<b>83.37</b>	79.68
(c) Long-term Provisions	6	<b>42.80</b>	138.50
(3) Current Liabilities			
(a) Current Maturity of Long-term Borrowings	4	<b>3,657.01</b>	3,460.11
(b) Short-term Borrowings	7	<b>14.68</b>	384.44
(c) Trade Payables	8	<b>185.26</b>	247.64
(d) Other Current Liabilities	9	<b>775.23</b>	756.49
(e) Short-term Provisions	6	<b>198.54</b>	87.97
<b>TOTAL</b>		<b><u>25,883.64</u></b>	<b><u>28,183.80</u></b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	<b>1,152.96</b>	1,150.97
(ii) Intangible Assets	11	<b>0.34</b>	0.41
(iii) Capital work-in-progress		<b>19.29</b>	14.54
(b) Non-current Investments	12	<b>5,955.20</b>	6,188.32
(c) Deferred Tax Asset (Net)	13	<b>726.79</b>	836.92
(d) Long-term Loans & Advances			
(i) Loans	14	<b>10,542.78</b>	12,303.81
(ii) Others	15	<b>216.32</b>	267.27
(e) Other Non-current Assets	16	<b>4.57</b>	4.53
(2) Current Assets			
(a) Current Investments	17	<b>2,686.21</b>	1,646.72
(b) Trade Receivables	18	<b>106.03</b>	15.58
(c) Cash and Cash Equivalents	19	<b>514.67</b>	398.61
(d) Short-term Loans and Advances			
(i) Loans (Current Maturity of Long-term Loans)	14	<b>3,737.14</b>	4,639.20
(ii) Others	15	<b>34.75</b>	509.74
(e) Other Current Assets	16	<b>186.59</b>	207.18
<b>TOTAL</b>		<b><u>25,883.64</u></b>	<b><u>28,183.80</u></b>

Notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
Chairman of the Board

**ATUL KUMAR RAI**  
Chief Executive Officer &  
Managing Director  
New Delhi

**ARVIND YENNEMADI**  
Partner  
M.No.031004

**SHASHI SHARMA**  
Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

	Note No.	<b>For the year ended March 31, 2013</b>	<b>(₹ crore) For the year ended March 31, 2012</b>
I. Revenue from Operations	20	<b>2,705.85</b>	2,800.97
II. Other Income	21	<b>53.45</b>	49.23
<b>III. Total Revenue</b>		<b><u>2,759.30</u></b>	<b><u>2,850.20</u></b>
<b>IV. Expenses</b>			
Cost of Borrowings	22	<b>1,814.61</b>	1,871.08
Payments to and Provisions for Employees	23	<b>60.94</b>	65.32
Establishment and Other Expenses	24	<b>44.15</b>	57.10
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		<b>10.33</b>	11.67
<b>Total Expenses</b>		<b><u>1,930.03</u></b>	<b><u>2,005.17</u></b>
<b>V. Profit before NPA Recovery, Provisions/Write-off</b>		<b><u>829.27</u></b>	<b><u>845.03</u></b>
<b>VI. Provision for Bad &amp; Doubtful Assets and others (Net of Write-off)</b>	25	<b>165.15</b>	(112.71)
<b>VII. Profit before Tax</b>		<b><u>664.12</u></b>	<b><u>957.74</u></b>
<b>VIII. Provision for Taxation</b>			
– Current Tax		<b>103.12</b>	110.13
– Deferred Tax (Net)		<b>110.13</b>	183.99
<b>IX. Profit for the period</b>		<b><u>450.87</u></b>	<b><u>663.62</u></b>
X. Basic Earnings per share of ₹10.00 each (₹)		<b>4.14</b>	8.99
Diluted Earnings per share of ₹10.00 each (₹)		<b>4.14</b>	7.23

Notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
Chairman of the Board

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M. No.031004

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Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	<b>For the year ended March 31, 2013</b>	<b>(₹ crore) For the year ended March 31, 2012</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	664.12	957.74
Adjustments for:		
Depreciation	10.33	11.67
Provision/write offs	165.15	(112.71)
Bond Issue Expenses charged to Share Premium Account	(17.33)	(25.94)
(Profit)/Loss on Sale of Assets	0.04	(1.10)
Employee Stock Option Compensation Cost	0.91	0.45
Lease Equalisation	12.23	23.91
Operating Profit before Working Capital Changes & Operating Activities	<b>835.45</b>	<b>854.02</b>
Adjustments for Operating Activities:		
(Increase)/decrease in Investments (incl. Current Investments)	(829.24)	(1,442.06)
(Increase)/decrease in Loans & Advances (incl. Current Maturities of Long-Term Loans & Advances)	2,534.93	(1,129.60)
Increase/(decrease) in Borrowings (incl. Current Maturities of Long-Term Liabilities)	(3,418.83)	2,155.17
Operating Profit before Working Capital Changes	<b>(877.69)</b>	<b>437.53</b>
Adjustments for:		
(Increase)/decrease in Current Assets	396.48	(459.73)
Increase/(decrease) in Current Liabilities	(137.08)	(32.60)
Cash Flow before taxation	<b>(618.29)</b>	<b>(54.80)</b>
Income Tax (paid)/refund - Net	(57.68)	22.04
<b>Net cash from Operating Activities</b>	<b>(675.97)</b>	<b>(32.76)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(48.40)	(13.07)
Sale proceed of Fixed Assets	0.10	1.73
<b>Net cash used in/raised from Investing Activities</b>	<b>(48.30)</b>	<b>(11.34)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares by way of conversion of OCDs held by GoI	923.00	-
Issue of Equity Shares by way of allotment to ESOP Trust	1.20	-
Share Premium (net of expenses) *	1.04	-
Benevolent Reserve Fund	0.25	-
Dividend paid	(85.16)	(85.15)
<b>Net Cash from Financing Activities</b>	<b>840.33</b>	<b>(85.15)</b>
<b>Net Change in Cash and Cash Equivalent (A+B+C)</b>	<b>116.06</b>	<b>(129.25)</b>
Opening Cash and Cash Equivalent	<b>398.61</b>	<b>527.86</b>
Closing Cash and Cash Equivalent	<b>514.67</b>	<b>398.61</b>
<b>Increase/(Decrease) in Cash and Cash Equivalent *</b>	<b>116.06</b>	<b>(129.25)</b>

**Note:** Figures for previous year have been re-grouped/re-classified, wherever considered necessary

\* Includes ₹7.96 crore (Previous Year - ₹3.70 crore) in Unclaimed Dividend Account

Notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
Chairman of the Board

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Partner  
M.No.031004

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Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. 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. Future results could differ from these estimates.

#### 1.2 Revenue Recognition

- (a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPAs) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.
- (b) Front-end fee, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on realization basis.
- (c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.
- (d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/or before 31.03.2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.
- (e) The front-end fee/underwriting commission/commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.
- (f) Surplus on sale of investments is net of losses thereon.

#### 1.3 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 Accounting Standard 13 on 'Accounting for Investments' as notified by the Companies (Accounting Standards) Rules, 2006.
  - (i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
  - (ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation, if any, within the category, is available for set off.
- (b) Security Receipts issued by an Asset Reconstruction Company (ARC)/Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value 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 calculators provided on the FIMMDA platform for the purpose.

#### 1.4 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:
  - The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
  - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.
  - 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 over and above initial margin, 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.



### 1.5 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 Profit & Loss Account.

### 1.6 Tangible Fixed Assets and Depreciation

- (a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31.03.2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.
- (b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.
- (c) Leasehold Land is amortized over the lease period.
- (d) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.
- (e) Leasehold Improvements are amortized over the lease period.
- (f) Mobile phones are fully depreciated in the year of acquisition itself.
- (g) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office which is provided on SLM. Assets having individual value of less than ₹5,000/- are charged to the Profit & Loss Account in the year of purchase.

### 1.7 Intangible Assets and Amortization

Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.

Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV).

### 1.8 Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation), had no impairment loss been recognized.

### 1.9 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. 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.
- (b) For restructured/rescheduled assets, provision is made in accordance with the 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 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.

### 1.10 Grants received from Government of India Under Interest Differential Fund (IDF)

Grants received from Government of India under Interest Differential Fund (IDF) is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development. Accordingly, the money so received, net of expenditure for the approved purposes is shown under 'Reserves and Surplus' in the Balance Sheet. The amounts invested and loans made out of the fund for approved purposes are shown under 'Investments' and 'Loans' respectively.

### 1.11 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.

### 1.12 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.

### 1.13 Miscellaneous Expenditure

- (a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

- (b) Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.

#### 1.14 Employee Benefits

- (a) Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the 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 Accounts as and when due.
- (b) The Company has 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.
- (c) Provision for leave encashment is being made on actuarial valuation basis.
- (d) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

#### 1.15 Employee Stock Option Plan

The Company has 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.

#### 1.16 Taxation

Tax Expense comprises of current & deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable income and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

#### 1.17 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 it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

## 2. SHARE CAPITAL

### 2.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
<b>AUTHORISED</b>				
Equity Shares of ₹10/- each	2,00,00,00,000	2,000.00	1,50,00,00,000	1,500.00
Cumulative Redeemable Preference Shares of ₹10/- each	1,00,00,00,000	1,000.00	1,50,00,00,000	1,500.00
<b>ISSUED</b>				
Equity Shares of ₹10/- each	1,72,92,84,689	1,729.28	80,50,84,785	805.08
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
<b>SUBSCRIBED</b>				
Equity Shares of ₹10/- each	1,66,33,53,935	1,663.35	73,91,54,031	739.15
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
<b>PAID UP</b>				
<b>(A) EQUITY</b>				
Equity Shares of ₹10/- each	1,66,20,37,235	1,662.04	73,78,37,331	737.84
<b>TOTAL - EQUITY</b>	<b>1,66,20,37,235</b>	<b>1,662.04</b>	<b>73,78,37,331</b>	<b>737.84</b>
<b>(B) PREFERENCE</b>				
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	3,88,43,100	38.84
<b>TOTAL - PREFERENCE</b>	<b>26,38,43,100</b>	<b>263.84</b>	<b>26,38,43,100</b>	<b>263.84</b>
<b>TOTAL SHARE CAPITAL</b>		<b>1,925.88</b>		<b>1,001.68</b>



## 2.2 Reconciliation of the Number of Equity Shares and Share Capital:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
<b>Issued Capital</b>				
Outstanding at beginning of the period	80,50,84,785	805.08	80,50,84,785	805.08
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,72,92,84,689	1,729.28	80,50,84,785	805.08
<b>Subscribed Capital</b>				
Outstanding at beginning of the period	73,91,54,031	739.15	73,91,54,031	739.15
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,66,33,53,935	1,663.35	73,91,54,031	739.15
<b>Paid up Capital</b>				
Outstanding at beginning of the period	73,78,37,331	737.84	73,78,37,331	737.84
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,66,20,37,235	1,662.04	73,78,37,331	737.84

## 2.3 Terms/Rights attached to equity shares:

The Company has only one class of share capital, i.e. equity shares having face value of ₹10/- per share. Each holder of equity share is entitled to one vote per share.

## 2.4 Shareholders holding more than 5% of equity Shares as at the end of the period:

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Share-holding %	Number of Shares	Share-holding %
Government of India	92,30,00,000	55.57		
Life Insurance Corporation of India			6,19,34,044	8.39

## 2.5 Employees Stock Option Scheme

The Company had, during the previous year, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme.

ESOPA	Year ended 31.03.2013		Year ended 31.03.2012	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	45,54,700	17.55	-	-
Granted during the period	-	-	45,73,312	17.55
Cancelled during the period	7,52,701	17.55	18,612	17.55
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	38,01,999*	17.55	45,54,700	17.55
* includes shares allotted to Employee Stock Option Trust	9,82,332	17.55	-	-

The charge towards ESOP Compensation included under salaries is ₹ 0.91 crore (Previous Year - ₹ 0.45 crore).

## ESOP B

Outstanding at the beginning of the period	26,23,681	23.40	-	-
Granted during the period	-	-	26,23,681	23.40
Cancelled during the period	5,98,905	23.40	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	20,24,776*	23.40	26,23,681	23.40
* includes shares allotted to Employee Stock Option Trust	2,17,572	23.40	-	-

	As at		(₹ crore)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>3. RESERVES AND SURPLUS</b>				
(a) Capital Reserve			0.85	0.85
(b) Capital Redemption Reserve			193.08	193.08
(c) Securities Premium Reserve				
Opening Balance	945.90	971.84		
Additions	1.61	-		
Deductions/Transfers	(17.33)	(25.94)		
Closing Balance	930.18	945.90		
(d) Debenture Redemption Reserve				
Opening Balance	5.00	5.00		
Transfer to General Reserve	(5.00)	-		
Closing Balance	-	5.00		
(e) Revaluation Reserve (refer foot-notes of Note 10)				
Opening Balance	958.28	978.00		
Deduction on account of Depreciation	(19.03)	(19.04)		
Deduction on account of transfer/sale/disposal	-	(0.68)		
Closing Balance	939.25	958.28		
(f) Share Options Outstanding A/c				
Employee Stock Options Outstanding	1.65	2.66		
Less: Deferred Employee Compensation Outstanding	(0.86)	(2.21)		
Employee Compensation Charged	0.79	-		0.45
(g) Grant received from GoI under KfW Loans (foot-note 1)	184.48	184.48		
(h) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (foot-note 2)				
– for the period upto 31.03.1997			1.69	1.69
– After 01.04.1997				
Opening Balance	35.00	20.00		
Additions	15.00	15.00		
Closing Balance	50.00	35.00		
(i) Reserve u/s 45IC of RBI Act (foot-note 2)				
Opening Balance	578.93	446.21		
Additions	90.17	132.72		
Closing Balance	669.10	578.93		
(j) Benevolent Reserve Fund				
Opening Balance	4.11	4.11		
Additions/Transfers	0.25	-		
Transfer to General Reserve	(4.36)	-		
Closing Balance	-	4.11		
(k) General Reserve				
Opening Balance	130.00	130.00		
Transfer from Benevolent Reserve	4.36	-		
Transfer from Debenture Redemption Reserve	5.00	-		
Closing Balance	139.36	130.00		
(l) Profit & Loss Account				
Opening Balance	1,496.30	1,066.46		
Add: Profit for the year	450.87	663.62		
Less: Appropriations				
Reserve u/s 45IC of RBI Act	(90.17)	(132.72)		
Special Reserve u/s 36(1)(viii)	(15.00)	(15.00)		
Proposed Dividend				
– Equity @ ₹1/- per share	(166.20)	(73.78)		
– Preference @ ₹0.01/- per share	(0.26)	(0.26)		
Tax on Distributed Profits				
– Equity	(26.96)	(11.97)		
– Preference	(0.05)	(0.05)		
Closing Balance	1,648.53	1,496.30		
<b>TOTAL RESERVES AND SURPLUS</b>	<b>4,757.31</b>	<b>4,534.07</b>		

Foot-notes : 1. In terms of agreement governing the KfW loan, a part of the interest payable by Company to KfW was made to be utilised for specific purposes and the said amount stands so utilised in earlier years.

2. Special Reserve u/s 36(1)(viii) of Income Tax Act and Reserve u/s 45IC of RBI Act are created to meet specific regulatory and legal requirement.

	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
<b>4. LONG-TERM BORROWINGS - UNSECURED</b>				
<b>4.1 RUPEE</b>				
(a) <b>Optionally Convertible Debentures (OCDs)</b>				
(i) 9.75% Govt. of India - Redeemable on 30.10.2021	-	-	400.00	-
Sub - Total 'a' (refer foot note 1)	-	-	400.00	-
(b) <b>Non-Convertible Debentures (NCDs)</b>				
(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) 0.00% LIC - Redeemable on 01.04.2022	418.19	-	418.19	-
Sub - Total 'b'	818.19	-	818.19	-

**Note 4.1 (Contd..)**

	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
<b>(c) Bonds</b>				
(i) Guaranteed by Government of India and redeemable at par (refer foot note 2)	1,643.27	195.50	1,838.77	297.41
(ii) Privately Placed Bonds	4,879.76	955.76	5,049.84	348.31
(iii) Privately Placed Bonds issued to Subsidiaries	75.00	-	75.00	-
(iv) Privately Placed Zero Coupon Bonds. Unamortised Discount - ₹ 907.64 crore (Previous Year - ₹ 919.11 crore)	129.11	-	117.64	-
(v) Infrastructure Bonds	1,029.36	-	964.40	-
(vi) Subordinate - Tier II Bonds	1,322.97	-	1,233.30	-
(vii) Application Money	4.00	-	-	-
Sub-Total 'c' (refer foot note 3)	<b>9,083.47</b>	<b>1,151.26</b>	<b>9,278.95</b>	<b>645.72</b>
<b>(d) Other Long Term Borrowings</b>				
(i) Government of India under restructuring (refer foot note 4)	-	-	523.00	-
(ii) Banks and FIs (refer foot note 5)	3,806.99	2,438.18	5,926.00	2,759.84
(iii) Government of India under KfW Loans	23.13	-	23.13	-
(iv) Others	7.72	-	7.72	28.65
(v) Inter Corporate Deposit to Subsidiaries	-	36.00	-	-
Sub-Total 'd'	<b>3,837.84</b>	<b>2,474.18</b>	<b>6,479.85</b>	<b>2,788.49</b>
<b>TOTAL (RUPEE)</b>	<b>13,739.50</b>	<b>3,625.44</b>	<b>16,976.99</b>	<b>3,434.21</b>

**Foot-notes:**

- GoI had the option of converting the debentures, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. GoI exercised the conversion option during the year and the Company has accordingly allotted 40 crore equity shares of ₹10/- each of IFCI Limited at par in favour of GoI in October, 2012.
- The bonds were originally guaranteed by GoI and subsequently rolled over for a period of 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26 and December 2, 2002. However, there has not been any communication from GoI explicitly guaranteeing these bonds during the rolled over period.
- Put/Call Option applicable on ₹2,943.70 crore (Previous Year - ₹2,721.41 crore). Terms of repayment annexed.
- Loan from GoI was to be issued in the form of 0.1% Optionally Convertible Debentures redeemable on 28.03.2023 had a right of recompense on par with other stakeholders. During the year, OCDs of ₹523 crore were issued in favour of GoI as approved in the EGM of Company held on December 5, 2012. GoI having exercised the option of conversion during the current year, the Company has allotted 52.30 crore equity shares of ₹10 each of IFCI Ltd at par in favour of GoI in December, 2012.
- (a) Put/Call Option applicable on ₹315.00 crore (Previous Year - ₹465.00 crore).  
(b) Terms of repayment annexed.

**4.2 FOREIGN CURRENCIES**

	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
<b>(a) KfW Line - Guaranteed by Government of India</b> (repayment in half-yearly installments - earliest date of repayment 30.06.2013)	504.06	24.55	516.23	23.96
<b>TOTAL (FOREIGN CURRENCIES)</b>	<b>504.06</b>	<b>24.55</b>	<b>516.23</b>	<b>23.96</b>
<b>TOTAL LONG-TERM BORROWINGS</b>	<b>14,243.56</b>	<b>3,649.99</b>	<b>17,493.22</b>	<b>3,458.17</b>

**TERMS OF REPAYMENT OF OTHER BONDS {NOTE 4.1(c)}**

Series	Intt Rate	Date of Maturity	(₹ crore)	Series	Intt Rate	Date of Maturity	(₹ crore)
Zero Coupon Bonds	9.75	7-Jul-40	8.20	Infra Bonds	8.72	31-Mar-27	27.48
Zero Coupon Bonds	9.75	7-Jul-39	8.99	Other Bonds	10.70	28-Feb-27	123.63
Zero Coupon Bonds	9.75	7-Jul-38	9.87	Infra Bonds	9.16	15-Feb-27	50.66
Other Bonds	9.90	5-Nov-37	106.88	Infra Bonds	8.75	12-Dec-26	13.73
Other Bonds	9.98	5-Oct-37	20.00	Other Bonds	10.75	31-Oct-26	102.49
Other Bonds	9.98	18-Sep-37	50.00	Tier II Bonds	10.75	1-Aug-26	475.51
Zero Coupon Bonds	9.75	7-Jul-37	10.84	Other Bonds	9.55	13-Apr-25	225.00
Zero Coupon Bonds	9.75	7-Jul-36	11.89	Other Bonds	9.55	5-Mar-25	200.00
Zero Coupon Bonds	9.75	7-Jul-35	13.06	Other Bonds	9.75	25-Jan-25	200.00
Zero Coupon Bonds	9.75	7-Jul-34	14.32	Infra Bonds	8.50	31-Mar-24	99.87
Zero Coupon Bonds	9.75	7-Jul-33	15.72	Other Bonds	6.00	10-Dec-22	50.00
Other Bonds	9.90	5-Nov-32	106.88	Other Bonds	6.00	18-Nov-22	25.00
Other Bonds	9.98	15-Oct-32	10.00	Other Bonds	9.90	5-Nov-22	106.88
Zero Coupon Bonds	9.75	7-Jul-32	17.27	Other Bonds	6.00	22-Oct-22	50.00
Zero Coupon Bonds	9.75	7-Jul-31	18.94	Other Bonds	9.95	8-Oct-22	5.41
Other Bonds	9.98	29-Oct-30	250.00	Other Bonds	10.05	28-Sep-22	8.20
Other Bonds	9.75	16-Jul-30	500.00	Other Bonds	6.00	27-Sep-22	45.00
Other Bonds	9.75	13-Jul-30	250.00	Other Bonds	10.15	26-Jun-22	2.80
Other Bonds	9.70	18-May-30	250.00	Other Bonds	10.25	26-Jun-22	124.07
Other Bonds	9.70	4-May-30	250.00	Other Bonds	10.25	31-Mar-22	0.89
Other Bonds	9.90	5-Nov-27	106.88	Other Bonds	8.22	3-Mar-22	46.22
Other Bonds	10.12	8-Oct-27	19.59	Other Bonds	10.25	28-Feb-22	0.40
Other Bonds	10.10	8-Oct-27	5.15	Other Bonds	10.50	28-Feb-22	64.70
Infra Bonds	8.50	31-Mar-27	6.63	Infra Bonds	9.09	15-Feb-22	312.23

**Note 4.1 (c) (Contd..)**

Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	8.19	13-Jan-22	138.25
Other Bonds	10.60	31-Dec-21	1.75
Infra Bonds	8.50	12-Dec-21	102.99
Other Bonds	10.60	30-Nov-21	0.30
Other Bonds	10.50	31-Oct-21	74.51
Other Bonds	10.60	31-Oct-21	8.53
Other Bonds	10.50	31-Aug-21	6.38
Tier II Bonds	10.55	25-Aug-21	200.00
Other Bonds	8.26	19-Aug-21	147.37
Tier II Bonds	10.50	1-Aug-21	193.58
Other Bonds	10.20	31-May-21	0.30
Other Bonds	10.00	30-Apr-21	1.30
Other Bonds	10.00	30-Apr-21	24.90
Other Bonds	10.00	31-Mar-21	5.81
Other Bonds	6.00	15-Feb-21	25.00
Infra Bonds	8.00	31-Jan-21	323.11
Infra Bonds	8.25	31-Jan-21	30.34
Other Bonds	9.50	31-Jan-21	7.91
Other Bonds	9.90	11-Jan-21	151.20
Other Bonds	7.90	26-Dec-20	56.85
Other Bonds	9.25	30-Nov-20	6.85
Other Bonds	9.25	31-Oct-20	6.50
Other Bonds	9.25	30-Sep-20	7.70
Other Bonds	7.87	24-Sep-20	110.70
Other Bonds	6.00	20-Sep-20	12.50
Infra Bonds	7.85	15-Sep-20	57.31
Infra Bonds	7.95	15-Sep-20	5.02
Other Bonds	9.25	31-Aug-20	1.06
Other Bonds	9.25	31-Jul-20	11.16
Other Bonds	7.65	26-Jun-20	163.82
Other Bonds	9.25	31-May-20	0.72
Other Bonds	6.00	18-May-20	5.00
Other Bonds	9.15	30-Apr-20	0.45
Other Bonds	9.15	31-Mar-20	11.55
Other Bonds	6.00	28-Feb-20	5.00
Other Bonds	6.00	24-Feb-20	5.00
Other Bonds	8.75	31-Jan-20	26.67
Other Bonds	7.69	26-Dec-19	58.39
Other Bonds	9.40	30-Nov-19	31.86
Other Bonds	7.07	19-Sep-19	99.42
Other Bonds	9.75	31-Jul-19	77.50
Other Bonds	10.20	30-Jun-19	50.40
Other Bonds	10.20	20-Jun-19	75.00
Other Bonds	6.00	7-Jun-19	0.50
Other Bonds	6.70	30-May-19	153.40
Other Bonds	9.00	28-Feb-19	1.00
Other Bonds	6.02	28-Feb-19	26.12
Other Bonds	10.40	31-Jan-19	3.21
Other Bonds	6.07	13-Dec-18	146.20
Other Bonds	10.40	31-Aug-18	1.64
Other Bonds	10.40	31-Jul-18	4.00
Other Bonds	8.41	14-Jun-18	133.85
Other Bonds	10.40	31-May-18	20.11
Other Bonds	6.00	20-May-18	3.00
Other Bonds	9.25	31-Jan-18	0.64
Other Bonds	7.50	28-Jan-18	9.40
Other Bonds	6.00	25-Jan-18	1.60
Other Bonds	9.15	30-Nov-17	0.80
Other Bonds	9.15	31-Oct-17	1.00
Other Bonds	9.70	15-Oct-17	22.50
Other Bonds	7.96	8-Oct-17	176.43
Other Bonds	9.15	30-Sep-17	0.54
Other Bonds	9.95	30-Sep-17	10.00
Other Bonds	7.89	14-Sep-17	176.86
Other Bonds	9.15	31-Aug-17	2.70
Other Bonds	10.25	17-Aug-17	33.34
Other Bonds	9.15	31-Jul-17	4.11
Other Bonds	9.00	31-Jul-17	0.36
Other Bonds	9.15	31-May-17	1.92
Other Bonds	9.00	30-Apr-17	0.10
Other Bonds	10.20	30-Apr-17	6.05
Other Bonds	6.00	20-Apr-17	21.50

Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	9.00	20-Apr-17	1.81
Other Bonds	9.00	31-Mar-17	4.03
Other Bonds	10.20	31-Mar-17	5.36
Other Bonds	6.00	20-Mar-17	10.00
Other Bonds	10.20	28-Feb-17	2.11
Other Bonds	10.30	31-Jan-17	0.10
Other Bonds	6.00	31-Jan-17	5.00
Other Bonds	6.00	31-Jan-17	5.00
Other Bonds	10.50	31-Dec-16	1.45
Other Bonds	6.00	31-Dec-16	5.00
Other Bonds	9.25	30-Nov-16	0.20
Other Bonds	10.50	30-Nov-16	5.72
Other Bonds	6.00	30-Nov-16	1.07
Other Bonds	9.00	30-Sep-16	0.20
Other Bonds	10.30	31-Aug-16	1.28
Other Bonds	10.30	31-Jul-16	3.00
Other Bonds	6.00	31-Jul-16	37.50
Other Bonds	9.00	20-Jul-16	9.85
Other Bonds	6.00	30-Jun-16	25.00
Other Bonds	6.00	19-Jun-16	12.50
Other Bonds	6.00	8-Jun-16	12.00
Other Bonds	9.00	8-Jun-16	0.73
Other Bonds	6.00	7-Jun-16	2.52
Other Bonds	10.30	31-May-16	13.12
Other Bonds	6.00	20-May-16	5.00
Other Bonds	8.50	20-May-16	4.63
Other Bonds	9.00	20-May-16	15.57
Other Bonds	9.75	30-Apr-16	2.90
Other Bonds	6.00	31-Mar-16	60.04
Other Bonds	9.75	31-Mar-16	4.60
Other Bonds	9.00	20-Mar-16	25.57
Other Bonds	9.00	20-Mar-16	6.00
Other Bonds	6.00	3-Mar-16	3.50
Other Bonds	6.00	1-Mar-16	52.50
Other Bonds	6.00	1-Mar-16	1.50
Other Bonds	6.00	24-Feb-16	7.50
Other Bonds	6.00	20-Jan-16	107.50
Other Bonds	6.00	20-Dec-15	15.00
Other Bonds	9.00	20-Dec-15	36.26
Other Bonds	6.00	4-Dec-15	7.50
Other Bonds	6.00	30-Nov-15	12.50
Other Bonds	8.90	30-Nov-15	0.10
Other Bonds	6.00	28-Nov-15	25.00
Other Bonds	9.00	20-Nov-15	23.48
Other Bonds	6.00	11-Nov-15	8.00
Other Bonds	6.00	16-Oct-15	5.00
Other Bonds	6.00	9-Oct-15	5.00
Other Bonds	6.00	6-Oct-15	10.00
Other Bonds	6.00	30-Sep-15	10.00
Other Bonds	8.90	30-Sep-15	1.49
Other Bonds	9.00	20-Sep-15	20.44
Other Bonds	8.90	31-Aug-15	0.32
Other Bonds	9.00	8-Aug-15	44.67
Other Bonds	6.00	31-Jul-15	10.00
Other Bonds	8.90	31-Jul-15	14.86
Other Bonds	6.00	20-Jul-15	45.88
Other Bonds	9.00	30-Jun-15	1.68
Other Bonds	9.00	10-Jun-15	1.00
Other Bonds	9.00	9-Jun-15	2.00
Other Bonds	8.90	31-May-15	1.56
Other Bonds	9.00	31-May-15	1.00
Other Bonds	9.00	18-May-15	19.99
Other Bonds	9.00	20-Apr-15	8.06
Other Bonds	6.00	31-Mar-15	0.50
Other Bonds	8.75	31-Mar-15	0.88
Other Bonds	6.00	31-Mar-15	25.00
Other Bonds	6.00	25-Mar-15	14.50
Other Bonds	6.00	20-Mar-15	2.50
Other Bonds	9.00	20-Mar-15	13.53
Other Bonds	9.00	10-Feb-15	1.00
Other Bonds	8.00	31-Jan-15	0.25
Other Bonds	10.20	31-Jan-15	8.50

Note 4.1 (c) (Contd..)

Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	9.00	31-Jan-15	2.50
Other Bonds	6.00	25-Jan-15	15.00
Other Bonds	6.00	25-Jan-15	58.50
Other Bonds	9.00	20-Jan-15	5.17
Other Bonds	6.00	15-Jan-15	41.50
Other Bonds	10.40	31-Dec-14	0.47
Other Bonds	6.00	30-Nov-14	107.50
Other Bonds	9.00	30-Nov-14	2.33
Other Bonds	10.40	30-Nov-14	8.33
Other Bonds	6.00	30-Nov-14	1.00
Other Bonds	6.00	20-Nov-14	1.00
Other Bonds	9.00	20-Nov-14	3.59
Other Bonds	9.50	31-Oct-14	25.00
Other Bonds	9.25	31-Oct-14	0.12
Other Bonds	9.00	25-Oct-14	1.80
Other Bonds	6.00	15-Oct-14	90.00
Other Bonds	9.00	31-Aug-14	1.06
Other Bonds	9.50	31-Jul-14	6.20
Other Bonds	9.00	22-Jul-14	15.23
Other Bonds	10.00	30-Jun-14	0.20
Other Bonds	9.75	30-Jun-14	4.86
Other Bonds	9.00	7-Jun-14	26.46
Other Bonds	10.00	31-May-14	15.00
Other Bonds	9.75	31-May-14	12.15
Other Bonds	6.00	31-May-14	25.00
Other Bonds	10.00	30-Apr-14	35.00
Other Bonds	8.50	20-Apr-14	0.14
Other Bonds	9.00	20-Apr-14	1.44
Other Bonds	10.00	31-Mar-14	0.70
Other Bonds	9.50	31-Mar-14	1.25

Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	6.00	22-Mar-14	12.50
Other Bonds	9.00	28-Feb-14	0.37
Other Bonds	9.00	31-Jan-14	0.54
Other Bonds	6.00	20-Jan-14	10.00
Other Bonds	9.25	20-Jan-14	256.85
Other Bonds	10.25	31-Dec-13	1.00
Other Bonds	6.00	27-Dec-13	1.00
Other Bonds	6.00	20-Dec-13	60.00
Other Bonds	6.00	30-Nov-13	10.00
Other Bonds	11.00	30-Nov-13	0.07
Other Bonds	11.15	30-Nov-13	0.10
Other Bonds	9.00	26-Nov-13	1.00
Other Bonds	9.00	20-Nov-13	1.00
Other Bonds	9.25	20-Oct-13	250.00
Other Bonds	9.00	30-Sep-13	0.30
Other Bonds	5.30	24-Sep-13	195.50
Other Bonds	6.00	6-Sep-13	15.00
Other Bonds	6.00	6-Sep-13	55.25
Other Bonds	9.00	31-Jul-13	2.00
Other Bonds	6.00	20-Jul-13	0.02
Other Bonds	9.00	20-Jul-13	5.05
Other Bonds	9.25	20-Jul-13	250.00
Other Bonds	9.00	8-Jun-13	6.19
Other Bonds	9.00	20-May-13	14.12
Other Bonds	8.50	20-Apr-13	1.00
Other Bonds	9.00	3-Apr-13	0.45
Application Money			4.00
<b>TOTAL</b>			<b>10,234.72</b>

TERMS OF REPAYMENT OF TERM LOANS FROM BANKS/FIs {NOTE 4.1(d)(ii)}

Rate of Interest (% p.a.)	Amount (₹ crore)	Date of Maturity	Repayment	Date of First Instalment	Number of Instalments
5.85	200.00	23-Jul-2022	Bullet		One
10.25	100.00	02-May-2022	Bullet		One
6.00	100.00	01-Apr-2022	Bullet		One
5.85	25.00	01-Apr-2022	Bullet		One
10.25	300.00	31-Dec-2016	Quarterly	31-Mar-2014	Twelve
10.25	290.00	19-Dec-2016	Quarterly	19-Mar-2014	Twelve
10.25	500.00	01-Dec-2016	Quarterly	01-Mar-2015	Eight
10.50	200.00	09-Sep-2016	Half Yearly	09-Mar-2014	Six
10.20	200.00	29-June-2016	Quarterly	29-Sep-2013	Twelve
10.50	83.33	23-Dec-2015	Half Yearly	23-Jun-2013	Four
10.20	225.00	17-Aug-2015	Quarterly	17-May-2013	Nine
10.25	300.00	29-Jun-2015	Quarterly	29-Sep-2013	Eight
10.25	300.00	15-Jun-2015	Half Yearly	15-Dec-2013	Four
10.25	120.00	28-Apr-2015	Quarterly	28-Apr-2013	Nine
10.25	266.67	13-Apr-2015	Quarterly	01-Jul-2013	Eight
10.25	200.00	06-Apr-2015	Quarterly	01-Jul-2013	Eight
10.25	666.00	23-Mar-2015	Half Yearly	23-Sep-2013	Four
10.25	150.00	15-Mar-2015	Quarterly	15-June-2013	Eight
10.25	125.00	07-Feb-2015	Half Yearly	07-Aug-2013	Four
10.20	90.00	22-Sep-2014	Quarterly	04-Apr-2013	Six
10.25	350.00	24-Jun-2014	Bullet		One
10.20	250.00	31-Mar-2014	Quarterly	31-Mar-2014	Four
10.25	1,000.00	31-Mar-2014	Bullet		One
10.25	166.66	23-Dec-2013	Half Yearly	23-Jun-2013	Two
10.25	25.00	31-Aug-2013	Quarterly	31-Aug-2013	One
10.25	12.50	30-Jul-2013	Quarterly	30-Jul-2013	One
<b>TOTAL</b>	<b>6,245.16</b>				



**5. OTHER LONG - TERM LIABILITIES**

	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Funds placed with the Corporation				
(i) Jute Development Fund (placed by Govt. of India)	4.32		4.14	
(ii) Employees' Provident Fund	39.53	2.72	38.50	1.94
(iii) Staff Welfare Fund	3.46		3.63	
(iv) Corporate Social Responsibility Fund	10.00		10.08	
(b) Interest accrued but not due on bonds & borrowings	17.83	427.53	16.44	417.49
(c) Other Liabilities (security deposits)	8.23	4.30	6.89	
<b>TOTAL</b>	<b>83.37</b>	<b>434.55</b>	<b>79.68</b>	<b>419.43</b>

**6. PROVISIONS**

	As at March 31, 2013		As at March 31, 2012	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Provision for standard and securitised assets	32.06	-	121.10	-
(b) Employee Benefits	10.74	3.58	17.40	1.32
(c) Proposed Dividend	-	166.20	-	73.78
(d) Corporate Dividend Tax	-	28.76	-	12.87
<b>TOTAL</b>	<b>42.80</b>	<b>198.54</b>	<b>138.50</b>	<b>87.97</b>

**7. SHORT - TERM BORROWINGS**

	As at	
	March 31, 2013	March 31, 2012
(a) Bank Overdraft (Unsecured)	0.01	49.99
(b) Collateralised Borrowings Lending Operations (CBLOs) (Secured against Treasury Bills)	-	299.54
(c) Commercial Paper (net of unamortised discount - ₹ 0.33 crore) (Unsecured; maturity on 28.06.2013)	14.67	34.91
<b>TOTAL</b>	<b>14.68</b>	<b>384.44</b>

**8. TRADE PAYABLES**

(a) Sundry Creditors		
(i) Total outstanding dues to Micro, Small and Medium Enterprises	-	-
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	185.26	247.64
<b>TOTAL</b>	<b>185.26</b>	<b>247.64</b>

**9. OTHER CURRENT LIABILITIES**

(a) Current maturities of Long-term Debt		
(i) Rupee {refer notes 4.1, 5(a)(ii) & 5(c)}	3,632.46	3,436.15
(ii) Foreign Currencies {refer note 4.2}	24.55	23.96
(b) Interest accrued but not due on bonds and borrowings {refer note 5(b)}	427.53	417.49
(c) Income received in Advance	1.32	0.27
(d) Unclaimed Dividend	7.95	3.70
(e) Unpaid Matured Debentures	2.67	2.62
(f) Other Liabilities (Trade deposits and other payables)	335.76	332.41
<b>TOTAL</b>	<b>4,432.24</b>	<b>4,216.60</b>

**10. FIXED ASSETS - TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Disposals	As at	As at	For the	Disposals	As at	As at	As at
	01.04.2012			31.03.2013	01.04.2012	year		31.03.2013	31.03.2013	31.03.2012
<b>Owned Assets</b>										
Freehold Land @	70.40	-	-	70.40	-	-	-	-	70.40	70.40
Leasehold Land @	298.97	28.15	-	327.12	25.20	5.25	-	30.45	296.67	273.77
Buildings @	865.21	9.69	-	874.90	103.78	17.81	-	121.59	753.31	761.43
Leasehold Improvements	3.29	-	-	3.29	0.66	0.66	-	1.32	1.97	2.63
Plant & Machinery	5.34	2.36	-	7.70	3.68	0.26	-	3.94	3.76	1.66
Furniture & Fixtures	16.75	1.78	0.08	18.45	8.42	1.67	0.04	10.05	8.40	8.33
Vehicles	2.95	-	-	2.95	1.52	0.29	-	1.81	1.14	1.43
Office Equipments	11.63	0.34	0.30	11.67	8.63	0.88	0.24	9.27	2.40	3.00
Electrical Installations and Equipments	24.74	1.18	0.06	25.86	8.65	2.32	0.02	10.95	14.91	16.09
<b>Leased Assets</b>										
Plant & Machinery	197.92	-	-	197.92	197.92	-	-	197.92	-	12.23
<b>TOTAL</b>	<b>1,497.20</b>	<b>43.50</b>	<b>0.44</b>	<b>1,540.26</b>	<b>358.46</b>	<b>29.14</b>	<b>0.30</b>	<b>387.30</b>	<b>1,152.96</b>	<b>1,150.97</b>
Previous Year	1,512.21	7.09	22.10	1,497.20	348.78	30.47	20.79	346.23	1,150.97	

**Foot-notes:**

@ includes on account of revaluation:

- Freehold Land - Gross Block as on 01.04.2012 - ₹69.91 crore; Additions - ₹ Nil; Deductions - ₹ Nil; as on 31.03.2013 - ₹69.91 crore

- Leasehold Land-Gross Block as on 01.04.2012 - ₹277.36 crore; Additions - ₹ Nil; Deductions - ₹ Nil; as on 31.03.2013 - ₹277.36 cr.; Depreciation for the year - ₹4.69 cr. (Previous Year - ₹4.69 cr.)

- Building - Gross Block as on 01.04.2012 - ₹ 686.71 crore; Additions - Nil; Deductions - Nil; as on 31.03.2013 - ₹686.71 crore; Depreciation for the year - ₹14.34 crore (Previous Year - ₹14.35 crore)

Gross Block includes - ₹1,033.99 crore (Previous Year - ₹1,033.99 crore) on account of revaluation of Land &amp; Buildings carried out in Financial Year 2009-10. The additional charge of depreciation of ₹19.03 crore for the year (Previous Year - ₹19.04 crore) on revaluation carried out in earlier years has been charged to Profit &amp; Loss Account and an equivalent amount withdrawn from Revaluation Reserve and credited to Profit and Loss Account.

**11. FIXED ASSETS - INTANGIBLE ASSETS**

(₹ crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Disposals	As at 31.03.2013	As at 01.04.2012	For the year	Disposals	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer Software	1.59	0.15	–	1.74	1.18	0.22	–	1.40	0.34	0.41
<b>TOTAL</b>	1.59	0.15	–	1.74	1.18	0.22	–	1.40	0.34	0.41
Previous Year	1.40	0.19	–	1.59	0.94	0.24	–	1.18	0.41	

**12. NON-CURRENT INVESTMENTS**

**A. QUOTED**

	As at March 31, 2013	As at March 31, 2012
1. Equity Shares		
(a) Associates	86.21	86.21
(b) Assistance under financing	838.40	872.55
(c) Others	1,010.92	784.75
	<u>1,935.53</u>	<u>1,743.51</u>
2. Bonds	230.37	230.45
3. Warrants	0.03	–
4. Units	0.51	0.51

**B. UNQUOTED**

1. Equity Shares		
(a) Subsidiaries	758.79	776.92
(b) Associates	304.95	304.95
(c) Joint Venture	0.01	0.01
(d) Assistance under financing	2,087.29	2,493.59
(e) Others	72.63	72.63
	<u>3,223.67</u>	<u>3,648.10</u>
2. Preference Shares	381.21	386.61
3. Debentures/ Bonds		
(a) Subsidiaries	25.00	–
(b) Joint Venture	2.64	2.64
	<u>27.64</u>	<u>2.64</u>
4. Security Receipts	64.07	70.43
5. Warrants	–	0.06
6. Government Securities	400.00	400.01
7. Units	259.63	274.75
<b>TOTAL</b>	<u>6,522.66</u>	<u>6,757.07</u>
Less: Provision for Diminution in value	567.46	568.75
<b>TOTAL</b>	<u>5,955.20</u>	<u>6,188.32</u>

**QUOTED**

(1) Total Book Value	2,166.44	1,974.47
– Equity Shares	1,935.53	1,743.51
– Others	230.91	230.96
(2) Total Market Value	1,507.86	1,746.45
– Equity Shares	1,275.67	1,520.37
– Others	232.19	226.08

**UNQUOTED**

(1) Total Book Value	4,356.22	4,782.60
– Equity Shares	3,223.67	3,648.10
– Preference Shares	381.21	386.61
– Others	751.34	747.89

**Note:**

- In respect of Investments in shares and debentures in certain cases, scrips are yet to be received.
- The above balances include:
  - Equity Shares of ₹38.18 crore (Previous Year - ₹234.45 crore) which are subject to a lock-in period.
  - Equity Shares of ₹1.20 crore (Previous Year - ₹1.20 crore) which are subject to restrictive covenants.
  - Equity Shares of ₹15.34 crore (Previous Year - ₹38.06 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines:

<u>Name</u>	<u>Quantity Lent</u>	<u>Cost (₹ crore)</u>
Bharat Heavy Electricals Ltd	2,57,686	9.20
Larsen & Toubro Ltd	9,000	1.41
Mahindra & Mahindra Ltd	5,671	0.54
Punj Lloyd Ltd	25,000	1.21
Steel Authority of India Ltd	2,00,000	2.97
		<u>15.33</u>

*Note 12 (Contd..)*
**NON-CURRENT INVESTMENTS -DETAILS**
**QUOTED**
**Equity Shares (Associates)**

(a) Tourism Finance Corporation of India Ltd

**Bonds**

(a) LIC Housing Finance Ltd

(b) HDFC Ltd

(c) Power Finance Corporation Ltd

**Units**

(a) Investment in UTI Balance Fund

**Warrants**

(a) Bharat Forge Ltd

**UNQUOTED**
**Equity Shares (Subsidiaries)**

(a) IFCI Financial Services Ltd

(b) IFCI Venture Capital Funds Ltd

(c) IFCI Infrastructure Development Ltd

(d) IFCI Factors Ltd

(e) MPCON Ltd

**Equity Shares (Associates)**

(a) Assets Care &amp; Reconstruction Enterprise Ltd

(b) HIMCON Ltd

(c) HARDICON Ltd

(d) NITCON Ltd

(e) Stock Holding Corporation of India Ltd

**Equity Shares (Joint Venture)**

(a) IFCI Sycamore Capital Advisors Pvt Ltd

**Debentures/Bonds (Subsidiaries)**

(a) IFCI Factors Ltd

**Debentures/Bonds (Joint Venture)**

(a) IFCI Sycamore Capital Advisors Pvt Ltd

**Government Securities**

(a) 9.75% GoI (IFCI Ltd) Special Security, 2021

(b) Government Securities and Treasury Bills

**Units**

(a) Units of IACM-1-D (Fund promoted by IVCF)

(b) Units of IEDF Fund promoted by IVCF

(c) Units of GIVF Fund promoted by IVCF

(d) Units of CANBANK Venture Capital Fund

(e) Units of Golden Gujarat Growth Fund - I

**Disclosure in respect of Investments where the value (category-wise) exceeds 2% of the total value in each category or ₹1 crore, whichever is lower as included under Items A(1) & B(1) to B(4) of Note 12**

Issuer Company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
<b>Equity Shares – Quoted</b>				
ABB Ltd	46,811	3.88	46,811	3.88
Adani Power Ltd	4,43,985	4.90	4,43,985	4.90
Alok Industries Ltd	2,14,40,823	49.00	2,14,40,823	49.00
Bajaj Finserv Ltd	-	-	25,891	1.24
Bartronics India Ltd	3,76,472	7.34	3,76,472	7.34
Bharat Forge Company Ltd	5,67,130	15.43	6,00,000	16.32
Bharat Heavy Electricals Ltd	2,65,000	9.37	1,90,000	7.54
Bharti Airtel Ltd	2,80,000	10.19	2,30,000	8.50
Cairn India Ltd	5,00,000	16.61	-	-
Canara Bank	5,00,000	23.31	2,13,544	11.79
Dhunseri Petrochem and Tea Ltd	94,577	1.50	94,577	1.50
Educomp Solutions Ltd	1,00,000	6.81	1,00,000	6.81
Electrosteel Steels Ltd	10,00,00,000	99.50	10,00,00,000	99.50
Essar Oil Ltd	-	-	1,60,000	1.34
Financial Technologies (India) Ltd	-	-	67,000	6.34
Ganesh Benzoplast Ltd	38,88,889	7.00	38,88,889	7.00
Gayatri Sugars Ltd	17,49,904	4.37	17,49,904	4.37
GIC Housing Finance Company Ltd	-	-	8,81,422	3.53
GIVO Ltd	26,05,386	2.61	26,93,305	2.69
GMR Infrastructure Ltd	3,00,000	1.95	3,00,000	1.95
GTL Infrastructure Ltd	17,55,36,793	250.14	17,55,36,793	250.14

**Note 12 (Contd..)**

Issuer Company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Hindalco Industries Ltd	44,92,318	53.45	44,92,318	53.45
Hindustan Unilever Ltd	2,10,000	10.29	-	-
Housing Development & Infrastructure Ltd	-	-	70,000	2.23
Housing Development Finance Corporation Ltd	-	-	30,500	2.14
IDFC Ltd	20,76,857	22.90	22,33,638	14.57
Indian Acrylics Ltd	95,15,753	9.52	1,15,61,150	11.56
Indian Bank	6,70,000	13.58	2,32,723	5.14
Indorama Synthetics Ltd	21,50,342	9.62	23,16,579	10.45
ING Vysya Bank Ltd	-	-	3,47,045	11.57
ITC Ltd	4,30,000	12.55	-	-
Jaiprakash Associates Ltd	-	-	17,25,700	4.27
Jayaswals Neco Ltd	-	-	24,76,734	2.48
JCT Ltd	92,64,810	2.32	1,08,30,711	2.71
JSW Ispat Steel Limited	6,16,98,726	73.98	3,57,93,316	35.79
JSW Steel Limited	13,71,583	84.14	14,94,583	86.11
K G Denim Ltd	-	-	11,55,507	1.83
Kanoria Chemicals & Industries Ltd	12,00,000	5.20	12,00,000	5.20
Kiri Industries Ltd	8,36,750	46.00	8,36,750	46.00
Kirloskar Ferrous Industries Ltd	-	-	35,65,000	3.57
Kothari Petro Chemicals Ltd	-	-	25,93,780	2.59
Koutons Retail India Ltd	31,30,000	9.39	31,30,000	9.39
Larsen & Toubro Ltd	1,12,961	17.49	71,622	11.51
Lloyds Steel Industries Ltd	46,32,114	12.65	46,32,114	12.65
Mahindra & Mahindra Ltd	52,900	4.87	-	-
Malwa Cotton Spinning Mills Ltd	6,34,920	4.00	6,34,920	4.00
MOIL Ltd	3,76,253	13.83	3,76,253	13.83
Monnet Project Developers Limited	2,76,682	1.11	2,76,797	1.11
Multi Commodity Exchange of India Ltd	24,42,212	234.45	24,42,212	234.45
Murli Industries Limited	1,99,44,800	67.29	1,99,44,800	67.29
Mysore Paper Mills Ltd	30,96,137	3.10	32,92,286	3.29
National Hydroelectric Power Corporation Ltd	-	-	6,00,412	2.14
National Mineral Development Corporation Ltd	7,20,000	11.58	-	-
National Steel and Agro Industries Ltd	6,44,098	1.91	6,44,098	1.91
Oil and Natural Gas Corporation Ltd	9,15,653	6.31	8,40,011	22.79
Polar Industries Ltd	14,11,191	8.65	14,11,191	8.65
Power Finance Corporation Ltd	3,13,679	6.04	3,93,179	7.98
Power Trading Corporation Ltd	11,26,484	1.13	15,06,855	1.51
Punjab Lloyd Ltd	2,47,875	7.91	2,47,875	7.91
Punjab & Sind Bank	2,76,438	3.32	3,58,482	4.30
Ramky Infrastructure Ltd	2,00,000	7.62	2,00,000	7.62
Ranbaxy Laboratories Ltd	90,320	4.33	4,14,532	18.96
Reliance Capital Ltd	65,006	3.68	30,000	2.03
Reliance Communications Ltd	5,55,136	18.02	5,55,000	18.02
Reliance Industries Ltd	4,59,604	45.66	4,29,332	43.47
Reliance Infrastructure Ltd	2,95,010	19.74	2,15,000	15.51
Saurashtra Cements Ltd	4,55,257	3.32	4,55,257	3.32
Shree Ganesh Jewellery House Ltd	13,98,531	33.08	13,98,531	33.08
Spentex Industries Ltd	4,36,744	2.05	6,92,000	3.46
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	1,21,43,128	12.14	1,36,62,002	13.66
SRF Ltd	5,84,000	3.82	5,84,000	3.82
Star Paper Mills Ltd	7,01,600	3.95	7,01,600	3.95
State Bank of India	3,49,000	73.94	2,61,500	56.11
State Bank of Travancore	-	-	1,22,800	4.02
Steel Authority of India Ltd	16,95,293	17.96	13,25,293	14.65
Sterlite Industries (India) Ltd	15,00,000	17.28	10,00,000	11.74
Sujana Metal Products Ltd	-	-	5,10,482	1.33
Sujana Universal Industries Ltd	73,67,546	9.44	83,81,226	10.74
Surat Textiles Mills Ltd	20,00,000	6.00	20,00,000	6.00
Tata Motors Ltd	4,82,920	13.65	-	-
Tata Steel Ltd	5,30,379	21.57	4,30,379	17.43
The South Indian Bank Ltd	6,66,42,320	147.48	-	-
Titagarh Wagons Ltd	31,901	1.04	-	-
Tinplate Company of India Ltd	-	-	7,28,190	3.28
Venus Sugar Mills Ltd	-	-	14,81,755	1.48
Videcon Industries Ltd	31,86,068	71.69	31,86,068	71.69
Welspun India Ltd	-	-	60,34,069	38.00
Welspun Investments Ltd	-	-	3,00,859	1.89
Welspun Syntex Ltd	77,41,599	30.78	77,41,599	30.78
<b>Equity Shares – Unquoted</b>				
ABG Cement Ltd	6,39,16,797	63.92	5,59,16,797	55.92
AGB Energy (Gujarat) Ltd	3,60,00,000	35.44	3,60,00,000	35.44
Anrak Aluminium Ltd	15,00,00,000	150.00	15,00,00,000	150.00
Athena Chhattisgarh Power Private Ltd	10,72,30,000	105.98	10,72,30,000	105.98

**Note 12 (Contd..)**

Issuer Company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Athena Energy Ventures Private Ltd	-	-	8,33,26,667	124.99
Biotech Consortium India Ltd	10,00,000	1.00	10,00,000	1.00
BPL Display Devices Ltd	14,15,390	1.42	14,15,390	1.42
Clearing Corporation of India Ltd	20,00,000	2.00	20,00,000	2.00
Dewan Rubber Industries Ltd	12,00,000	6.60	12,00,000	6.60
Essar Steel Ltd	7,20,000	2.88	7,20,000	2.88
Gati Infrastructure Bhasmey Power Pvt Ltd	3,00,20,000	30.02	3,00,20,000	30.02
Gati Infrastructure Ltd	6,17,30,000	61.73	6,17,30,000	61.73
Gayatri Hi-Tech Hotels Ltd	5,61,00,000	56.10	6,11,00,000	61.10
Globsyn Technologies Ltd	30,00,000	2.52	30,00,000	2.52
GPI Textile Ltd	39,00,000	1.95	39,00,000	1.95
Gujarat State Energy Generation Ltd	1,75,90,000	28.14	1,75,90,000	28.14
Gujarat State Petroleum Corporation	1,23,45,600	100.00	1,23,45,600	100.00
Haldia Petrochemicals Ltd	1,03,20,951	10.32	1,03,20,951	10.32
Herman Milkfoods Ltd	15,00,000	1.50	15,00,000	1.50
HPCL Mittal Energy Ltd	7,71,89,796	80.48	5,99,76,000	63.27
India Paging Services Ltd	1,52,39,300	15.24	1,52,39,300	15.24
Ispat Profiles India Ltd	1,31,61,250	13.16	1,31,61,250	13.16
Jaora-Nayagaon Toll Road Company Private Ltd	6,96,80,000	69.68	6,89,20,000	68.92
Jhagadia Copper Ltd	49,00,000	4.90	49,00,000	4.90
Kenersys India Pvt Ltd	83,73,440	112.49	83,73,440	112.49
Konaseema Gas Power Ltd	-	-	3,00,00,000	45.00
Krishna Hydro Energy Ltd	-	-	1,26,00,000	12.54
KSK Mahanadi Power Company Ltd	-	-	25,00,00,000	248.75
Malvika Steel Products Ltd	31,88,300	12.26	31,88,300	12.26
MCX Stock Exchange Ltd	7,18,75,000	71.88	7,18,75,000	71.88
Meenakshi Energy Private Ltd	15,30,60,637	152.53	16,72,38,984	166.48
Meta Copper and Alloys Ltd	2,81,71,578	54.25	2,81,71,578	54.25
Modern Syntex (I) Ltd	84,22,798	12.97	84,22,798	12.97
MVR Infrastructure & Tollways Pvt Ltd	-	-	18,00,000	17.73
Nagai Power Private Ltd	56,40,000	5.17	44,70,000	4.00
Naraingarh Sugar Mills Ltd	-	-	15,00,000	1.45
National Stock Exchange Ltd	24,97,750	255.06	24,97,750	255.06
Neelachal Ispat Nigam Ltd	22,92,501	3.04	22,92,501	3.04
North Eastern Development Finance Corporation Ltd	1,00,00,001	10.00	1,00,00,001	10.00
NSL Tidong Power Generation Private Ltd	2,23,90,000	21.88	1,90,00,000	18.49
Pertech Computers Ltd	5,00,000	3.00	5,00,000	3.00
Pioneer Gas Power Ltd	-	-	3,07,71,000	29.96
Polygenta Technologies Ltd	28,45,594	2.99	28,45,594	2.99
Raichur Power Corporation Ltd	10,00,00,000	100.00	-	-
Rajahmundry Godavari Bridge Ltd	7,12,88,157	64.43	8,64,80,000	86.05
Ritspin Synthetics Ltd	-	-	95,00,000	9.50
Samcor Glass Ltd	20,00,000	7.60	20,00,000	7.60
SBI DFHI Ltd	46,743	1.10	46,743	1.10
Securities Trading Corporation Ltd	3,37,400	4.58	3,37,400	4.58
Shiga Energy Private Ltd	2,67,20,000	26.16	23,58,000	23.02
Sidhartha Super Spinning Mills Ltd	-	-	40,00,000	4.00
Silver Resort Hotel India Pvt Ltd	8,50,00,000	84.15	8,50,00,000	84.15
SKIL Infrastructure Ltd (Skil)	82,41,168	202.22	82,41,168	202.22
Sravanthi Energy Private Ltd	9,44,60,000	93.33	9,44,60,000	93.33
Sun Granites Ltd	17,48,600	1.75	17,48,600	1.75
Welspun Global Brands Ltd	-	-	6,03,406	3.80
<b>Preference Shares – Unquoted</b>				
Bellary Steel & Alloys Ltd	5,67,260	5.67	5,67,260	5.67
Dhampur Sugar Mills Ltd	11,98,530	8.39	11,98,530	11.84
Essar Steel Ltd	2,21,16,599	22.12	2,21,16,599	22.12
Gayatri Sugars Ltd	24,52,245	2.45	24,52,245	2.45
GPI Textile Ltd	10,63,86,496	53.19	10,63,86,496	53.19
I C Textiles Ltd	9,52,394	9.52	9,52,394	9.52
Jai Parabolic Springs Ltd	3,50,000	3.50	3,50,000	3.50
Jhagadia Copper Ltd	64,48,070	64.48	64,48,070	64.48
JSW Ispat Steel Ltd	1,41,20,288	20.29	1,41,20,288	20.29
JSW Steel Ltd	2,12,62,362	20.17	2,12,62,362	20.17
Kalyanpur Cements Ltd	5,84,040	5.80	5,84,040	5.80
LML Ltd	21,50,912	21.51	21,50,912	21.51
Malwa Cotton Spinning Mills Ltd	17,24,610	17.25	17,24,610	17.25
Mangalore Refinery & Petrochemicals Ltd	-	-	71,48,949	7.15
Nagai Power Private Ltd	2,18,90,000	21.37	1,67,20,000	16.20
Neesa Leisure Ltd	2,60,000	26.00	2,60,000	26.00
Oswal Spinning & Weaving Mills Ltd	9,97,30,160	9.97	9,97,30,160	9.97
Polar Latex Ltd	-	-	1,25,000	1.25
Prag Bosmi Synthetics Ltd	26,14,577	26.15	26,14,577	26.15
Saurashtra Chemicals Ltd	10,46,700	10.47	10,46,700	10.47



**Note 12 (Contd..)**

Issuer Company	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Shiga Energy Private Ltd	1,30,60,000	12.79	1,15,30,000	11.26
Shree Satpuda Tapi Parisar SSK Ltd	9,178	4.59	9,178	4.59
Shree Shakti Resorts & Hotels Ltd	15,00,000	1.46	15,00,000	1.46
Spectrum Power Generation Ltd	1,18,20,000	11.82	1,18,20,000	11.82
<b>Security Receipts – Unquoted</b>				
ARCIL– Akar Laminates Ltd	1,958	11.16	1,958	11.16
ARCIL– Birla Vxl Scheme– C – Bvxl	1,212	3.71	1,212	3.71
ARCIL– Consolidated Fibres & Chemicals Ltd	85,500	8.55	85,500	8.55
ARCIL– Global Board Ltd	335	2.18	335	2.18
ARCIL– GSL India Ltd	192	1.82	192	1.82
ARCIL– Kalyanpur Cements Ltd	1,814	5.79	1,814	9.92
ARCIL– Spectrum Power Generation Ltd–Ix Trust	6,42,869	11.38	6,42,869	12.00
ARCIL–Titagarh Industries Ltd	3,43,292	4.18	3,43,292	5.80
ARCIL– Uniworth Textiles Ltd	64,030	6.40	64,030	6.40
ARCIL– Vishnu Vijay Packaging Ltd	89,019	8.90	89,019	8.90

**Disclosure in respect of Investments where the value (category-wise) is less than 2% of the total value in each category or ₹1 crore, whichever is lower as included under Items A(1) & B(1) to B(4) of Note 12**

<u>PARTICULARS</u>	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
No. of Concerns	383	411
Book Value (₹ crore)	23.00	26.22
Market/Break Value (₹ crore)	41.09	49.18

**13. DEFERRED TAX ASSET (NET)**

	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
(a) Unabsorbed Business Loss *	-	-
(b) Unabsorbed Depreciation *	-	-
(c) Provision against Loans/Advances & other Assets	747.64	841.76
(d) Timing difference in Depreciable Assets	(34.44)	(38.62)
(e) Other Timing Differences	13.59	33.78
<b>TOTAL</b>	<b>726.79</b>	<b>836.92</b>

\* as evidenced from the income tax return filed by the Company

**14. LOANS**

	<u>As at March 31, 2013</u>		<u>As at March 31, 2012</u>	
	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>
(a) Loans to Assisted Concerns				
(i) Rupees and Foreign Currencies	8,989.22	3,214.19	10,967.00	4,043.26
(ii) Advance for Assets	80.02	-	80.56	-
(b) Debentures	2,940.46	316.28	2,693.10	521.77
(c) Loan to Subsidiaries/Associates	167.05	206.67	429.55	74.17
(d) Lease Rental Receivable	2.38	-	7.79	-
	<b>12,179.13</b>	<b>3,737.14</b>	<b>14,178.00</b>	<b>4,639.20</b>
Less: Allowance for bad and doubtful assets				
- Loans	1,479.17	-	1,673.00	-
- Debentures	157.18	-	201.19	-
<b>TOTAL</b>	<b>10,542.78</b>	<b>3,737.14</b>	<b>12,303.81</b>	<b>4,639.20</b>

**Note:**

- The above amounts include interest and other charges accrued and due.
- Out of the above:
  - Considered good
  - Considered doubtful

10,542.78	3,737.14	12,303.81	4,639.20
1,636.35	-	1,874.19	-
<b>12,179.13</b>	<b>3,737.14</b>	<b>14,178.00</b>	<b>4,639.20</b>

**3. Classification of Loans (Security-wise)**

	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
(i) Secured by Assets	8,795.41	10,081.62
(ii) Guaranteed by Central/State Govts.	1.80	1.79
(iii) Guarantee/Holding Company Guarantee	594.69	655.40
(iv) Against Promissory Notes and Usance Bills accepted	214.15	301.23
(v) Against pledge of shares	6,213.12	7,680.06
(vi) Unsecured	97.10	97.10
	<b>15,916.27</b>	<b>18,817.20</b>

	(₹ crore)			
	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
<b>15. LOANS &amp; ADVANCES - OTHERS</b>				
(a) Capital Advances	0.27		5.75	
(b) Security Deposits	1.44		1.42	
(c) Advance Tax paid (net of provisions)	52.60		59.74	
(d) MAT Credit Entitlement	148.67		186.97	
(e) Other Deposits/Loan				
– Considered good		2.23		500.00
– Considered doubtful		12.12		–
Less: Allowance for bad and doubtful debts		(12.12)		–
(f) Other Loans and Advances				
(i) Loans to Staff (Secured – considered good) \$	13.34	0.12	13.39	3.25
(ii) Others (Unsecured)				
– Considered good		32.40		6.49
– Considered doubtful		1.00		1.00
Less: Allowance for bad and doubtful debts		(1.00)		(1.00)
<b>TOTAL</b>	<b>216.32</b>	<b>34.75</b>	<b>267.27</b>	<b>509.74</b>
\$ includes amount due from Directors	0.19		0.13	
<b>16. OTHER ASSETS</b>				
(a) Accrued Income				
(i) Interest and Commitment Charges on Loans		68.82		102.94
(ii) Interest on Investments		77.42		62.59
(iii) Other Income	4.57	32.75	4.53	16.67
(b) Sundry Deposits		4.65		3.18
(c) Forward Deal Outstanding		–		19.99
(d) Pre-paid Gratuity		1.16		–
(e) Pre-paid Expenses		1.79		1.81
<b>TOTAL</b>	<b>4.57</b>	<b>186.59</b>	<b>4.53</b>	<b>207.18</b>

	(₹ crore)	
	As at	As at
	March 31, 2013	March 31, 2012
<b>17. CURRENT INVESTMENTS</b>		
<b>A. QUOTED</b>		
1. Treasury Bills	–	302.81
<b>B. UNQUOTED</b>		
1. Bonds	1,330.17	123.00
2. Commercial Paper	–	140.11
3. Certificate of Deposit	1,186.15	947.72
<b>C. APPLICATION MONEY</b>		
1. Equity Shares		
(i) Subsidiaries (IFCI Financial Services Ltd)	0.02	0.02
(ii) Associates (Assets Care & Reconstruction Enterprise Ltd)	–	26.34
(iii) Others	205.30	114.09
2. Preference Shares	15.57	17.10
3. Units	–	2.50
<b>TOTAL</b>	<b>220.89</b>	<b>160.05</b>
Less: Provision	51.00	26.97
<b>TOTAL</b>	<b>2,686.21</b>	<b>1,646.72</b>
<b>QUOTED</b>		
(1) Total Book Value	–	302.81
– Equity Shares	–	–
– Others	–	302.81
(2) Total Market Value	–	305.47
– Equity Shares	–	–
– Others	–	305.47
<b>UNQUOTED</b>		
(1) Total Book Value	2,737.21	1,370.88
– Equity Shares	–	–
– Preference Shares	–	–
– Others	2,737.21	1,370.88

**Note 17 (Contd..)**

CURRENT INVESTMENTS – DETAILS	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/ Units	Amount (₹ crore)	No. of Shares/ Units	Amount (₹ crore)
<b>QUOTED</b>				
<b>Treasury Bills</b>				
(a) 91 Days T-Bill (Maturity Date – 18.05.2012)	–	–	43,832	107.21
(b) 91 Days T-Bill (Maturity Date – 01.06.2012)	–	–	80,000	195.60
<b>UNQUOTED</b>				
<b>Bonds</b>				
(a) Air India Ltd	359	38.19	–	–
(b) Chennai Petroleum Corporation Ltd	250	25.00	–	–
(c) Damodar Valley Corporation Ltd	3,450	345.00	–	–
(d) Deccan Chronicle Holdings Ltd	–	–	250	25.00
(e) Food Corporation of India	965	96.50	–	–
(f) Gujarat State Petroleum Corporation Ltd	1,500	155.44	–	–
(g) IFCI Infrastructure Development Ltd (a subsidiary company)	750	75.00	750	75.00
(h) Mahanagar Telephone Nigam Ltd	1,900	190.00	–	–
(i) Nuclear Power Corporation of India Ltd	1,715	171.50	–	–
(j) Power Finance Corporation Ltd	680	68.01	–	–
(k) Reliance Capital Ltd	1,250	125.51	–	–
(l) Reliance Gas Transportation Infrastructure Ltd	–	–	230	23.00
(m) Rural Electrification Corporation Ltd	400	40.02	–	–
<b>Commercial Paper</b>				
(a) Eros International Media Ltd	–	–	500	23.62
(b) HCL Limited	–	–	500	24.36
(c) HSIL Limited	–	–	400	19.50
(d) ICICI Securities Primary Dealership Ltd	–	–	500	24.70
(e) Tata Capital Ltd	–	–	500	24.36
(f) UTV Global Broadcasting Ltd	–	–	500	23.57
<b>Certificate of Deposit</b>				
(a) Allahabad Bank	–	–	10,000	97.45
(b) Andhra Bank	5,000	72.19	–	–
(c) Axis Bank	2,500	23.87	5,000	48.41
(d) Bank of Baroda	2,500	23.14	–	–
(e) Bank of India	–	–	5,000	49.23
(f) Bank of Maharashtra	2,500	23.62	5,000	49.28
(g) Canara Bank	20,000	195.38	–	–
(h) Central Bank of India	7,500	69.52	10,000	97.31
(i) Corporation Bank	2,500	23.19	–	–
(j) Dena Bank	–	–	2,500	24.34
(k) HDFC Bank	5,000	47.72	–	–
(l) ICICI Bank	5,000	46.33	–	–
(m) IDBI Bank	2,500	24.46	2,500	24.23
(n) Indian Bank	7,500	71.08	5,000	48.40
(o) Indusind Bank	–	–	5,000	48.70
(p) Jammu & Kashmir Bank Ltd	5,000	48.79	–	–
(q) Oriental Bank of Commerce	5,000	48.40	–	–
(r) Punjab & Sind Bank	–	–	10,000	97.47
(s) Punjab National Bank	15,000	141.13	2,500	24.36
(t) State Bank of Bikaner & Jaipur	7,500	70.00	5,000	49.35
(u) State Bank of Hyderabad	2,500	24.00	–	–
(v) State Bank of India	–	–	2,500	24.38
(w) State Bank of Mysore	2,500	23.50	–	–
(x) State Bank of Patiala	2,500	23.27	–	–
(y) State Bank of Travancore	7,500	71.82	–	–
(z) The South Indian Bank Ltd	–	–	7,500	73.46
(aa) UCO Bank	–	–	12,000	117.11
(ab) United Bank of India	7,500	68.97	2,500	24.33
(ac) Vijaya Bank	5,000	45.77	5,000	49.91

	As at March 31, 2013	(₹ crore) As at March 31, 2012
<b>18. TRADE RECEIVABLES</b>		
(a) Secured	-	-
(b) Unsecured		
- More than 6 months	5.55	13.10
- Others	104.48	4.48
Less: Allowance for bad and doubtful debts	(4.00)	(2.00)
<b>TOTAL</b>	<b>106.03</b>	<b>15.58</b>
Out of the above:		
(i) Considered good	106.03	15.58
(ii) Considered doubtful	4.00	2.00
Less: Allowance for bad and doubtful debts	(4.00)	(2.00)
	<b>106.03</b>	<b>15.58</b>
<b>19. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balances with Banks		
- Bank balance	11.42	8.58
- Unclaimed Dividend Account	7.96	3.70
- Balances with Banks held as margin money/security against guarantees	8.90	8.89
- Bank Deposits *	485.89	349.13
(b) Cheques on hand & under collection and remittances in transit	0.48	28.30
(c) Cash in hand (including postage stamps)	0.02	0.01
<b>TOTAL</b>	<b>514.67</b>	<b>398.61</b>
* includes deposits with more than 12 months remaining maturity	-	5.00
<b>20. REVENUE FROM OPERATIONS</b>	<b>For the year ended March 31, 2013</b>	<b>(₹ crore) For the year ended March 31, 2012</b>
(a) On Lending Operations *		
(i) Loans	1,696.84	1,924.97
(ii) Debentures	459.10	320.61
(b) On Investment Operations		
(i) Dividend (Gross)		
- Long Term	36.58	46.95
- Current	-	0.04
(ii) Profit on sale of Long term Shares/Debentures (Net)		
- Assistance under financing – Long Term	208.24	105.78
- Investments – Long Term	29.31	23.20
- Investments – Current	2.68	1.39
(iii) Income from deployment of funds	223.86	204.34
(c) Leasing Operations		
(i) Lease Rentals etc.	10.14	27.09
(ii) Lease Equalisation Account	(12.23)	(23.91)
(d) Business Services Fee and Commission (including Guarantee Commission)	27.71	48.93
(e) Exchange Fluctuation Gains/(Loss)	(1.43)	(2.38)
(f) Provision/Liability no longer required written back	25.05	123.96
<b>TOTAL</b>	<b>2,705.85</b>	<b>2,800.97</b>
* includes Interest from subsidiaries & associates	44.30	43.04
<b>21. OTHER INCOME</b>		
(a) Interest on Staff Advances	0.90	0.98
(b) Profit on Sale of Fixed Assets (Net)	(0.04)	1.10
(c) Rental Income	29.30	28.60
(d) Dividend from Subsidiaries/Associates	20.33	11.49
(e) Miscellaneous Income	2.96	7.06
<b>TOTAL</b>	<b>53.45</b>	<b>49.23</b>
<b>22. COST OF BORROWINGS</b>		
(a) Interest on Rupee Bonds and Borrowings	1,772.07	1,837.80
(b) Interest on Foreign Currency Borrowings	36.14	22.57
(c) Interest on Bank Overdraft	0.08	0.30
(d) Interest on funds placed with the Company	4.50	4.10
(e) Commitment Charges, Brokerage, Commission and other Costs	1.82	6.31
<b>TOTAL</b>	<b>1,814.61</b>	<b>1,871.08</b>

	For the year ended March 31, 2013	For the year ended March 31, 2012
	(₹ crore)	
<b>23. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
(a) Salaries and Allowances *	36.35	45.23
(b) Contribution to Retirement Funds #	20.64	16.47
(c) Staff Welfare Expenses	3.04	3.17
(d) Employee Compensation Expenses (ESOP)	0.91	0.45
<b>TOTAL</b>	<b>60.94</b>	<b>65.32</b>
* includes Leave Encashment	(1.06)	3.65
# includes:		
– Gratuity	(0.12)	0.42
– Annuity for DA relief/restoration of commuted pension to retirees	15.61	11.71
<b>24. ESTABLISHMENT AND OTHER EXPENSES</b>		
(a) Rent	6.64	6.55
(b) Rates and Taxes	3.97	3.01
(c) Insurance	0.29	0.38
(d) Repairs and Maintenance		
– Buildings	11.26	8.93
– IT	1.60	1.12
– Others	0.40	0.33
(e) Electricity & Water Charges	4.83	4.40
(f) Security	1.50	1.86
(g) Payment to Auditors (refer Note 33)	0.36	0.36
(h) Directors' Fee & Expenses	0.88	0.37
(i) Publications, Advertisement & Business Development *	4.25	6.71
(j) Consultation and Law Charges *	0.98	6.96
(k) Travelling & Conveyance	2.03	3.93
(l) Training & Development	0.18	3.56
(m) Postage & Telephone	0.90	1.19
(n) Printing & Stationery	0.89	1.80
(o) Listing/Filing/Custody Fee	1.39	1.11
(p) Other Miscellaneous Expenses	1.80	4.53
<b>TOTAL</b>	<b>44.15</b>	<b>57.10</b>
* net of expenditure booked during the previous years, reversed and debited to loan account during the current period as the same is recoverable from assisted concerns – Publications & Advertisements (₹0.51 crore); Consultation and Law Charges (₹0.94 crore)		
<b>25. PROVISION FOR BAD &amp; DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)</b>		
(a) Loans & Advances		
– Amount received in respect of assets provided for	153.61	177.51
– Write-off	(447.44)	(236.39)
Less: Transfer from Provision held for bad & doubtful debts	447.44	236.39
– Provision for bad & doubtful assets	(274.16)	(39.60)
– Provision u/s 36(1)(vii)(c) of Income Tax Act, 1956	–	36.00
(b) Investments		
– Provision Reversal	2.83	–
– Write-off	(0.13)	–
– Provision made	(25.95)	(61.50)
– Provision Reversal – mark to market	0.41	0.30
(c) Debtors		
– Write-off	(7.64)	–
– Provision made	(2.00)	–
(d) Other Loans & Advances	(12.12)	–
<b>TOTAL</b>	<b>(165.15)</b>	<b>112.71</b>



**26. Effect of Changes in Shareholding Pattern:**

Through exercise of option of conversion by the Government of India, the Optionally Convertible Debentures of ₹400 crore held by GoI and Loan of ₹523 crore provided by GoI were converted into 92.30 crore equity shares of the Company at par through necessary approvals by the Board of Directors and the shareholders, during the year. Further during the year, vesting of 12 lakh equity shares was done under the IFCI Employees Stock Option Scheme and subsequently, these shares were allotted to the IFCI Employees Stock Option Trust. With these conversions and vesting under ESOP, paid-up equity share capital stands increased from ₹737.84 crore to ₹1,662.04 crore. Consequent upon such increase, the Central Government alongwith Corporations owned or controlled by the Central Government hold more than 51% of the paid up share capital of the Company. Accordingly, the provisions of Section 619B read with Section 619 of the Companies Act, 1956 with regard to audit of accounts have become applicable to the Company.

**27. Contingent Liabilities and Commitments (to the extent not provided for):**

**27.1 Contingent Liabilities: (₹ crore)**

As at	31.03.2013	31.03.2012
(i) Guarantees issued in Indian Currency	-	26.96
(ii) Bank Guarantees	34.87	8.87
(iii) Performance Guarantees issued	0.02	0.66
(iv) Claims not acknowledged as Debts	179.67	156.10
(v) Tax Matters		
- Income Tax	28.78	27.07
- Service tax	12.39	4.84
In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary		

**27.2 Commitments: (₹ crore)**

As at	31.03.2013	31.03.2012
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	0.62	1.32
(ii) Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	2,624.64	392.97

28. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide Notification dated February 8, 2011, has exempted Public Financial Institutions as specified under Section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions. The accounts for the year ended March 31, 2013 have been prepared in accordance therewith.

29. During the year, the Company has obtained valuation of certain long term unquoted investments by an independent valuer. The report of the said expert has been considered for the purpose of assessment of decline other than temporary in the value of said long term unquoted investments.

30. Trade payables include an amount of ₹69.02 crore received in terms of various agreements entered into with the promoter of the investee company for Share subscription/Share buyback. These proceeds are in the nature of part payments towards specified internal rate of return and/or share buyback. Due to inherent uncertainty in respect of the final gains/losses in such transactions, if any, at the time of actual buyback, the proceeds have been treated as advance receipts in the accounts.

**31. Expenditure in Foreign Currencies: (₹ crore)**

	Year ended 31.03.2013	Year ended 31.03.2012
Interest on Borrowings	4.41	4.29
Other matters	0.01	0.19
	<b>4.42</b>	<b>4.48</b>

**32. Earnings in Foreign Currency:**

Earnings in Foreign Currency - -

**33. Auditors' Remuneration:**

- Fees	0.35	0.35
- Out of pocket expenses	0.01	0.01
	<b>0.36</b>	<b>0.36</b>

34. Balances appearing under loans, sundry debtors and sundry creditors except pertaining to related parties, are subject to confirmation.

35. 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, 2013. 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.

36. 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 issued by the ICAI read with RBI guidelines.

37. Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2013 and recognized in the financial statements in respect of Employee Benefit Schemes.

	(₹ crore)				
	For the year ended	31.03.2013		31.03.2012	
		Gratuity Funded	Leave Encashment Un-funded	Gratuity Funded	Leave Encashment Un-funded
<b>I. Components of Employer Expense</b>					
1. Current Service Cost	0.32	0.78	0.71	1.25	
2. Interest Cost	0.76	1.49	0.75	1.39	
3. Expected Return on Plan Asset	0.83	-	-	-	
4. Curtailment Cost/(Credit)	-	-	-	-	
5. Settlement Cost/(Credit)	-	-	-	-	
6. Past Service Cost	-	-	-	-	
7. Actuarial (gain)/loss recognized	(1.06)	(3.27)	(1.35)	(0.25)	
8. Expense Recognized in Statement of Profit/Loss	0.81	1.00	0.11	2.40	
<b>II. Actual Returns for the year</b>	0.83	-	0.87	-	
<b>III. Net (Asset)/Liability recognized in Balance Sheet</b>					
1. Present Value of Defined Benefit Obligation	8.10	14.31	9.46	18.69	
2. Fair Value on Plan Assets	9.26	-	9.50	-	
3. Status (Surplus/Deficit)	1.16	14.31	0.04	18.69	
4. Unrecognised Past Service Cost	-	-	-	-	
5. Net (Asset)/Liability recognized in Balance Sheet	1.16	14.31	0.04	18.69	
<b>IV. Change in Defined Benefit Obligations (DBOs)</b>					
1. Present Value of Obligation at the beginning of the year	9.47	18.69	9.37	17.42	
2. Current Service Cost	0.32	0.78	0.71	1.25	
3. Interest Cost	0.76	1.49	0.75	1.39	
4. Curtailment cost	-	-	-	-	
5. Settlement Cost	-	-	-	-	
6. Plan Amendments	-	-	-	-	
7. Acquisitions	-	-	-	-	
8. Actuarial (gain)/loss on Obligations	(1.06)	(3.27)	(0.47)	(0.25)	
9. Benefits Paid	(1.40)	(3.38)	(0.90)	(1.13)	
10. Present Value of Obligation at the end of the Year	8.10	14.31	9.47	18.69	
<b>V. Change in Fair Value of Assets during the year</b>					
1. Fair Value of Plan Asset at the beginning of the year	8.74*	-	9.38	-	
2. Acquisition Adjustment	-	-	-	-	
3. Expected Return on Plan Asset	0.83	-	0.88	-	
4. Actuarial (gain)/loss on Plan Asset	-	-	-	-	
5. Contributions	1.09	-	0.14	-	
6. Benefits Paid	(1.40)	-	(0.90)	-	
7. Fair Value of Plan Asset at the end of year	9.26	-	9.50	-	
<b>VI. Actuarial Assumptions</b>					
1. Mortality Table		LIC 1994-96		LIC 1994-96	
2. Early Retirement & Disablement		Age Related		Age Related	
3. Discount Rate	8.00%	8.00%	8.00%	8.00%	
4. Inflation Rate	5.00%	5.00%	8.50%	8.50%	
5. Return on Asset	8.96%		8.00%		
<b>VII. Major Category of Plan Assets as a % of the Total Plan Assets</b>					
1. Government Securities	0.11%		8.00%		
2. Special Deposit Scheme					
3. High Quality Corporate Bonds					
4. Insurance Companies	99.84%		91.98%		
5. Cash & Cash Equivalents	0.05%		0.02%		

\* excluding Government Securities, bank balances and interest thereon

38. 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, issued by the ICAI is not applicable.

39. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the ICAI – "Related Party Disclosures" is as under:

1. Name of the related party and nature of relationship:

Nature of Relationship	Name of the Related Party
<b>Subsidiary</b>	IFCI Financial Services Ltd (IFIN)
	IFCI Venture Capital Funds Ltd (IFCI Venture)
	IFCI Infrastructure Development Ltd (IIDL)
	IFCI Factors Ltd (IFL)
	MPCON Ltd
	IFIN Commodities Ltd (indirect control through IFIN)
	IFIN Credit Ltd (indirect control through IFIN)
	Narayan Sriram Investment Pvt Ltd (indirect control through IFIN)
	IIDL Realtors Pvt Ltd (IRPL) (indirect control through IIDL)
	<b>Associates</b>
Tourism Finance Corporation of India Ltd (TFCI)	
HIMCON Ltd	
NITCON Ltd	
HARDICON Ltd	
<b>Joint Ventures</b>	IFCI Sycamore Capital Advisors Pvt Ltd (ISCA)
<b>Key Managerial Personnel</b>	Shri Atul Kumar Rai (CEO & MD)
	Shri Sujit K. Mandal (Whole Time Director) – Relieved from services on 12.12.2012
<b>Relative of Key Managerial Personnel</b>	Shri Siddharth Mandal (son of Whole Time Director) – Relieved from services on 28.04.2012

2. Transaction with the related party during the period:

Nature of Transaction	₹ crore)	
	Year ended 31.03.2013	Year ended 31.03.2012
<b>SUBSIDIARIES:</b>		
<b>IFCI Financial Services Ltd</b>		
Infusion of Equity Cash	–	76.25
Rent & Maintenance received	2.25	0.98
Brokerage/Professional fee paid	0.51	0.81
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.23	–
Interest received/receivable on Loan	–	(0.40)
Employees deputed/posted by IFCI (No.)	–	1
<b>IFCI Venture Capital Funds Ltd</b>		
Dividend Received	5.95	5.95
Rent & Maintenance received	0.79	1.46
Professional Fee received	0.05	0.05
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.30	0.38
Loans given – Outstanding	–	7.50
Maximum amount outstanding (receivable)	7.50	19.50
Interest received/receivable on Loan	0.08	0.22
Employees deputed/posted by IFCI (No.)	1	2
<b>IFCI Infrastructure Development Ltd</b>		
Infusion of Equity – Cash	–	1.02
Buy-back of Equity	18.13	–
Rent & Maintenance received	1.43	1.46
Brokerage/Professional fee paid	0.52	0.73
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.28	0.64
Loans given – outstanding	30.00	60.00
Maximum amount outstanding (receivable)	60.00	60.00
Bonds/Debtenture subscribed – Outstanding	75.00	75.00
Interest received/receivable on Loan	5.28	5.68
Interest received/receivable on Bonds	7.27	7.91
Bonds issued by IFCI – Outstanding	75.00	75.00
Interest paid/payable by IFCI	7.26	7.91
Inter corporate Deposits	36.00	–
Interest paid/payable by IFCI	0.04	–
Employees deputed/posted by IFCI (No.)	–	4
Employees deputed in IFCI (No.)	2	1
<b>IFCI Factors Ltd</b>		
Dividend Received	5.54	5.54
Rent & Maintenance received	3.28	3.06
Professional Fee received	0.06	–
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.25	0.23

Nature of Transaction	₹ crore)	
	Year ended 31.03.2013	Year ended 31.03.2012
Loans given – Outstanding #	275.00	365.00
Maximum amount outstanding (receivable)	365.00	365.00
Bonds/Debtenture subscribed - Outstanding	25.00	–
Interest received/receivable on Loan	30.80	29.35
Interest received/receivable on Bonds	2.55	–
Employees deputed/posted by IFCI (No.)	–	2
# Loan outstanding includes ₹75.00 crore subordinate debt (Previous Year - ₹ 75.00 crore).		
<b>IIDL Realtors Pvt Ltd</b>		
Rent & Maintenance paid	6.30	5.57
Security Deposit paid – Outstanding	0.93	–
<b>ASSOCIATES:</b>		
<b>Assets Care &amp; Reconstruction Enterprise Ltd</b>		
Rent & Maintenance received by IFCI	0.87	–
Loan given-Outstanding	68.72	71.22
Interest received/receivable on Loan	8.46	7.54
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.15	0.15
Professional fee received	0.06	–
Employees deputed/posted by IFCI (No.)	–	1
<b>Tourism Finance Corporation of India Ltd</b>		
Acquisition from market/others	–	10.96
Rent & Maintenance received by IFCI	3.03	0.80
Dividend Received	4.12	3.96
Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.24	0.04
Employees deputed/posted by IFCI (No.)	4	1
<b>HIMCON Ltd</b>		
Dividend Received	0.01	0.01
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.24	–
Employees deputed/posted by IFCI (No.)	1	1
<b>HARDICON Ltd</b>		
Acquisition from market/Others	–	0.25
Dividend Received	0.06	0.01
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.11	–
Employees deputed/posted by IFCI (No.)	–	1
<b>NITCON Ltd</b>		
Dividend Received	0.01	0.01
Brokerage/Professional Fee paid	0.02	–
<b>Stock Holding Corporation of India Ltd</b>		
Dividend Received	4.64	5.36
Brokerage/Professional fee paid	0.22	0.38
<b>JOINT VENTURES:</b>		
<b>IFCI Sycamore Capital Advisors Pvt Ltd</b>		
Employees deputed/posted by IFCI (No.)	–	6
Rent & Maintenance received by IFCI	0.54	–
<b>KEY MANAGEMENT PERSONNEL &amp; RELATIVES OF KEY MANAGEMENT PERSONNEL:</b>		
<b>Chief Executive Officer and Managing Director</b>		
Dividend Payment	0.01	0.01
Interest on IFCI Bonds	0.03	0.02
Managerial Remuneration	1.84 *	1.16
* includes gratuity, leave salary etc. paid on completion of initial contract		
<b>Whole Time Director</b>		
Managerial Remuneration	0.71	0.90
Salary of Relative of Key Management Personnel	0.01	0.12

40. Earnings per share: (₹ crore)

	31.03.2013	31.03.2012
<b>I. Computation for Basic Earnings per Share</b>		
(a) Profit Computation for Equity Shareholders		
Net profit as per Profit & Loss Account	450.87	663.62
Less: Preference Dividend	(0.31)	(0.31)
Net profit for Equity Shareholders	450.56	663.31
(b) Weighted Average Number of Equity Shares Outstanding	1,08,74,24,726	73,78,37,331

For the Year ended	31.03.2013	(₹ crore) 31.03.2012
<b>II. Computation for Diluted Earnings per Share</b>		
(a) Profit Computation for Equity Shareholders (including potential shareholders)		
Net profit as per Profit & Loss Account	450.87	663.62
Less: Preference Dividend	(0.31)	(0.31)
Add: Interest on Convertible Debentures (net of Tax)	-	31.61
Net profit for equity shareholders (including potential shareholders)	450.56	694.92
(b) Weighted Average Number of Equity Shares outstanding	1,08,88,81,331	96,09,16,575
<b>III. Earnings Per Share (Weighted Average)</b>		
Basic (₹)	4.14	8.99
Diluted (₹)	4.14	7.23

41. In terms of Accounting Standard 19 on 'Leases' issued by ICAI,
- (a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Profit & Loss Account.
- (b) The year-wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	Year ended 31.03.2013	(₹ crore) Year ended 31.03.2012
Minimum Lease payments:		
(a) Not later than one year	6.45	5.73
(b) Later than one year but not later than five years	11.15	15.47
(c) Later than five years	-	-
Rentals charged during the Period	6.64	6.55

42. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. In compliance with Accounting Standard 27 on 'Financial reporting of Interests in Joint Ventures' as notified by the Companies (Accounting Standards) Rules, 2006, required disclosure of interest in the Assets, Liabilities, Income, Expenditure and Contingent Liabilities is as under:

Particulars	31.03.2013	(₹ crore) 31.03.2012
Assets	2.87	2.86
Liabilities	0.63	0.24
Income	0.16	-
Expenditure	0.55	0.03
Contingent Liabilities	-	-

43. 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' issued by the ICAI. As on March 31, 2013, there were no events or changes in circumstances which indicate any impairment in the assets.
44. Movement in Provisions, in terms of Accounting Standard-29 - 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI, is given as under:

Particulars	Opening Balance	Addition/ Transfer	Deduction/ Transfer	(₹ crore) Closing Balance
Income Tax	459.21	63.56	-	522.77
Fringe Benefit Tax	6.34	-	-	6.34
Assets	2,552.01	314.23	594.31	2,271.93

45. The following additional information is disclosed in terms of RBI Circulars:
- (a) Loans and Advances availed, inclusive of interest accrued thereon but not paid:

Particulars	As on 31.03.2013		As on 31.03.2012	
	Outstanding	Overdue	Outstanding	Overdue
(a) Debentures:				
(i) Secured	-	-	-	-
(ii) Unsecured	818.19	-	1,218.19	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	6,245.17	-	8,685.84	-
(d) Inter Corporate loans & borrowing	66.85	-	932.02	-
(e) Commercial Paper	14.67	-	34.91	-
(f) Other Loans (incl. FC Loan)	528.61	-	540.19	-
(g) Funds placed with IFCI	60.03	-	58.29	-
(h) Bonds	10,234.73	-	9,924.38	-

The Company has not defaulted in repayment of dues to any financial institution or bank or bond/debenture holders.

- (b) Break-up of Leased Assets and stock on hire and other assets counting towards loan activities

Particulars	31.03.2013	(₹ crore) 31.03.2012
(i) Lease Assets including Lease Rentals		
(a) Financial Lease	-	12.23
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under Sundry Debtors	-	-
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities	-	-
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

- (c) Borrower Group-wise classification of assets financed:

Category	31.03.2013	(₹ crore) 31.03.2012
1. Related Parties		
(a) Subsidiaries	305.00	432.50
(b) Companies in same Group	-	-
(c) Other Related Parties	68.72	71.22
2. Other than Related Parties	13,906.21	16,439.29
<b>TOTAL</b>	<b>14,279.93</b>	<b>16,943.01</b>

Amount is net of provision against non-performing and standard restructured assets.

- (d) Investor Group-wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted)

Category	31.03.2013		31.03.2012	
	Market/ Break-up/Fair Value/NAV	Book Value	Market/ Break-up/Fair Value/NAV	Book Value
1. Related Parties				
(a) Subsidiaries	1,203.55	1,089.93	1,228.81	1,114.62
(b) Companies in same Group	245.44	391.16	285.69	417.50
(c) Joint Venture	2.64	2.65	2.64	2.65
2. Other than Related Parties	6,623.42	7,776.14	5,932.69	6,895.99
<b>TOTAL</b>	<b>8,075.05</b>	<b>9,259.88</b>	<b>7,449.83</b>	<b>8,430.76</b>

- (e) Other Information:

Particulars	31.03.2013	(₹ crore) 31.03.2012
1. Gross Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than Related Parties	3,660.93	2,607.66
2. Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than Related Parties	1,453.65	327.15
3. Assets acquired in satisfaction of debt	-	-

- (f) Capital to Risk Assets Ratio (CRAR):

Particulars	31.03.2013	(₹ crore) 31.03.2012
<b>Capital</b>		
(a) Capital to Risk Assets Ratio (CRAR)	23.88%	21.26%
(i) Core CRAR	15.31%	12.82%
(ii) Supplementary CRAR	8.57%	8.44%
(b) Subordinated Debt raised, outstanding as Tier II Capital (₹ crore)	1,322.97	1,233.30
(c) Risk-weighted Assets (₹ crore)		
(i) On-Balance Sheet Items	21,861.87	23,412.37
(ii) Off-Balance Sheet Items	1,954.68	858.20

- (g) Exposure to Real Estate Sector:

Category	31.03.2013	(₹ crore) 31.03.2012
(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	481.04	665.13

			(₹ crore)	
Category	31.03.2013	31.03.2012		
(iii) Investments in Mortgage backed Securities (MBS) and other securitised exposures:				
(a) Residential	-	-		
(b) Commercial Real Estate	-	-		
(b) Indirect Exposure				
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-		

(h) Maturity Pattern of Assets and Liabilities:											(₹ crore)	
Particulars	1 Day to 30 Days	1 Mth to 2 Mths	2 Mths to 3 Mths	3 Mths to 6 Mths	6 Mths to 1 Year	1 Year to 3 Years	3 Years to 5 Years	Over 5 Years	Total			
<b>LIABILITIES</b>												
Borrowing from Banks	28.33	113.90	357.08	854.43	1,521.29	3,366.80	803.03	2,337.05	9,381.91			
Market Borrowings	1.45	8.55	14.81	314.02	550.18	685.66	244.44	6,164.89	7,984.00			
<b>TOTAL</b>	<b>29.78</b>	<b>122.45</b>	<b>371.89</b>	<b>1,168.45</b>	<b>2,071.47</b>	<b>4,052.46</b>	<b>1,047.47</b>	<b>8,501.94</b>	<b>17,365.91</b>			
<b>ASSETS</b>												
Advances	329.18	249.24	156.24	1,707.79	1,467.24	4,358.07	2,419.46	3,591.80	14,279.02			
Investments	329.68	-	195.38	428.40	514.86	235.97	494.73	6,442.40	8,641.42			
<b>TOTAL</b>	<b>658.86</b>	<b>249.24</b>	<b>351.62</b>	<b>2,136.19</b>	<b>1,982.10</b>	<b>4,594.04</b>	<b>2,914.19</b>	<b>10,034.20</b>	<b>22,920.44</b>			

(i) Assets sold to Securitization Company/Reconstruction Company (SC/RC):

Particulars	31.03.2013	31.03.2012
1. Number of Accounts	-	3
2. Aggregate outstanding of accounts sold to SC/RC (₹ crore)	-	70.19
3. Aggregate consideration (₹ crore)	-	27.05
4. Additional consideration realized in respect of accounts transferred in earlier years (₹ crore)	-	-
5. Aggregate gain/(loss) over net book value (₹ crore)	-	-

(j) Details of Non-performing financial assets purchased:

Particulars	31.03.2013	31.03.2012
1. (a) Number of accounts purchased during the period	8	26
(b) Aggregate Outstanding (₹ crore)	36.63	45.35
2. (a) Of the above number of accounts restructured during the period	-	-
(b) Aggregate Outstanding (₹ crore)	-	-

(k) Details of Non-performing Financial Assets sold:

Particulars	31.03.2013	31.03.2012
Number of accounts sold during the period	1	4
Aggregate outstanding (₹ crore)	1.00	40.32
Aggregate consideration received (₹ crore)	0.35	34.66

46. Total value of Outstanding Currency Swaps was USD 87.13 million against INR and EURO 72.58 million against USD (Previous Year - USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD respectively) equivalent to ₹1,002.34 crore (Previous Year - ₹1,069.40 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous Year - USD 0.15 million against INR equivalent to ₹0.77 crore respectively).

47. Open interest in the Currency Futures as at Balance Sheet:

Long Position (as at 31.03.2013)

Particulars	Series of Future	Exchange	Number of Contracts	No. of Units Involved (USD)
1. USD/INR	April 26, 2013	NSE	1,920	1,920,000.00
2. USD/INR	April 26, 2013	MCX-SX	3,900	3,900,000.00

48. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.016 million (Previous Year - USD 0.02 million) and EUR 0.041 million (Previous Year - EUR 0.03 million), equivalent to ₹0.37 crore (Previous Year - ₹ 0.28 crore).

49. Details of securities sold and purchased under Repos and Reverse Repos Transactions:

(₹ crore)				
	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31.03.2013

**Securities sold under Repo:**

1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-

**Securities purchased under Reverse Repo:**

1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-

Minimum, maximum & average outstanding is based on face value of securities.

50. Previous year/period figures have been re-grouped/re-arranged wherever necessary, to conform to current period's presentation.

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
Chairman of the Board

**ATUL KUMAR RAI**  
Chief Executive Officer &  
Managing Director  
New Delhi

**ARVIND YENNEMADI**  
Partner  
M. No.031004

**SHASHI SHARMA**  
Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary Company	IFCI Venture Capital Funds Ltd	IFCI Financial Services Ltd	IFCI Infrastructure Development Ltd	IFCI Factors Ltd	MPCON Ltd	IFIN Commodities Ltd (Subsidiary of IFCI Financial Services Ltd)	IFIN Credit Ltd (Subsidiary of IFCI Financial Services Ltd)	Narayan Sriram Investments Private Ltd (Subsidiary of IFCI Financial Services Ltd)	IIDL Realtors Private Ltd (Subsidiary of IFCI Infrastructure Development Ltd)
1. Financial Year of the Subsidiary Company ended on	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2. (a) Issued, Subscribed and Paid up capital of the Subsidiary company	6,03,71,008 Equity Shares of ₹10/- each	4,15,33,709 Equity Shares of ₹10/- each	47,70,99,243 Equity Shares of ₹10/- each	7,93,57,700 Equity Shares of ₹10/- each	10,000 Equity Shares of ₹1,000/- each	50,00,000 Equity Shares of ₹10/- each	25,00,000 Equity Shares of ₹10/- each	30,01,000 Equity Shares of ₹100/- each	10,000 Equity Shares of ₹10/- each 73,700, 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹10/- each
(b) Extent of interest of IFCI in Capital of the Subsidiary	5,95,21,008 Equity Shares of ₹10/- each (98.59%)	3,93,63,809 Equity Shares of ₹10/- each (94.78%)	47,70,99,243 Equity Shares of ₹10/- each (100%)	7,91,54,700 Equity Shares of ₹10/- each (99.74%)	7,972 Equity Shares of ₹1,000/- each (79.72%)	50,00,000 Equity Shares of ₹10/- each (100%)	25,00,000 Equity Shares of ₹10/- each (100%)	30,01,000 Equity Shares of ₹100/- each (100%)	10,000 Equity Shares of ₹10/- each (100%) 73,700, 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹10/- each (100%)
3. Net aggregate amount of Profits/ Losses of the Subsidiary so far as it concerns the Members of IFCI and is not dealt with in the Accounts of IFCI									
(a) The Financial year ended March 31, 2013 (₹ crore)	13.50	0.91	8.55	19.18	0.37	(0.65)	(0.02)	3.64	2.72
(b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)	39.07	(10.75)	19.12	49.62	2.09	(0.45)	(0.46)	(1.09)	3.84
4. Net aggregate amount of Profits/ Losses of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of IFCI									
(a) The Financial year ended March 31, 2013 (₹ crore)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NIL
(b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)	12.80	2.72	Nil	11.08	0.03	Nil	Nil	Nil	NIL

**P. G. MURALIDHARAN**  
Chairman of the Board

**ATUL KUMAR RAI**  
Chief Executive Officer &  
Managing Director  
New Delhi

Place : Thiruvananthapuram  
Dated : May 20, 2013

**SHASHI SHARMA**  
Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary



## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF IFCI LIMITED

We have audited the accompanying consolidated financial statements of IFCI Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date

For **RAY & RAY**  
Chartered Accountants  
Firm Registration No.301072E

**Arvind Yennemadi**  
Partner  
Membership Regn. No.031004

Place : Thiruvananthapuram  
Date : May 20, 2013

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013**

	Note No.	As at March 31, 2013	(₹ crore) As at March 31, 2012
<b>I. EQUITY &amp; LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	1,925.88	1,001.68
(b) Reserves and Surplus	3	5,107.73	4,804.21
(2) Minority Interest			
(a) Share Capital		3.43	3.43
(b) Reserves and Surplus		4.18	3.79
(3) Non-current Liabilities			
(a) Long-term Borrowings	4	14,448.57	17,670.61
(b) Other Long-term Liabilities	5	90.62	79.68
(c) Long-term Provisions	6	53.59	147.93
(4) Current Liabilities			
(a) Current Maturity of Long-term Borrowings		3,711.42	3,545.96
(b) Short-term Borrowings	7	710.07	1,074.46
(c) Trade Payables	8	461.52	585.90
(d) Other Current Liabilities	9	883.65	844.82
(e) Short-term Provisions	6	210.16	97.87
<b>TOTAL</b>		<b>27,610.82</b>	<b>29,860.34</b>
<b>II. ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	1,371.34	1,369.12
(ii) Intangible Assets	11	1.93	2.45
(iii) Capital work-in-progress		19.29	18.92
(b) Goodwill on Consolidation		99.92	99.45
(c) Non-current Investments	12	5,400.48	5,598.99
(d) Deferred Tax Assets (Net)	13	732.22	840.68
(e) Long-term Loans & Advances			
(i) Loans	14	10,634.77	12,093.80
(ii) Others	15	227.11	276.53
(f) Other Non-current Assets	16	7.33	6.98
(2) Current Assets			
(a) Current Investments	17	2,614.93	1,609.10
(b) Inventories		293.01	361.42
(c) Trade Receivables	18	1,411.00	1,375.75
(d) Cash and Cash Equivalents	19	597.84	468.12
(e) Short-term Loans and Advances			
(i) Loans	14	3,880.59	4,855.41
(ii) Others	15	114.64	558.87
(f) Other Current Assets	16	204.42	324.75
<b>TOTAL</b>		<b>27,610.82</b>	<b>29,860.34</b>

Notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
Chairman of the Board

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Managing Director  
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**ARVIND YENNEMADI**  
Partner  
M. No.031004

**SHASHI SHARMA**  
Executive Director  
New Delhi

**B.N. NAYAK**  
Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
(₹ crore)			
I. Revenue from Operations	20	3,147.59	3,089.75
II. Other Income	21	41.08	41.02
<b>III. Total Revenue</b>		<b>3,188.67</b>	<b>3,130.77</b>
<b>IV. Expenses</b>			
Cost of Borrowings	22	1,918.69	1,955.64
Payments to and Provisions for Employees	23	90.13	94.55
Establishment and Other Expenses	24	81.24	82.60
Cost of Stock in trade		144.73	53.11
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		24.72	21.95
Preliminary/Preoperative/Misc expenses written off		-	0.01
<b>Total Expenses</b>		<b>2,259.51</b>	<b>2,207.86</b>
<b>V. Profit before Provisions/Write-off</b>		<b>929.16</b>	<b>922.91</b>
<b>VI. Provision for Bad &amp; Doubtful Assets and others (Net of Write-off)</b>	25	<b>192.01</b>	<b>(82.20)</b>
<b>VII. Profit before Tax</b>		<b>737.15</b>	<b>1,005.11</b>
<b>VIII. Provision for Taxation</b>			
- Current Tax		131.32	135.38
- Deferred Tax (Net)		108.47	182.00
<b>IX. Profit for the period</b>		<b>497.36</b>	<b>687.73</b>
X. Basic Earnings per share of ₹10.00 each (₹)		4.57	9.32
Diluted Earnings per share of ₹10.00 each (₹)		4.56	7.48

Notes form an integral part of financial statements

In terms of our report of even date

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Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>(₹ crore)</b>		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	737.15	1,005.11
Adjustments for:		
Depreciation	24.72	21.95
Preliminary Expenses written off	-	0.01
Provision/write offs	192.01	(82.20)
Bond Issue Expenses charged to Share Premium Account	(17.59)	(25.94)
(Profit)/Loss on Sale of Assets	0.04	(1.12)
Employee Stock Option Compensation Cost	0.91	0.45
Lease Equalisation	12.23	23.91
Operating Profit before Working Capital Changes & Operating Activities	<u>949.47</u>	<u>942.17</u>
Adjustments for Operating Activities:		
(Increase)/decrease in Investments (incl. Current Investments)	(791.44)	(1,508.86)
(Increase)/decrease in Loans & Advances (incl. Current Maturities of Long-Term Loans & Advances)	2,260.91	(1,186.34)
Increase/(decrease) in Borrowings (incl. Current Maturities of Long-Term Liabilities)	(3,409.80)	2,634.36
Operating Profit before Working Capital Changes	<u>(990.86)</u>	<u>881.33</u>
Adjustments for:		
(Increase)/decrease in Current Assets	599.33	(1,083.98)
Increase/(decrease) in Current Liabilities	(175.22)	132.43
Cash Flow before Taxation	<u>(566.75)</u>	<u>(70.22)</u>
Income Tax (paid)/refund - Net	(84.61)	(5.85)
<b>Net cash from Operating Activities</b>	<u>(651.36)</u>	<u>(76.07)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(57.41)	(29.38)
Sale proceed of Fixed Assets	0.14	1.85
<b>Net cash used in/raised from Investing Activities</b>	<u>(57.27)</u>	<u>(27.53)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares by way of conversion of OCDs held by GoI	923.00	-
Issue of Equity Shares by way of Allotment to ESOP Trust	1.20	-
Share Premium (net of expenses)	1.04	43.79
Benevolent Reserve Fund	0.25	-
Dividend paid	(87.14)	(87.18)
<b>Net Cash from Financing Activities</b>	<u>838.35</u>	<u>(43.39)</u>
<b>Net Change in Cash and Cash Equivalent (A+B+C)</b>	<u>129.72</u>	<u>(146.99)</u>
Opening Cash and Cash Equivalent	468.12	615.11
Closing Cash and Cash Equivalent	<u>597.84</u>	<u>468.12</u>
<b>Increase/(decrease) in Cash and Cash Equivalent *</b>	<u>129.72</u>	<u>(146.99)</u>

**Note:** Figures for previous year have been re-grouped/re-classified, wherever considered necessary

\* Includes ₹7.96 crore (Previous Year - ₹3.70 crore) in Unclaimed Dividend Account

Notes form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **RAY & RAY**  
Chartered Accountants  
Firm Regn. No.301072E

**P. G. MURALIDHARAN**  
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Chief Financial Officer

**RUPA SARKAR**  
Company Secretary

Place : Thiruvananthapuram  
Dated : May 20, 2013

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. The Company adopts the accrual concept in the preparation of accounts. 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. Future results could differ from these estimates.

#### 1.2 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 (NPAs) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.
- (b) Front-end fees, Premium on pre-payment of loans/reduction in interest rates, LC Commission and Insurance Commission from Agency business are accounted for on realization basis.
- (c) Income from Merchant Banking/Loan Syndication Fees, Depository Services and Dividends are accounted for as income, once the right to receive is established.
- (d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/or before 31.03.2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.
- (e) 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.
- (f) Surplus on sale of investments is net of losses thereon.
- (g) Broking Income is recognised on the basis of settlement date of transactions.
- (h) 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.
- (i) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.
- (j) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.
- (k) 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 30 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.

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.

- (l) 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.
- (m) Revenue from external project services is recognised based on the Cost plus method. A fixed mark up percentage is added to the cost incurred towards construction and the total is recognised as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/architect.
- (n) Revenue from sale of property held as stock-in-trade is recognised upon transfer of possession or execution is sale deed, whichever is earlier.
- (o) 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 for on pro-rata basis.

#### 1.3 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 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.

#### 1.4 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) and Accounting Standard 13 on 'Accounting for Investments' as notified by the Companies (Accounting Standards) Rules, 2006.
  - (i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
  - (ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.
- (b) Security Receipts issued by an Asset Reconstruction Company (ARC)/Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value 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 calculators provided on the FIMMDA platform for the purpose.
- (d) In the case of IFCI Financial Services Ltd, current investments are considered as stock in trade and are valued at lower of cost or net realizable value.

#### 1.5 Derivatives

- (a) Equity Index/Stock/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:
- The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
  - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.
  - 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/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/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 over and above initial margin, 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.

## 1.6 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 Profit & Loss Account.
- (c) Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

## 1.7 Tangible Fixed Assets and Depreciation

- (a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31.03.2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.
- (b) Cost includes purchase price and all other 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.
- (c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.
- (d) Leasehold land is amortized over the lease period.
- (e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.
- (f) Leasehold Improvements are amortized over the lease period.
- (g) Mobile phones are fully depreciated in the year of acquisition itself.
- (h) In the case of IFCI Factors Ltd, depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.
- (i) Depreciation on all other assets is provided on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956 except in respect of Office Building and Plant & Machinery at Corporate Office of IFCI Ltd, which is provided on SLM. Assets having individual value of less than ₹5,000/- are charged to the Profit & Loss Account in the year of purchase.

## 1.8 Intangible Assets and Amortization

- (a) Intangible assets are recorded at the consideration paid for acquisition. Consideration 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.
- Intangible assets include computer software having perpetual license and are amortized @40% per annum on Written Down Value (WDV). However, in the case of intangible assets consisting of Computer software with longer 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.
- (b) 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.

## 1.9 Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation), had no impairment loss been recognized.

## 1.10 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. 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.
- (b) For restructured/rescheduled assets, provision is made in accordance with the 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 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.

## 1.11 Grants received from Government of India Under Interest Differential Fund (IDF)

Grants received from Government of India under Interest Differential Fund (IDF) is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development. Accordingly, the money so received, net of expenditure for the approved purposes is shown under 'Reserves and Surplus' in the Balance Sheet. The amounts invested and loans made out of the fund for approved purposes are shown under 'Investments' and 'Loans' respectively.

## 1.12 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.

## 1.13 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.

## 1.14 Miscellaneous Expenditure

- Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.
- Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.
- In the case of IFCI Infrastructure Development Ltd, pre-operative/preliminary expenditure incurred by the company is written off over a period of 5 years.

## 1.15 Employee Benefits

- Monthly contributions to the Retirement Funds viz. Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the 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 Accounts as and when due.
- IFCI has 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.
- Provision for leave encashment is being made on actuarial valuation basis.
- IFCI has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The same is charged against revenue as and when incurred.

## 1.16 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.

## 1.17 Taxation

Tax Expense comprises of current & deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable income and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

## 1.18 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.

## 2. SHARE CAPITAL

### 2.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
<b>AUTHORISED</b>				
Equity Shares of ₹10/- each	2,00,00,00,000	2,000.00	1,50,00,00,000	1,500.00
Cumulative Redeemable Preference Shares of ₹10/- each	1,00,00,00,000	1,000.00	1,50,00,00,000	1,500.00
<b>ISSUED</b>				
Equity Shares of ₹10/- each	1,72,92,84,689	1,729.29	80,50,84,785	805.08
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
<b>SUBSCRIBED</b>				
Equity Shares of ₹10/- each	1,66,33,53,935	1,663.36	73,91,54,031	739.15
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
<b>PAID UP</b>				
<b>(A) EQUITY</b>				
Equity Shares of ₹10/- each	1,66,20,37,235	1,662.04	73,78,37,331	737.84
<b>TOTAL - EQUITY</b>	<u>1,66,20,37,235</u>	<u>1,662.04</u>	<u>73,78,37,331</u>	<u>737.84</u>
<b>(B) PREFERENCE</b>				
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	3,88,43,100	38.84
<b>TOTAL - PREFERENCE</b>	<u>26,38,43,100</u>	<u>263.84</u>	<u>26,38,43,100</u>	<u>263.84</u>
<b>TOTAL SHARE CAPITAL</b>		<u>1,925.88</u>		<u>1,001.68</u>

**2.2 Reconciliation of the Number of Equity Shares and Share Capital:**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
<b>Issued Capital</b>				
Outstanding at the beginning of the period	80,50,84,785	805.08	80,50,84,785	805.08
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,72,92,84,689	1,729.28	80,50,84,785	805.08
<b>Subscribed Capital</b>				
Outstanding at the beginning of the period	73,91,54,031	739.15	73,91,54,031	739.15
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,66,33,53,935	1,663.35	73,91,54,031	739.15
<b>Paid up Capital</b>				
Outstanding at the beginning of the period	73,78,37,331	737.84	73,78,37,331	737.84
Add: Shares allotted as fully paid up in favour of GoI on conversion of OCDs held by them	92,30,00,000	923.00	-	-
Add: Shares issued to Employees Stock Option Trust on vesting of employee stock options	11,99,904	1.20	-	-
Outstanding at the end of the period	1,66,20,37,235	1,662.04	73,78,37,331	737.84

**2.3 Terms/Rights attached to equity shares:**

The Company has only one class of share capital, i.e. equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share.

**2.4 Shareholders holding more than 5% of Equity Shares as at the end of the period:**

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	Share-holding %	Number of Shares	Share-holding %
Government of India	92,30,00,000	55.57	-	-
Life Insurance Corporation of India	-	-	6,19,34,044	8.39

**2.5 Employee Stock Option Scheme:**

IFCI Limited had, during the previous year, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme.

	Year ended 31.03.2013		Year ended 31.03.2012	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
<b>ESOP A</b>				
Outstanding at the beginning of the period	45,54,700	17.55	-	-
Granted during the period	-	-	45,73,312	17.55
Cancelled during the period	7,52,701	17.55	18,612	17.55
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	38,01,999*	17.55	45,54,700	17.55
*includes shares allotted to Employee Stock Option Trust	9,82,332	17.55	-	-

The charge towards ESOP Compensation included under Salaries is ₹ 0.91 crore (Previous Year - ₹ 0.45 crore)

**ESOP B**

	Year ended 31.03.2013		Year ended 31.03.2012	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	26,23,681	23.40	-	-
Granted during the period	-	-	26,23,681	23.40
Cancelled during the period	5,98,905	23.40	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	20,24,776*	23.40	26,23,681	23.40
*includes shares allotted to Employee Stock Option Trust	2,17,572	23.40	-	-

IFCI Factors Limited had, during the previous year, granted options for 43,49,718 shares under Employees Stock Option Plan 2011, subject to the vesting conditions mentioned in the Scheme.

	Year ended 31.03.2013		Year ended 31.03.2012	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
<b>Series I</b>				
Outstanding at the beginning of the period	24,85,457	16.35	-	-
Granted during the period	-	-	31,87,710	16.35
Cancelled during the period	2,84,697	16.35	702,253	16.35
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	22,00,760	16.35	24,85,457	16.35

ESOP 2011 has no impact on the compensation cost in the statement of profit and loss & financial position of the Company since the Company has followed Intrinsic Value Method where in Exercise price of option is same as Intrinsic Value of the Share on Grant Date.

**Note 2.5 (Contd..)**

	Year ended 31.03.2013		Year ended 31.03.2012	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
<b>Series II</b>				
Outstanding at the beginning of the period	11,62,008	16.35	-	-
Granted during the period	-	-	11,62,008	16.35
Cancelled during the period	3,90,502	16.35	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	7,71,506	16.35	11,62,008	16.35

3. RESERVES AND SURPLUS	(₹ crore)	
	As at March 31, 2013	As at March 31, 2012
(a) Capital Reserve	0.89	0.89
(b) Amalgamation Reserve	1.10	1.10
(c) Capital Redemption Reserve	193.14	193.14
(d) Capital Reserve on consolidation		
Opening Balance	9.87	4.20
Additions/Transfers during the year	-	5.67
Closing Balance	9.87	9.87
(e) Securities Premium Reserve		
Opening Balance	1,058.93	1,041.08
Additions/Transfers during the year	1.61	43.79
Deductions/Transfers during the year	(17.59)	(25.94)
Closing Balance	1,042.95	1,058.93
(f) Debenture Redemption Reserve		
Opening Balance	5.00	5.00
Transfer to General Reserve	(5.00)	-
Closing Balance	-	5.00
(g) Revaluation Reserve (refer foot-notes of note 11)		
Opening Balance	958.28	978.00
Deduction on account of Depreciation	(19.03)	(19.04)
Deduction on account of transfer/sale/disposal	-	(0.68)
Closing Balance	939.25	958.28
(h) Share Options Outstanding A/c		
Employee Stock Options Outstanding	1.65	2.66
Less: Deferred Employee Compensation Outstanding	(0.86)	(2.21)
Employee Compensation Charged		0.45
(i) Grant received from GoI under KfW Loans (foot-note 1)	184.48	184.48
(j) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (foot-note 2)		
- for the period upto 31.03.1997	1.74	1.74
- after 01.04.1997		
Opening Balance	35.00	20.00
Additions/Transfers during the year	15.00	15.00
Closing Balance	50.00	35.00
(k) Reserve u/s 45IC of RBI Act (foot-note 2)		
Opening Balance	592.65	454.90
Additions/Transfers during the year	107.94	137.75
Closing Balance	700.59	592.65
(l) Benevolent Reserve		
Opening Balance	4.11	4.11
Additions/Transfers	0.25	-
Transfer to General Reserve	(4.36)	-
Closing Balance	-	4.11
(m) General Reserve		
Opening Balance	131.54	131.54
Transfer from Benevolent Reserve	4.36	-
Transfer from Debenture Redemption Reserve	5.00	-
Closing Balance	140.90	131.54

**Note 3 (Contd..)**

	(₹ crore)	
	As at March 31, 2013	As at March 31, 2012
(n) Profit & Loss Account		
Opening Balance	1,673.49	1,198.81
Add: Profit for the year	497.36	687.73
Share of the profits in Associates	35.03	28.68
Less: Appropriations		
Reserve u/s 45IC of RBI Act	(107.94)	(137.75)
Special Reserve u/s 36(1)(viii)	(15.00)	(15.00)
Proposed Dividend		
– Equity @ ₹ 1 per share	(166.20)	(73.78)
– Preference @ ₹ 0.01 per share	(0.26)	(0.26)
– Dividend proposed/paid to minorities by subsidiaries	(0.08)	(0.13)
Tax on Distributed Profits		
– Equity	(26.96)	(11.97)
– Preference	(0.05)	(0.05)
– Proposed/paid by Subsidiaries	(0.98)	(2.79)
Closing Balance	<u>1,888.41</u>	<u>1,673.49</u>
<b>TOTAL</b>	<b>5,154.11</b>	<b>4,850.67</b>
Less: Minority Interest	4.18	3.80
Less: Share of pre-acquisition reserves in Subsidiary Companies	42.20	42.66
	<u>46.38</u>	<u>46.46</u>
<b>TOTAL RESERVES AND SURPLUS</b>	<b>5,107.73</b>	<b>4,804.21</b>

- Foot-notes:**
- In terms of agreement governing the KfW loan, a part of the interest payable by Company to KfW was made to be utilised for specific purposes and the said amount stands so utilised in earlier years.
  - Special Reserve u/s 36(1)(viii) of Income Tax Act and Reserve u/s 45IC of RBI Act are created to meet specific regulatory and legal requirement.

	(₹ crore)			
	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
<b>4. LONG - TERM BORROWINGS</b>				
<b>4.1 RUPEE LOANS - UNSECURED</b>				
<b>(a) Optionally Convertible Debentures (OCDs)</b>				
(i) 9.75% Govt. of India - Redeemable on 30.10.2021	–	–	400.00	–
Sub - Total 'a' (refer foot note 1)	–	–	400.00	–
<b>(b) Non-Convertible Debentures (NCDs)</b>				
(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) 0.00% LIC - Redeemable on 01.04.2022	418.19	–	418.19	–
Sub - Total 'b'	<u>818.19</u>	–	<u>818.19</u>	–
<b>(c) Bonds</b>				
(i) Guaranteed by Government of India and redeemable at par (refer foot note 2)	1,643.27	195.50	1,838.77	297.41
(ii) Privately Placed Bonds	4,959.06	955.76	5,049.84	348.31
(iii) Privately Placed Zero Coupon Bonds. Unamortised discount - ₹ 907.64 crore (Previous Year - ₹ 919.11 crore)	129.11	–	117.64	–
(iv) Infrastructure Bonds	1,029.36	–	964.40	–
(v) Subordinate - Tier II Bonds	1,322.97	–	1,233.30	–
(vi) Application Money	4.00	–	–	–
Sub-Total 'c' (refer foot note 3)	<u>9,087.77</u>	<u>1,151.26</u>	<u>9,203.95</u>	<u>645.72</u>
<b>(d) Other Long Term Borrowings</b>				
(i) Government of India under restructuring (refer foot note 4)	–	–	523.00	–
(ii) Banks and FIs (refer foot note 5)	3,806.99	2,438.18	5,926.00	2,759.84
(iii) Government of India under KfW Loans	23.13	–	23.13	–
(iv) Others	7.72	–	8.64	28.65
Sub-Total 'd'	<u>3,837.84</u>	<u>2,438.18</u>	<u>6,480.77</u>	<u>2,788.49</u>
<b>TOTAL (RUPEE LOAN - UNSECURED)</b>	<b>13,743.80</b>	<b>3,589.44</b>	<b>16,902.91</b>	<b>3,434.21</b>

**Foot-notes:**

- GoI had the option of converting the debentures, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. GoI exercised the conversion option during the year and the Company has accordingly allotted 40 crore equity shares of ₹ 10 each of IFCI Limited at par in favour of GoI in October, 2012.
- The bonds were originally guaranteed by GoI and subsequently rolled over for a period of 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26 and December 2, 2002. However, there has not been any communication from GoI explicitly guaranteeing these bonds during the rolled over period.
- Put/Call Option applicable on ₹ 2,943.70 crore (Previous Year - ₹ 2,721.41 crore).
- Loan from GoI was to be issued in the form of 0.1% Optionally Convertible Debentures redeemable on 28.03.2023 had a right of recompense on par with other stakeholders. During the year OCDs of ₹ 523 crore were issued in favour of GoI as approved in the EGM of Company held on December 5, 2012. GoI having exercised the option of conversion during the current year, the Company has allotted 52.30 crore equity shares of ₹ 10 each of IFCI Ltd at par in favour of GoI in December, 2012.
- Put/Call Option applicable on ₹ 315.00 crore (Previous Year - ₹ 465.00 crore).



	(₹ crore)	
	As at March 31, 2013	As at March 31, 2012
<b>8. TRADE PAYABLES</b>		
(a) Sundry Creditors		
(i) Total outstanding dues to Micro, Small and Medium Enterprises	-	-
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	222.52	283.30
(b) Contractual Liability against Sundry Debtors Collection	239.00	302.60
<b>TOTAL</b>	<b>461.52</b>	<b>585.90</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long-Term Debt		
(i) Rupee (refer notes 4.1, 5(a)(ii) & 5(c))	3,686.87	3,522.00
(ii) Foreign Currencies (refer note 4.2)	24.55	23.96
(b) Interest accrued but not due on bonds and borrowings	428.75	431.65
(c) Interest accrued and due on bonds and borrowings	0.23	-
(d) Income received in Advance	93.29	59.93
(e) Unclaimed Dividend	7.96	3.71
(f) Unpaid Matured Debentures	2.67	2.62
(g) Other Liabilities (trade deposits and other payables)	350.75	346.91
<b>TOTAL</b>	<b>4,595.07</b>	<b>4,390.78</b>

<b>10. FIXED ASSETS - TANGIBLE ASSETS</b>											(₹ crore)
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Additions	Disposals	As at 31.03.2013	As at 01.04.2012	For the year	Disposals	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
<b>Owned Assets</b>											
Freehold Land @	132.39	-	-	132.39	-	-	-	-	132.39	132.39	
Leasehold Land @	298.97	28.15	-	327.12	25.20	5.25	-	30.45	296.67	273.77	
Buildings @	986.32	19.42	-	1,005.74	108.46	24.01	-	132.47	873.27	877.86	
Leasehold Improvements	3.29	-	-	3.29	0.66	0.66	-	1.32	1.97	2.63	
Plant & Machinery	30.15	2.81	-	32.96	7.14	3.69	-	10.83	22.13	23.01	
Furniture & Fixtures	33.43	4.12	0.08	37.47	10.24	4.49	0.04	14.69	22.78	23.19	
Vehicles	3.99	0.14	0.09	4.04	1.98	0.46	0.09	2.35	1.69	2.01	
Office Equipments	18.61	0.72	0.36	18.97	12.67	1.85	0.26	14.26	4.71	5.94	
Electrical Installations and Equipments	24.74	1.18	0.06	25.86	8.65	2.32	0.02	10.95	14.91	16.09	
<b>Leased Assets</b>											
Plant & Machinery	197.92	-	-	197.92	197.92	-	-	197.92	-	12.23	
<b>TOTAL</b>	1,729.81	56.54	0.59	1,785.76	372.92	42.73	0.41	415.24	1,370.52	1,369.12	
Previous Year	1,609.44	143.27	22.90	1,729.81	355.04	39.38	21.50	360.69	1,369.12		

Foot-notes:

@ includes on account of revaluation:

- Freehold Land - Gross Block as on 01.04.2012 - ₹69.91 crore; Additions - ₹ Nil.; Deductions - ₹ Nil.; as on 31.03.2013 - ₹69.91 crore

- Leasehold Land - Gross Block as on 01.04.2012 - ₹277.36 crore; Additions - ₹ Nil.; Deductions - ₹ Nil.; as on 31.03.2013 - ₹277.36 crore; Dep. for the year - ₹4.69 crore (Previous Year - ₹4.69 crore)

- Building - Gross Block as on 01.04.2012 - ₹686.71 crore; Additions - Nil; Deductions - Nil; as on 31.03.2013 - ₹686.71 crore; Dep. for the year - ₹14.34 crore (Previous Year - ₹14.35 crore)

Gross Block includes ₹1,033.99 crore (Previous Year - ₹1,033.99 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10. The additional charge of depreciation of ₹19.03 crore for the year (Previous Year - ₹19.04 crore) on revaluation carried out in earlier years has been charged to Profit & Loss Account and an equivalent amount withdrawn from Revaluation Reserve and credited to Profit and Loss Account.

<b>11. FIXED ASSETS - INTANGIBLE ASSETS</b>											(₹ crore)
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2012	Additions	Disposals	As at 31.03.2013	As at 01.04.2012	For the year	Disposals	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
Computer Software	6.35	0.50	-	6.85	3.90	1.02	-	4.92	1.93	2.45	
Non-compete Fee	0.99	-	-	0.99	0.99	-	-	0.99	-	-	
Membership Card	0.32	-	-	0.32	0.32	-	-	0.32	-	-	
<b>TOTAL</b>	7.66	0.50	-	8.16	5.21	1.02	-	6.23	1.93	2.45	
Previous Year	7.02	0.82	0.18	7.66	3.78	1.61	0.18	5.21	2.45		

<b>12. NON - CURRENT INVESTMENTS</b>			(₹ crore)	
<b>A. QUOTED</b>			As at March 31, 2013	As at March 31, 2012
<b>1. Equity Shares</b>				
(a) Associates			188.07	165.16
(b) Assistance under financing			838.40	872.55
(c) Others			1,010.92	784.75
			<b>2,037.39</b>	<b>1,822.46</b>
<b>2. Bonds</b>			230.37	230.45
<b>3. Warrants</b>			0.03	-
<b>4. Units</b>			0.51	0.51



# IFCI Limited (Consolidated Financial Statements)



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Note 12 (Contd..)

(₹ crore)

	As at March 31, 2013	As at March 31, 2012
<b>B. UNQUOTED</b>		
<b>1. Equity Shares</b>		
(a) Associates	333.01	320.89
(b) Joint Venture	0.01	0.01
(c) Assistance under financing	2,100.09	2,493.99
(d) Others	77.77	76.27
	<u>2,510.88</u>	<u>2,891.16</u>
<b>2. Preference Shares</b>	381.21	386.61
<b>3. Debentures/Bonds</b>		
(a) Joint Venture	2.64	2.64
<b>4. Security Receipts</b>	64.07	70.43
<b>5. Warrants</b>	-	0.06
<b>6. Government Securities</b>	400.00	400.01
<b>7. Units</b>	340.84	363.61
<b>TOTAL</b>	<u>5,967.94</u>	<u>6,167.94</u>
Less: Provision for Diminution in value	567.46	568.95
<b>TOTAL</b>	<u>5,400.48</u>	<u>5,598.99</u>
<b>QUOTED</b>		
(1) Total Book Value	2,268.30	2,053.42
– Equity Shares	2,037.39	1,822.46
– Others	230.91	230.96
(2) Total Market Value	1,507.86	1,746.45
– Equity Shares	1,275.67	1,520.37
– Others	232.19	226.08
<b>UNQUOTED</b>		
(1) Total Book Value	3,699.64	4,114.52
– Equity Shares	2,510.88	2,891.16
– Preference Shares	381.21	386.61
– Others	807.55	836.75

## NON-CURRENT INVESTMENTS - DETAILS

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/Units	Amount (₹ crore)	No. of Shares/Units	Amount (₹ crore)
<b>QUOTED</b>				
<b>Equity Shares (Associates)</b>				
(a) Tourism Finance Corporation of India Ltd	3,43,04,266	86.21	3,43,04,266	86.21
Add: Capital Reserve		9.57		9.57
Add: Other adjustments/distribution of Profits		(1.52)		(1.52)
Add: Share of accumulated profits/reserves		93.81		70.90
{Including share of current year's profit ₹22.91 crore (Previous Year - ₹20.25 crore)}				
		<b>188.07</b>		<b>165.16</b>
<b>Bonds</b>				
(a) LIC Housing Finance Ltd	300	30.31	300	30.37
(b) HDFC Ltd	1,900	190.00	1,900	190.00
(c) Power Finance Corporation Ltd	100	10.06	100	10.08
<b>Units</b>				
(a) Investment in UTI Balance Fund	5,00,000	0.51	5,00,000	0.51
<b>Warrants</b>				
(a) Bharat Forge Ltd	1,50,000	0.03	-	-
<b>UNQUOTED</b>				
<b>Equity Shares (Associates)</b>				
(i) Assets Care & Reconstruction Enterprise Ltd	72,48,334	7.33	72,48,334	7.33
Add: Share of accumulated profits/reserves		7.86		6.88
{Including share of current year's profit ₹0.98 crore (Previous Year - ₹2.37 crore)}				
		<b>15.19</b>		<b>14.21</b>
(ii) HIMCON Ltd	735	0.07	735	0.07
Add: Share of accumulated profits/reserves		0.71		0.56
{Including share in current year's profit ₹0.15 crore (Previous Year - ₹0.02 crore)}				
		<b>0.78</b>		<b>0.63</b>
(iii) HARDICON Ltd	4,550	0.28	4,550	0.28
Add: Capital Reserve		0.10		0.10
Add: Share of accumulated profits/reserves		1.00		0.51
{Including share in current year's profit ₹0.49 crore (Previous Year - ₹0.17 crore)}				
		<b>1.38</b>		<b>0.89</b>

**Note 12 (Contd..)**

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares/Units	Amount (₹ crore)	No. of Shares/Units	Amount (₹ crore)
(iv) NITCON Ltd	9,750	0.13	9,750	0.13
Add: capital reserves		0.20		0.20
Add: Share of accumulated profits/reserves (Including share in current year's profit ₹0.14 crore (Previous Year - ₹0.20 crore))		0.56		0.42
		0.89		0.75
(v) Stock Holding Corporation of India Ltd (including goodwill ₹144.61 crore)	71,40,000	297.22	71,40,000	297.22
Add: Share of accumulated profits/reserves (Including share in current year's profit ₹10.36 crore (Previous Year - ₹7.19 crore))		17.55		7.19
		314.77		304.41
<b>Equity Shares (Joint Venture)</b>				
(i) IFCI Sycamore Capital Advisors Pvt Ltd	10,000	0.01	10,000	0.01
<b>Bonds (Joint Venture)</b>				
(i) IFCI Sycamore Capital Advisors Pvt Ltd	4,50,000	2.64	4,50,000	2.64
<b>Government Securities</b>				
(i) 9.75% GoI (IFCI Ltd) Special Security, 2021	4,00,00,00,000	400.00	4,00,00,00,000	400.00
(ii) Government Securities and Treasury Bills	-	-	1,00,000	0.01
<b>Units</b>				
(i) Units of IACM-1-D (Fund promoted by IVCF)	14,20,04,279	142.00	16,50,00,000	165.00
(ii) Units of IEDF Fund promoted by IVCF	4,74,31,884	47.43	5,00,00,000	50.00
(iii) Units of GIVF Fund promoted by IVCF	4,16,73,690	41.68	4,77,01,149	47.70
(iv) Units of CANBANK Venture Capital Fund	17,21,000	17.21	12,05,000	12.05
(v) Units of Golden Gujarat Growth Fund - I	1,131	11.31	-	-

13. DEFERRED TAX ASSET (NET)	(₹ crore)	
	As at March 31, 2013	As at March 31, 2012
(a) Unabsorbed Business Loss *	-	-
(b) Unabsorbed Depreciation *	-	-
(c) Provision against Loans/Advances & other Assets	754.05	845.91
(d) Timing difference in Depreciable Assets	(36.06)	(39.39)
(e) Other Timing Differences	14.23	34.16
<b>TOTAL</b>	<b>732.22</b>	<b>840.68</b>

\* as evidenced from the income tax return filed by the Company

14. LOANS	(₹ crore)			
	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Loans to Assisted Concerns				
(i) Rupees and Foreign Currencies	9,212.89	3,538.77	11,200.72	4,335.09
(ii) Advance for Assets	80.02	-	80.56	-
(b) Debentures	2,940.46	316.28	2,607.70	520.32
(c) Loan to Subsidiaries/Associates	42.05	26.67	71.22	-
(d) Lease Rental Receivable	2.38	-	7.79	-
	12,277.80	3,881.72	13,967.99	4,855.41
Less: Allowance for bad and doubtful assets				
- Loans	1,485.85	1.13	1,673.00	-
- Debentures	157.18	-	201.19	-
<b>TOTAL</b>	<b>10,634.77</b>	<b>3,880.59</b>	<b>12,093.80</b>	<b>4,855.41</b>

Note:

- The above amounts include interest and other charges accrued and due
- Out of the above:
  - Considered good
  - Considered doubtful

10,634.77	3,880.59	12,093.80	4,855.41
1,643.03	1.13	1,874.19	-
12,277.80	3,881.72	13,967.99	4,855.41



	As at March 31, 2013	(₹ crore) As at March 31, 2012
<b>18. TRADE RECEIVABLES</b>		
(a) Secured		
– More than 6 months	3.18	–
– Others	15.48	163.12
(b) Unsecured		
– More than 6 months	51.25	51.74
– Others	1,364.87	1,182.72
Less: Allowance for bad and doubtful debts	(23.78)	(21.83)
<b>TOTAL</b>	<b>1,411.00</b>	<b>1,375.75</b>
Note:		
Out of the above:		
(i) Considered good	1,411.00	1,375.75
(ii) Considered doubtful	23.78	21.83
Less: Allowance for bad and doubtful debts	(23.78)	(21.83)
	<b>1,411.00</b>	<b>1,375.75</b>
<b>19. CASH &amp; CASH EQUIVALENTS</b>		
(a) Balances with Banks		
– Bank balance	25.66	39.99
– Unclaimed Dividend Account	7.96	3.71
– Balances with Banks held as margin money/security against guarantees	36.01	22.95
– Bank deposits *	527.67	373.14
(b) Cheques on hand & under collection & remittances in transit	0.48	28.30
(c) Cash in hand (including postage stamps)	0.06	0.03
<b>TOTAL</b>	<b>597.84</b>	<b>468.12</b>
* includes deposits with more than 12 months remaining maturity	6.37	12.41
	<b>6.37</b>	<b>12.41</b>
<b>20. REVENUE FROM OPERATIONS</b>	<b>For the year ended March 31, 2013</b>	<b>(₹ crore) For the year ended March 31, 2012</b>
(a) On Lending Operations		
(i) Loans	1,908.63	2,078.86
(ii) Debentures	456.29	331.47
(b) On Investment Operations		
(i) Dividend (Gross)		
– Long-term	36.84	46.96
– Current	0.14	0.45
(ii) Profit on sale of Long term Shares/Debentures (Net)		
– Assistance under financing - Long-term	210.45	106.59
– Investments - Long-term	29.31	24.57
– Investments - Current	2.68	1.20
(iii) Income from deployment of Funds	224.23	206.35
(c) Leasing Operations		
(i) Lease Rentals etc	10.14	27.09
(ii) Lease Equalisation Account	(12.23)	(23.91)
(d) Business Services Fees and Commission (including Guarantee Commission)	72.67	99.49
(e) Exchange Fluctuation Gains/(Loss)	(1.43)	(2.22)
(f) Provision/Write off/Liability no longer required written back	25.59	124.02
(g) Sale proceeds of stock in trade	184.28	68.83
<b>TOTAL</b>	<b>3,147.59</b>	<b>3,089.75</b>
<b>21. OTHER INCOME</b>		
(a) Interest on staff advances	0.91	0.98
(b) Profit on sale of fixed assets (Net)	(0.04)	1.12
(c) Rental Income	20.84	21.75
(d) Dividend from Associates	8.84	–
(e) Miscellaneous Income	10.53	17.17
<b>TOTAL</b>	<b>41.08</b>	<b>41.02</b>
<b>22. COST OF BORROWINGS</b>		
(a) Interest on Rupee Bonds and Borrowings	1,871.75	1,919.84
(b) Interest on Foreign Currency Borrowings	36.14	22.57
(c) Interest on Bank Overdraft	2.48	0.68
(d) Interest on funds placed with the Company	4.52	4.10
(e) Commitment Charges, Brokerage, Commission and other costs	3.80	8.45
<b>TOTAL</b>	<b>1,918.69</b>	<b>1,955.64</b>

	For the year ended March 31, 2013	(₹ crore) For the year ended March 31, 2012
<b>23. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
(a) Salaries and Allowances	63.06	71.82
(b) Contribution to Retirement Funds	21.98	17.99
(c) Staff Welfare Expenses	4.18	4.29
(d) Employee Compensation Expense (ESOP)	0.91	0.45
<b>TOTAL</b>	<b>90.13</b>	<b>94.55</b>
<b>24. ESTABLISHMENT AND OTHER EXPENSES</b>		
(a) Rent	2.03	2.74
(b) Rates and Taxes	6.03	3.40
(c) Insurance	0.68	0.57
(d) Repairs and Maintenance		
– Buildings	12.51	9.44
– IT	1.60	1.20
– Others	1.55	1.48
(e) Electricity & Water Charges	7.26	5.78
(f) Security	2.03	2.55
(g) Payment to Auditors	0.45	0.44
(h) Directors' Fee & Expenses	0.95	0.43
(i) Publications, Advertisements & Business Development *	5.02	7.37
(j) Consultation and Law Charges *	9.41	12.68
(k) Commission	2.65	2.46
(l) Travelling & Conveyance	3.54	5.45
(m) Training & Development	6.70	10.77
(n) Postage & Telephone	2.52	2.78
(o) Printing & Stationery	1.15	2.24
(p) Listing/ Filing/ Custody Fee	1.54	1.16
(q) Other Miscellaneous Expenses	13.62	9.66
<b>TOTAL</b>	<b>81.24</b>	<b>82.60</b>

\* net of expenditure booked during the previous years, reversed and debited to loan account during the current period as the same is recoverable from assisted concerns - Publications & Advertisements (₹ 0.51 crore); Consultation and Law Charges (₹ 0.94 crore)

	For the year ended March 31, 2013	(₹ crore) For the year ended March 31, 2012
<b>25. PROVISION FOR BAD &amp; DOUBTFUL ASSETS (NET OF WRITE OFF)</b>		
(a) Loans & Advances		
– Amount received in respect of assets provided for	152.21	177.51
– Write-off	(462.77)	(240.08)
Less: Transfer from provision held for Bad & Doubtful Debts	447.44	236.39
– Provision for Bad & Doubtful Assets	(282.11)	(57.71)
– Provision u/s 36(1)(vii)(c) of Income Tax Act, 1956	(4.29)	32.86
(b) Investments		
– Provision Reversal	4.94	(67.07)
– Write-off	(0.13)	
– Provision made	(25.95)	0.30
– Provision Reversal - mark to market	0.41	
(c) Debtors		
– Write-off	(7.64)	
– Provision made	(2.00)	
(d) Other Loans & Advances	(12.12)	
<b>TOTAL</b>	<b>(192.01)</b>	<b>82.20</b>

26(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd and its following subsidiaries as on 31.03.2013 and for the year ended on that date:

Name of the Subsidiary	Proportion of Ownership Interest (%)
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 Ltd	79.72
IFIN Commodities Limited - Wholly owned subsidiary of IFIN	
IFIN Credit Limited - Wholly owned subsidiary of IFIN	
Narayan Sriram Investments Private Limited - Wholly owned subsidiary of IFIN	
IIDL Realtors Pvt Ltd - Wholly owned subsidiary of IIDL	
All the subsidiaries are incorporated in India.	

26(b) 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 (%)
Tourism Finance Corporation of India Ltd	42.50
Assets Care & Reconstruction Enterprise Ltd	37.91
Stock Holding Corporation of India Ltd	33.91
HARDICON Ltd	45.50
HIMCON Ltd	49.00
NITCON Ltd	48.75

Particulars of investments as on March 31, 2013 is as under:

Name of the Associates	TFCI	SHCIL	ACRE	HARDI-CON	HIM-CON	NIT-CON
Original Cost of Investments	86.21	297.22	7.25	0.28	0.07	0.13
Accumulated share in profit at the beginning of the year	69.38	7.19	6.88	0.51	0.56	0.42
Acquired during the year	-	-	-	-	-	-
Share of profit for the year	22.91	10.36	0.98	0.49	0.15	0.14
Capital Reserve	9.57	-	-	0.10	-	0.20
<b>Carrying Cost of Investments</b>	<b>188.07</b>	<b>314.77</b>	<b>15.11</b>	<b>1.38</b>	<b>0.78</b>	<b>0.89</b>

26(c) Un-audited accounts of Associates have been compiled to include all their components and the management takes complete responsibility for the correctness and appropriateness of these accounts.

26(d) Though the Company holds more than 20% of voting power in certain entities, the same are not treated as investment in an Associate under AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements' mainly due to lack of significant influence.

## 27. Effect of changes in shareholding pattern:

Through exercise of option of conversion by the Government of India, the Optionally Convertible Debentures of ₹400 crore held by GoI and Loan of ₹523 crore provided by GoI were converted into 92.30 crore equity shares of the Company at par through necessary approvals by the Board of Directors and the shareholders, during the year. Further during the year, vesting of 12 lakh equity shares was done under the IFCI Employees Stock Option Scheme and subsequently, these shares were allotted to the IFCI Employees Stock Option Trust. With these conversions and vesting under ESOP, paid-up equity share capital stands increased from ₹737.84 crore to ₹1,662.04 crore. Consequent upon such increase, the Central Government alongwith Corporations owned or controlled by the Central Government hold more than 51% of the paid up share capital of the company. Accordingly, the provisions of Section 619B read with Section 619 of the Companies Act, 1956 with regard to audit of accounts have become applicable to the company.

## 28. Contingent Liabilities and Commitments (to the extent not provided for):

### 28.1 Contingent Liabilities: (₹ crore)

As at	31.03.2013	31.03.2012
(i) Guarantees issued in Indian Currency	-	26.96
(ii) Bank Guarantees	42.35	14.63
(iii) Performance Guarantees issued	0.02	0.57
(iv) Export Obligations under EPCG Licenses (IIDL)	38.07	38.23
(v) Claims not acknowledged as debts	184.60	162.46
(vi) Tax Matters		
- Income Tax	29.05	27.33
- Service Tax	13.21	5.66
In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.		
(vii) Bank guarantees aggregating to ₹24.75 crore (Previous Year - ₹29.16 crore) to the Stock/Commodity Exchanges as on 31.03.2013 for meeting margin requirements. Fixed deposits aggregating of ₹19.62 crore (Previous Year - ₹16.34 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI Financial Services Ltd to a bank for issue of bank guarantee to the subsidiary company, IFIN Commodities Ltd - ₹5 crore (Previous Year - ₹5 crore).		

### 28.2 Commitments: (₹ crore)

As at	31.03.2013	31.03.2012
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	109.14	104.43
(ii) Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	2,624.64	392.97

29. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide Notification dated February 8, 2011, has exempted Public Financial Institutions as specified under Section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfillment of certain conditions. The accounts for the year ended March 31, 2013 have been prepared in accordance therewith.

30. During the year, the Company has obtained valuation of certain long-term unquoted investments by an independent valuer. The report of the said expert has been considered for the purpose of assessment of decline other than temporary in the value of said long term unquoted investments.

31. Ministry of Finance, Department of Corporate Affairs, has granted a general exemption under Section 212(8) of the Companies Act, 1956, regarding attachment of the Balance sheet of Subsidiaries. Requisite details requiring disclosure in terms of the exemption are given as under:

Year ended March 31 of	IFIN		IVCF		IIDL		IFL		MPCON	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Capital (incl. Appl. Money)	41.53	41.53	60.37	60.37	477.10	495.23	79.36	79.36	1.00	1.00
Reserves	36.68	35.73	100.87	87.17	27.67	19.11	80.83	67.41	3.15	2.68
Total Assets	103.39	108.07	505.80	464.52	736.04	727.02	1,407.51	1,523.18	9.44	8.68
Total Liabilities	25.18	30.81	344.56	316.98	231.27	212.68	1,247.32	1,376.41	5.29	5.00
Investments	40.66	45.46	94.20	89.52	118.47	125.55	-	-	0.08	0.09
Turnover (incl. Prior Period Income)	24.13	25.45	78.85	50.99	195.87	85.40	176.60	161.86	12.02	8.94
Profit before Taxation	0.96	(20.25)	31.16	27.53	13.88	11.70	28.23	37.50	0.67	0.55
Provision for Taxation	-	(0.07)	10.45	(8.53)	5.32	1.42	9.00	12.37	0.20	0.17
Profit after Taxation	0.96	(20.32)	20.71	19.00	8.56	10.28	19.23	25.13	0.47	0.38
Proposed Dividend (incl. CDT)	-	-	-	-	-	-	-	6.46	-	-

32. IFCI Financial Services Ltd has changed its leave policy during the financial year 2010-11. As per the revised policy, an employee is entitled to 24 days of earned leave per year and any leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary in January. As such leave encashment liability for the period upto December 31, 2012 if fulfilled. Provision for the period from January 1, 2013 to March 31, 2013 is provided for in the books for an amount of ₹ 0.08 crore.

33. Factored Debts purchased are included under Current Assets as 'Trade Receivables'. The unpaid balance of the price of the debts factored and due to the clients on collection is included under 'Other Current Liabilities' as 'Contractual Liability against Collection of Trade Receivables'.

34. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹2.04 crore in 2012-13 (Previous Year - ₹2.60 crore).

35. In the case of IFCI Infrastructure Development Ltd (IIDL):

- Fixed Assets include the cost (₹2.41 crore) of Residential flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd who acquired the assets under Securitisation Act (SARFA & ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd.
- 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 court has directed the company not to develop the said property till further order and to maintain status quo. Pending final outcome from the Court, no adjustment has been made in the books.
- Certain properties acquired by the Company during auction under SARFA & ESI Act or for a consideration other than cash are accounted for in the books of the Company on the basis of sales certificate or sale confirmation letter issued by the seller, pending vetting from legal angle.
- Inventories include three properties acquired from IFCI Ltd for consideration other than cash amounting to ₹46.68 crore where the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has been taken over.



36. Trade payables include an amount of ₹69.02 crore received in terms of various agreements entered into with the promoter of the investee company for Share subscription/Share buyback. These proceeds are in the nature of part payments towards specified internal rate of return and/or share buyback. Due to inherent uncertainty in respect of the final gains/losses in such transactions, if any, at the time of actual buyback, the proceeds have been treated as advance receipts in the accounts.
37. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation.
38. 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, 2013. 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.
39. 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 issued by the ICAI read with RBI guidelines.
40. IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Dist. West Bengal. Disclosures required in terms of Accounting Standard-7 issued by ICAI - 'Construction Contracts' are as under:

(₹ crore)	
Contract	Amount
Contract revenue recognized during the year	41.79
Contract expenses recognized during the year	37.31
Recognized Profits	4.48
Total Contract Costs (approx.)	90.91
Unbilled Contracts Cost	4.50
Advances Received	11.00

- Cost-plus contract method has been used to determine the contract revenue recognized in the period.
- The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/architect.
- Contract Work in Progress as on the reporting date is ₹4.50 crore (Unbilled contract cost).

41. Defined Benefit Plans/Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2013 and recognized in the financial statements in respect on Employee Benefit Schemes.

For the year ended	31.03.2013		31.03.2012	
	Gratuity	Leave	Gratuity	Leave
	Funded	Un-funded	Funded	Un-funded
(₹ crore)				
I. Components of Employer Expense				
1. Current Service Cost	0.55	0.92	0.92	1.39
2. Interest Cost	0.80	1.51	0.78	1.43
3. Expected Return on Plan Asset	0.86	-	-	-
4. Curtailment Cost/(Credit)	-	-	-	-
5. Settlement Cost/(Credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial (gain)/loss recognized	(1.15)	(3.12)	(1.41)	(0.24)
8. Expense Recognized in Statement of Profit/Loss	0.94	1.32	0.29	2.59
II. Actual Returns for the year	0.83	-	0.87	-
III. Net (Asset)/Liability recognized in the Balance Sheet				
1. Present Value of Defined Benefit Obligation	8.62	14.69	10.00	19.32
2. Fair Value on Plan Assets	9.60	-	9.82	-
3. Status (Surplus/Deficit)	1.32	14.69	0.18	(19.32)
4. Unrecognised Past Service Cost	-	-	-	-
5. Net (Asset)/Liability recognized in the Balance Sheet	1.34	14.69	0.18	19.32
IV. Change in Defined Benefit Obligations (DBOs)				
1. Present Value of Obligation at the beginning of the year	9.88	19.30	9.73	17.97
2. Current Service Cost	0.55	0.95	0.92	1.39
3. Interest Cost	0.80	1.54	0.78	1.43
4. Curtailment cost	-	-	-	-
5. Settlement Cost	-	-	-	-
6. Plan Amendments	-	-	-	-
7. Acquisitions	-	-	-	-
8. Actuarial (gain)/loss on Obligations	(1.15)	(3.07)	(0.51)	(0.24)
9. Benefits Paid	(1.44)	(3.58)	(0.92)	(1.23)
10. Present Value of Obligation at the end of the Year	8.62	15.16	10.00	19.32

For the year ended	31.03.2013		31.03.2012	
	Gratuity	Leave	Gratuity	Leave
	Funded	Un-funded	Funded	Un-funded
(₹ crore)				
V. Change in Fair Value of Assets during the year				
1. Fair Value of Plan Asset at the beginning of the year	9.01	-	9.60	-
2. Acquisition Adjustment	-	-	-	-
3. Expected Return on Plan Asset	-	-	-	-
4. Actuarial (gain)/loss on Plan Asset	0.86	-	0.88	-
5. Contributions	1.22	-	0.20	-
6. Benefits Paid	(1.44)	-	(0.86)	-
7. Fair Value of Plan Asset at the end of the year	9.48	-	9.82	-
VI. Actuarial Assumptions				
1. Mortality Table		LIC 1994-96		LIC 1994-96
2. Early Retirement & Disablement		Age Related		Age Related
3. Discount Rate	8.00%	8.00%	8.00%	8.00%
4. Inflation Rate	5.00%	5.00%	8.50%	8.50%
5. Return on Asset	8.96%		8.00%	

42. 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, issued by the ICAI is not applicable.
43. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the ICAI - "Related Party Disclosures" is as under:

1. Name of the related party and nature of relationship:	
Nature of Relationship	Name of the Related Party
<b>Associates</b>	Assets Care & Reconstruction Enterprise Ltd (ACRE) Tourism Finance Corporation of India Ltd (TFCI) HIMCON Ltd NITCON Ltd HARDICON Ltd Stock Holding Corporation of India Ltd (SHCIL)
<b>Joint Ventures</b>	IFCI Sycamore Capital Advisors Pvt Ltd (ISCA)

2. Transaction with the related party during the period:

Nature of Transaction	Year ended	
	31.03.2013	31.03.2012
(₹ crore)		
<b>ASSOCIATES</b>		
<b>Assets Care &amp; Reconstruction Enterprise Ltd</b>		
Rent & Maintenance received by IFCI	0.87	-
Loan given – outstanding	68.72	71.22
Interest received/receivable on Loan	8.46	7.54
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.15	0.15
Professional fee received	0.06	-
Employees deputed/posted by IFCI (No.)	-	1
<b>Tourism Finance Corporation of India Ltd</b>		
Acquisition from market/others	-	10.96
Rent & Maintenance received by IFCI	3.03	0.80
Dividend Received	4.12	3.96
Dividend Paid on Preference Shares	₹20,000	₹20,000
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.24	0.04
Employees deputed/posted by IFCI (No.)	4	1
<b>HIMCON Ltd</b>		
Dividend Received	0.01	0.01
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.24	-
Employees deputed/posted by IFCI (No.)	1	1
<b>HARDICON Ltd</b>		
Acquisition from market/Others	-	0.25
Dividend Received	0.06	0.01
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.11	-
Employees deputed/posted by IFCI (No.)	-	1
<b>NITCON Ltd</b>		
Dividend Received	0.01	0.01
Brokerage/Professional fee paid	0.02	-
<b>Stock Holding Corporation of India Ltd</b>		
Dividend Received	4.64	5.36
Brokerage/Professional fee paid	0.22	0.38
<b>JOINT VENTURES</b>		
<b>IFCI Sycamore Capital Advisors Pvt Ltd</b>		
Employees deputed/posted by IFCI (No.)	-	6
Rent & Maintenance received by IFCI	0.54	-

**Key Management Personnel & Relatives of Key Management Personnel:**

Company Name	Name of Key Managerial Personnel	Designation	Nature of Transaction	Year ended	
				31.03.2013	31.03.2012
IFCI Ltd	Shri Atul Kumar Rai	CEO & MD	Dividend Payment	0.01	0.01
			Interest on IFCI Bonds	0.03	0.02
	Managerial Remuneration	1.84 *	1.16		
IFCI Financial Services Ltd	Shri Sujit K. Mandal	Whole Time Director - Relieved on 12.12.2012	Managerial Remuneration	0.71	0.90
	Shri Siddharth Mandal	Son of WTD - Relieved on 28.04.2012	Salary	0.01	0.12
IFCI Factors Ltd	Shri Sujit K. Mandal	Executive Chairman	Managerial Remuneration	0.35	0.85
	Shri P. N. Swaminathan	WTD & COO	Managerial Remuneration	-	-
Narayan Sri-ram Invest-ments Pvt Ltd	Shri Rakesh Kapoor	Managing Director	Managerial Remuneration	0.71	0.55
	Shri P. N. Swaminathan	Whole Time Director	Managerial Remuneration	0.22	-

\* includes gratuity, leave salary etc. paid on completion of initial contract

**44. Earnings per share:**

**For the Year ended**

**31.03.2013** **31.03.2012**

**I. Computation for Basic Earnings per Share**

(a) Profit Computation for Equity Shareholders		
Net profit as per Profit & Loss Account	497.36	686.28
Less: Preference Dividend	(0.31)	(0.31)
Net profit for Equity Shareholders	497.05	685.97
(b) Weighted Average Number of Equity Shares Outstanding	1,08,74,24,726	73,78,37,331

**II. Computation for Diluted Earnings per Share**

(a) Profit Computation for Equity Shareholders (including potential shareholders)		
Net profit as per Profit & Loss Account	497.36	686.28
Less: Preference Dividend	(0.31)	(0.31)
Add: Interest on Convertible Debentures (net of Tax)	-	31.20
Net profit for Equity Shareholders (including potential shareholders)	497.05	717.17
(b) Weighted Average Number of Equity Shares Outstanding	1,08,88,81,331	96,09,16,575

**III. Earnings Per Share (Weighted Average)**

Basic (₹)	4.57	9.30
Diluted (₹)	4.56	7.46

**45. In terms of Accounting Standard 19 on 'Leases' issued by ICAI,**

- (a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Profit & Loss Account.
- (b) The year-wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	Year ended	
	31.03.2013	31.03.2012
Minimum Lease payments:		
(a) Not later than one year	6.45	5.73
(b) Later than one year but not later than five years	11.15	15.47
(c) Later than five years	-	-
Rentals charged during the Period	6.64	6.55

**46. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited incorporated in India in November, 2011. The amounts invested at par were ₹0.01 crore Class A Equity Shares and ₹2.64 crore Fully Convertible Debentures. In compliance with Accounting Standard 27 on 'Financial reporting of Interests in Joint**

Ventures' as notified by the Companies (Accounting Standards) Rules, 2006, required disclosure of interest in the Assets, Liabilities, Income, Expenditure and Contingent Liabilities is as under:

Particulars	Year ended	
	31.03.2013	31.03.2012
Assets	2.87	2.86
Liabilities	0.63	0.24
Income	0.16	-
Expenditure	0.55	0.03
Contingent Liabilities	-	-

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" issued by the ICAI. As on March 31, 2013, there were no events or changes in circumstances which indicate any impairment in the assets.

48. Total value of outstanding Currency Swaps was USD 87.13 million against INR and EURO 72.58 million against USD (Previous Year - USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD respectively) equivalent to ₹1,002.34 crore (Previous Year - ₹1,069.40 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous Year - USD 0.15 million against INR equivalent to ₹0.77 crore respectively).

49. In case of IFCI Factors Ltd, detail of Bonds (Face Value of 10,00,000 each, redeemable at par):

No. of Bonds	Rate of Interest	Date of Redemption	Put/Call Option	As at	
				31.03.2013	31.03.2012
187	10.15%	March 28, 2018	Yes	18.70	-
18	10.25%	March 28, 2018	No	1.80	-
170	10.25%	March 28, 2023	Yes	17.00	-

50. Open interest in the Currency Futures as at Balance Sheet: Long Position (as at 31.03.2013)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1.	USD/INR	April 26, 2013	NSE	1,920	1,920,000.00
2.	USD/INR	April 26, 2013	MCX-SX	3,900	3,900,000.00

**51. Foreign Currency/Exchange Exposure:**

51.1 In case of IFCI Ltd, foreign currency exposure that is not hedged by derivative instrument or otherwise is USD 0.016 million (Previous Year - USD 0.02 million) and EUR 0.041 million (Previous Year - EUR 0.03 million), equivalent to ₹0.37 crore (Previous Year - ₹ 0.28 crore)

51.2 In case of IFCI Factors Ltd, foreign exchange exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at	
	March 31, 2013	March 31, 2012
<b>Cash &amp; Bank Balances</b>		
EURO	138.43	129.46
USD	-	109.38
GBP	179.92	-
<b>Sundry Creditor</b>		
Euro	2,889.17	2,887.62
USD	7,834.35	895.87

**52. Details of securities sold and purchased under Repos and Reverse Repos Transactions:**

Particulars	Year ended			
	31.03.2013	31.03.2012	31.03.2011	31.03.2010
<b>Securities sold under Repo:</b>				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-
<b>Securities purchased under reverse repo:</b>				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-

Minimum, maximum & average outstanding is based on face value of securities.

53. Previous year/period figures have been re-grouped/re-arranged wherever necessary, to conform to current period's presentation.

For RAY & RAY  
Chartered Accountants  
Firm Regn. No.301072E

ARVIND YENNEMADI  
Partner  
M. No.031004

Place : Thiruvananthapuram  
Dated : May 20, 2013

SHASHI SHARMA  
Executive Director  
New Delhi

For and on behalf of Board

P. G. MURALIDHARAN  
Chairman of the Board

ATUL KUMAR RAI  
Chief Executive Officer &  
Managing Director  
New Delhi

B.N. NAYAK  
Chief Financial Officer

RUPA SARKAR  
Company Secretary



ATTENDANCE SLIP

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019

(Please complete this Attendance Slip and hand it over at the registration counter)

DP. Id. *	
Client Id.	

Folio No. *
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I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Wednesday, November 13, 2013 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010.

**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**



PROXY FORM

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019

DP. Id. *	
Client Id.	

Folio No. *
-------------

I/We .....  
of ..... being a member/  
members of IFCI Ltd, hereby appoint, .....  
of .....  
or failing him/her .....  
of.....  
as my/our proxy to vote for me/us and on my/our behalf at the **ANNUAL GENERAL MEETING** of IFCI Ltd to be held on Wednesday, November 13, 2013 or at any adjournment thereof.

Affix
Revenue
Stamp

Signed this .....day of .....2013

Signature

\* Strike out whichever is not applicable

**NOTE:** The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the Company.





## OFFICES OF IFCI

### Registered Office IFCI LIMITED

IFCI Tower, 61 Nehru Place, New Delhi-110019  
Tel: 91-(011)-4179 2800, 4173 2000, 2648 7444, 2648 7622  
Fax No.: 91-(011)-2648 8471, 2623 0201  
E-mail : helpdesk@ifcilt.com; complianceofficer@ifcilt.com

### Regional Offices

<b>AHMEDABAD</b>	701 Satkar Complex Near Lal Bungalow C G Road, Navrangpura PIN-380 006 Tel: 91-(079)-2640 5984, 2644 5376 Fax: 91-(079)-2640 4980	<b>BANGALORE</b>	IFCI Bhawan (3rd Floor) Cubbonpet Main Road, N.R. Square (Hudson Circle) PIN-560 027 Tel: 91-(080)-2221 0882, 2221 1623 Fax: 91-(080)-2227 1802
<b>BHOPAL</b>	Paryawas Bhawan Block 2 (3rd Floor) Mother Teresa Road PIN-462 011 Tel: 91-(0755)-427 9113	<b>CHANDIGARH</b>	IFCI Bhawan 1-C, Sector 27-A, Madhya Marg PIN-160 019 Tel: 91-(0172)-265 6096, 265 0878 Fax: 91-(0172)-265 6734
<b>CHENNAI</b>	Continental Chambers (2nd Floor), 142 M G Road PIN-600 034 Tel: 91-(044)-2833 4110-12 Fax: 91-(044)-2833 4109	<b>HYDERABAD</b>	Taramandal Complex (8th Floor), 5-9-13, Saifabad PIN-500 004 Tel: 91-(040)-6662 3642-44 Fax: 91-(040)-2324 1138
<b>JAIPUR</b>	Anand Bhawan (1st Floor) Sansar Chandra Road PIN-302 001 Tel: 91-(0141)-236 3448, 236 4684 Fax: 91-(0141)-237 8387	<b>KOLKATA</b>	Chatterjee International Center (3rd Floor) 33-A, Jawaharlal Nehru Road PIN-700 071 Tel: 91-(033)-2265 3344/2265 2226 Fax: 91-(033)-2217 1618
<b>LUCKNOW</b>	Regency Plaza 5 Park Road PIN-226 001 Tel: 91-(0522)-223 9057	<b>MUMBAI</b>	Earnest House (8th-9th Floors) NCPA Marg Nariman Point PIN-400 021 Tel: 91-(022)-6129 3400 Fax: 91-(022)-6129 3440-41

### Other Offices

<b>BHUBANESWAR</b>	HIG 4/8, BDA Colony Chandrasekharpur PIN-751 016 Tel: 91-(0674)-230 2266 Fax: 91-(0674)-230 2266	<b>GUWAHATI</b>	Christian Basti Guwahati Shillong Road PIN-781 005 Tel: 91-(0361)-234 3757 Fax: 91-(0361)-234 0846	<b>KOCHI</b>	IFCI Bhawan Panampilly Nagar PIN-682 036
<b>PATNA</b>	Maurya Lok Commercial Complex, Block 'C' (3rd Floor) Dak Bungalow Road PIN-800 001	<b>PUNE</b>	1146, B-C, Surashree Co-op. Housing Society Ltd Flat No. 3/3A (1st Floor) Lakaki Road, Model Colony Shivaji Nagar PIN-411 016		

### REGISTRAR & TRANSFER AGENTS

<b>For Equity Shares &amp; Family Bonds:</b> <b>MCS Limited</b> F-65, Okhla Industrial Area Phase-I, New Delhi-110020 Tel: 91-(011)-4140 6149/51-52 Fax: 91-(011)-4170 9881 E-mail: adminreply@mcsdel.com admin@mcsdel.com	<b>For Infrastructure Bonds (Series I &amp; II):</b> <b>Beetal Financial &amp; Computer Services (P) Ltd</b> Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi -110 062 Tel: 91-(011)-2996 1281-83 Fax: 91-(011)-2996 1284 E-mail: ifci@beetalfinancial.com	<b>For Infrastructure Bonds (Series III, IV &amp; V):</b> <b>Karvy Computershare Pvt Ltd</b> Plot Nos. 17-24 Vittal Rao Nagar, Madhapur Hyderabad -500 081 Tel: 91-(040)-4465 5000 Fax: 91-(040)-2342 0814 E-mail: ifcibond@karvy.com einward.ris@karvy.com	<b>For Subordinate Bonds (Series I, III &amp; IV):</b> <b>Link Intime India Pvt Ltd</b> C-13, Pannalal Silk Mills Compound L B S Marg, Bhandup (W) Mumbai - 400 078 Tel: 91-(022)-2596 0320 Fax: 91-(022)-2596 0329 E-mail: ifcitier2@linkintime.co.in
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## **BOOK-POST**

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**MCS LIMITED**  
F-65, 1st Floor  
Okhla Industrial Area  
Phase-I  
New Delhi - 110 020

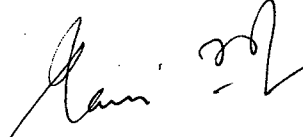



**Form A**


(In terms of sub-clause (a) of Clause 31 of Equity Listing Agreement)

1	Name of the Company	IFCI Limited
2	Annual financial statements for the year ended	March 31, 2013
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	Not Applicable

  
Omprakash Mishra  
Chairman - ACD

  
Santosh B. Nayar  
Chief Executive Officer  
& Managing Director

  
B. N. Nayak  
Chief Financial Officer

  
Arvind Yennemadi  
Partner, Ray & Ray

  
रूपा सरकार/Rupa Sarkar  
कम्पनी सचिव/Company Secretary  
आईएफसीआई लिमिटेड/IFCI LIMITED  
आईएफसीआई टॉवर /IFCI Tower  
61, नहरू प्लेस/61, Nehru Place  
नई दिल्ली/New Delhi-110019

**IFCI Limited**

**Regd. Office :** IFCI Tower, 61 Nehru Place, New Delhi - 110 019  
Phone: +91-11-4173 2000, 4179 2800, Fax: +91-11-2623 0201, 2648 8471  
E-mail: helpdesk@ifcilttd.com, Website: www.ifcilttd.com