



IFCI

LIMITED

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ANNUAL REPORT 2013-14

TWENTY-FIRST ANNUAL GENERAL MEETING

DATE : August 27, 2014
DAY : Wednesday
TIME : 10:30 A.M.
PLACE : FICCI Auditorium
1 Tansen Marg
New Delhi - 110 001

- 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@ifciltd.com or adminreply@mcsdel.com, admin@mcsdel.com in case the shares are held in physical form and with their depository participants (DPs) in case the shares are held in Dematerialised form to support the Green Initiative taken by the Ministry of Corporate Affairs.

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BOARD OF DIRECTORS

(As on 15.07.2014)

Shri S V Ranganath Non-Executive Chairman
Shri Malay Mukherjee CEO & Managing Director
Shri Achal Kumar Gupta Deputy Managing Director
Shri Anurag Jain
Shri Alok Tandon
Shri P G Muralidharan
Ms Kiran Sahdev
Prof Omprakash Mishra
Smt Savita Mahajan
Shri K S Sreenivasan
Prof N Balakrishnan
Shri S N Ananthasubramanian

PRINCIPAL OFFICERS

(As on 15.07.2014)

EXECUTIVE DIRECTORS

Shri Sudhir Garg **Shri Satpal Arora**

CHIEF GENERAL MANAGERS

Shri B N Nayak (CFO) **Shri D K Jain** **Shri V Satyavenkata Rao**
Shri S K Vats (deputed to IIDL as MD) **Shri Biswajit Banerjee (CCO)**

GENERAL MANAGERS

Shri Gautam Meour **Shri Sanjeev Kumar Jain** **Shri Prasoon** **Shri Shivendra Tomar**
(Deputed to IVCF as MD)
Shri Sachikanta Mishra **Shri Suneet Shukla** **Smt Rashmi Sachdev** **Smt Pooja S Mahajan**
Shri Rajeev Arora **Shri Pawan Kumar** **Shri Bikash Kanti Roy** **Shri Atul Saxena**
(Director Incharge - ILD) (Deputed to IFL as MD)
Shri Vijay Pal **Smt Rita Jan** **Shri V Subramanian** **Shri Harjeet Singh**
Shri Rajeev Ahluwalia **Smt Jhummi Mantri** **Shri Deepak Mishra** **Shri M P Sethi (CVO)**
Shri Vijay Kumar Gupta **Shri Gopal Krishna Mishra**

COMPANY SECRETARY

Smt Rupa Sarkar

STATUTORY AUDITORS

Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

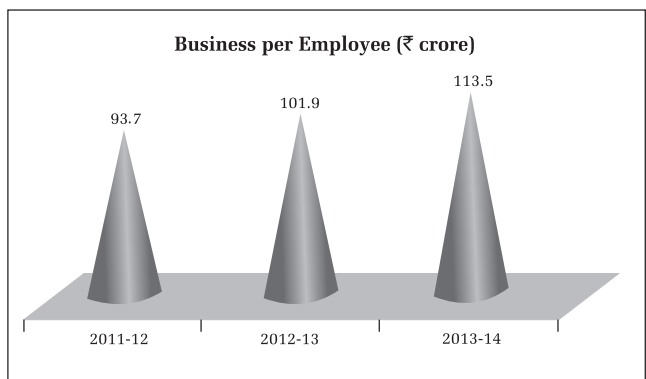
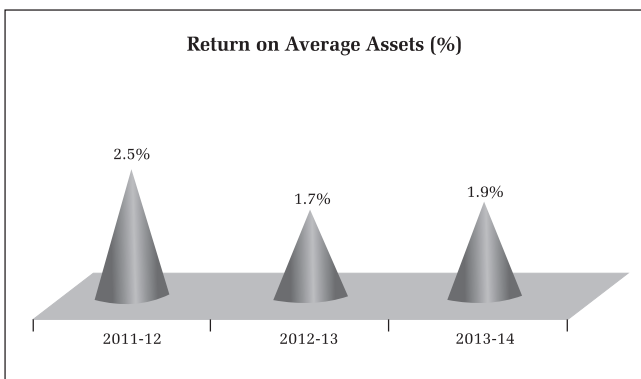
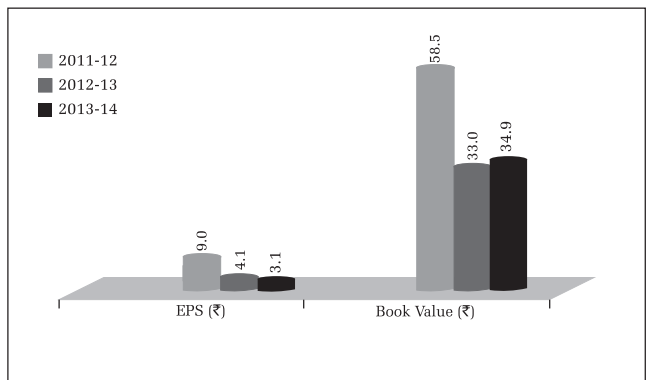
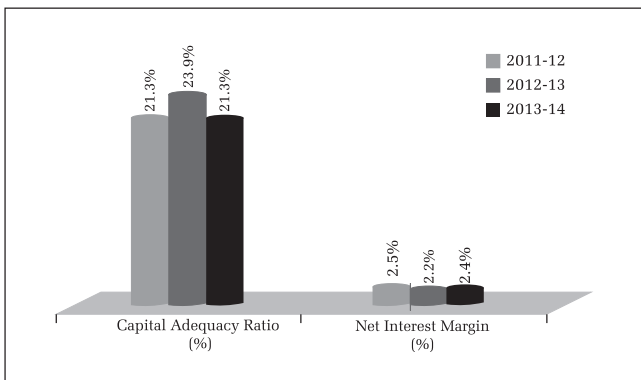
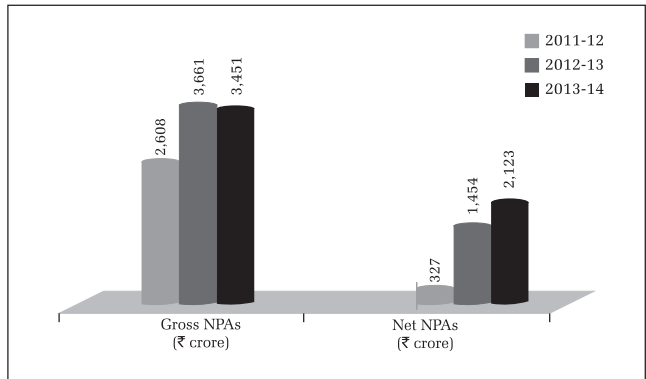
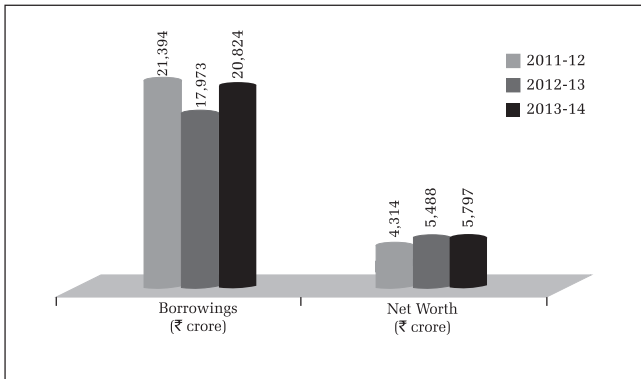
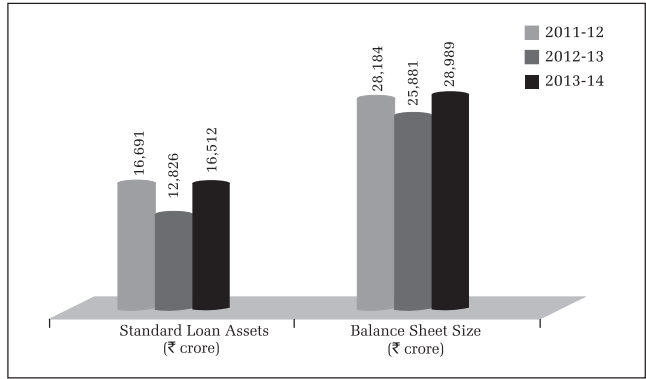
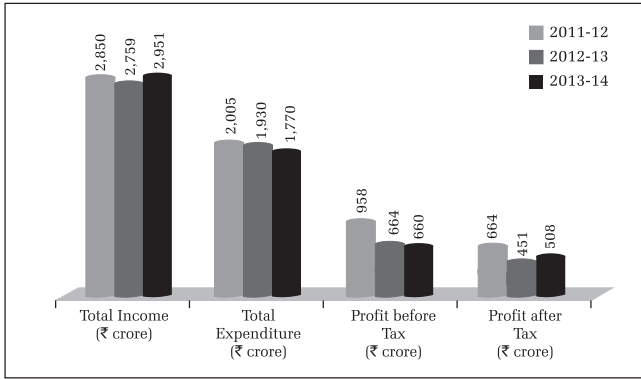
ANDROS & Co.
Chartered Accountants

FINANCIAL HIGHLIGHTS

(₹ crore)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
EQUITY & LIABILITIES		
Share Capital	1,924.96	1,924.68
Reserves and Surplus	5,055.64	4,766.28
Non-current Liabilities	17,510.73	14,340.84
Current Liabilities	4,497.98	4,849.61
	<u>28,989.31</u>	<u>25,881.41</u>
APPLICATION		
Fixed Assets	1,147.12	1,172.59
Deferred Tax Assets	682.04	726.79
Non-current Assets	22,538.57	16,718.87
Current Assets	4,621.58	7,263.16
	<u>28,989.31</u>	<u>25,881.41</u>
	<u>2013-2014</u>	<u>2012-2013</u>
EARNINGS		
Total Income (₹ crore)	2,951.26	2,759.30
Profit before tax (₹ crore)	660.45	664.12
Profit after tax (₹ crore)	508.10	450.87
RATIOS		
Capital to Risk Assets Ratio	21.3%	23.9%
Debt-Equity Ratio	3.6	3.3

ANNUAL PERFORMANCE TRENDS



NOTICE

NOTICE is hereby given that the Twenty-first (21st) Annual General Meeting of the Members of IFCI Limited will be held on Wednesday, August 27, 2014 at 10:30 a.m. at FICCI Auditorium, 1 Tansen Marg, New Delhi-110001 to transact the following business:

Ordinary Business

1. To consider and adopt the audited financial statements of the Company including, the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss Account for the year ended March 31, 2014 and the reports 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 Shri P G Muralidharan (DIN:00960475), who retires by rotation at this Annual General Meeting 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 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139(5) and 142 and all other applicable provisions if any of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) 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 2014-15, 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 pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Professor Omprakash Mishra, (DIN:03068103), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company and shall hold office for a term upto three consecutive years commencing from April 1, 2014."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Savita Mahajan, (DIN:06492679), Director of the Company whose office was liable to determination by retirement by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

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

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri S V Ranganath, (DIN:00323799), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from November 22, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

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

"RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV to the Act, and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K S Sreenivasan, (DIN:05273535), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from March 31, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from April 1, 2014."

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

"RESOLVED that Shri Malay Mukherjee, (DIN:02272425) who was appointed as an Additional Director and Chief Executive Officer & Managing Director by the Board of Directors of the Company w.e.f. December 12, 2013 and who, as per the provisions of Section 161 (1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act 2013, received a notice in writing, proposing his candidature 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (relevant Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956) 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 Malay Mukherjee, as Chief Executive Officer & Managing Director of the Company for a period of three years w.e.f. December 12, 2013 upto December 11, 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:** Entitled to City Compensatory Allowance in accordance with the following admissible rate:

Delhi, Mumbai, Chennai and Kolkata	₹300/- per month
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- (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 and personal purpose.
- (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 completion of tenure:** Entitled to encash Earned Leave at the time of completion of tenure/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/Nomination & Remuneration 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 completion of tenure/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) **Reimbursement of Newspaper/Magazine etc:** Entitled for reimbursement as per actual expenditure.
- (xix) **Book Grant:** Entitled for reimbursement as per actual expenditure for purchase of Books.

- (xx) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xxi) **Provident Fund:** Provident Fund will be as per Company rules.
- (xxii) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxiii) 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.
- (xxiv) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that the Board of Directors/ Nomination and Remuneration Committee of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf as laid down in schedule V to the Companies Act, 2013 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."

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

"RESOLVED that Shri Achal Kumar Gupta, (DIN: 02192183), who was appointed as an Additional Director and Deputy Managing Director by the Board of Directors of the Company w.e.f. December 12, 2013 and who, as per the provisions of Section 161 (1) of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Section 160 of the Companies Act 2013, received a notice in writing, proposing his candidature 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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 (relevant Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956) 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 Achal Kumar Gupta, as Deputy Managing Director of the Company for a period of three years w.e.f. December 12, 2013 upto December 11, 2016, and to the payment of remuneration and other terms and conditions as set out hereunder:

- (i) **Pay:** ₹78,000 p.m.
- (ii) **Dearness Allowance:** Applicable Central Government Dearness Allowance from time to time.
- (iii) **City Compensatory Allowance:** Entitled to City Compensatory Allowance in accordance with the following admissible rate:

Delhi, Mumbai, Chennai and Kolkata	₹300/- per month
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- (iv) **Housing:**
- a) Rent free furnished accommodation to be provided by the Company. The cost of furniture/ furnishings shall not exceed ₹3 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 and personal purpose.
- (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 ₹6000/-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 Deputy Managing Director.
- (xii) **Leave:** As per Staff Regulations of the Company.
- (xiii) **Encashment of Leave on Completion of tenure:** Entitled to encash Earned Leave at the time of completion of tenure / 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 phone shall also be provided as per Company's rules.
- (xv) **Performance Linked Incentive:** As decided by the Board of Directors / Nomination and Remuneration 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) **Reimbursement of Newspaper / Magazine etc:** Entitled for reimbursement as per actual expenditure.
- (xix) **Book Grant:** Entitled for reimbursement as per actual expenditure for purchase of Books.
- (xx) **Other Perquisites:** Other benefits and like amounts to be paid as per rules of IFCI.
- (xxi) **Provident Fund:** Provident Fund will be as per Company rules.
- (xxii) **Foreign Visits:** To be undertaken with the prior approval of the Board.
- (xxiii) 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.
- (xxiv) 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 V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof as in force from time to time.

RESOLVED FURTHER that the Board of Directors/ Nomination and Remuneration Committee of Directors

be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf as laid down in schedule V to the Companies Act, 2013 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."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Kiran Sahdev, (DIN:06718968), who was appointed as a Director of the Company in casual vacancy on October 24, 2013 in place of Smt Usha Sangwan 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 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. N Balakrishnan, (DIN:00181842), who was appointed as an Additional Director of the Company on June 26, 2014 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 149, 161, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri S N Ananthasubramanian, (DIN:00001399), who was appointed as an Additional Director of the Company on July 04, 2014 and who holds office upto the date of

this Annual General Meeting, and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Fifth Annual General Meeting of the Company held on September 30, 1998 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, as amended from time to time, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, whether secured or unsecured, and on such terms and conditions as may be considered suitable by the Board, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not so set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed by the Board of Directors shall not exceed a sum of ₹60,000 crore (Rupees Sixty thousand crore only) at any time.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to rate of interest, repayment, security or otherwise, howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

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

"RESOLVED that pursuant to Section 180(1)(a) and/or other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby given to the creation by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending

Agencies") and Trustees for the holders of debentures/bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding ₹ 20,000 crore (Rupees twenty thousand crore only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and/or to the Lending Agencies under their respective Agreements to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board be and is, hereby authorized to finalize with the Lending Agencies/ Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities), Rules 2014, consent of the Company, be and is hereby given to the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for having made and /or making offer(s) or invitation to subscribe to securities, including but not limited to bonds and non-convertible debentures, by way of private placement in one or more tranches, on such terms and conditions as it may consider proper, upto an amount not exceeding ₹5,000 crore (Rupees five thousand crore only) in the year commencing from the date of approval by shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this Resolution".

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

"RESOLVED that the Employees Stock Option Scheme 2011 introduced in IFCI subject to such other approvals as may be required, be and is hereby modified as under:

- (a) All the unvested options granted under Employee Stock Option Scheme, 2011 (ESOP A & B) stand withdrawn and no vesting to take place in respect of the options from November 12, 2013 onwards. Consequently, the increase in share capital upto a maximum of 3% of the paid up equity share capital

as approved by the Members at the Annual General Meeting held on September 13, 2011 stand modified to the extent of the options which have vested before November 12, 2013.

- (b) The scheme in its operations to the future stand hereby withdrawn except to the extent of exercising the options which already stand vested."

IFCI Limited By order of the Board of Directors
Registered Office:

IFCI Tower
 61 Nehru Place
 New Delhi-110019
 CIN: L74899DL1993PLC053677
 Tel: +91-(011)-4173 2000
 Fax: +91-(011)-2623 0201
 Website: www.ifcilt.com
 E-mail: complianceofficer@ifcilt.com

Rupa Sarkar
 Company Secretary

Dated: July 04, 2014

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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
2. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Special business under Item No(s) 6 to 18 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 in the Clause 49 of the Listing Agreement" annexed with the notice.
4. All documents referred to in the accompanying Notice and the Explanatory Statement as well as the other documents as required under the provisions of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 11:00 a.m. to 1:00 p.m. up to the date of this Annual General Meeting.
5. Register of Members and Share Transfer Books for equity shares will remain closed from Monday, August 18, 2014 to Thursday, August 28, 2014 (both days inclusive).
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is offering e-voting facility to its members in respect of the business to be transacted at the 21st Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for

facilitating e-voting as the authorised agency to provide e-voting facilities.

- (A) The instructions for members for voting electronically are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME (IFCI Limited)" from the drop down menu and click on "SUBMIT".
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the record date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name>(IFCI Limited) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) **Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.**
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

For Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on

approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from Sl. No. (i) to Sl. No. (xvii) above to cast vote.

(B) Other Information:

- (i) The voting period begins on Friday, August 22, 2014 at 9:30 a.m. (IST) and ends on Saturday, August 23, 2014 at 5:30 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record date (July 11, 2014), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (iii) The Scrutinizer will scrutinize the e-voting process in a fair and transparent manner.
 - (iv) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizers' report of the votes cast in favour/against forthwith to the Chairman.
 - (v) If a member casts votes by both modes, then voting done through e-voting shall prevail.
 - (vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website: www.ifcilt.com and on the website of CDSL within two days of passing of the resolutions at the Annual General Meeting.
7. 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 up to the date of this Annual General Meeting on any working day.
 8. The Members holding equity shares in physical form are requested to intimate to the Registrar and Transfer Agents (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.

9. Members holding shares in more than one folio in identical order of names are requested to write to Registrar & Transfer Agent enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
10. 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.
11. 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.
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, 2011-12 and 2012-13, 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, 2011-12 and 2012-13 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
2012-13	12.12.2020

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 sent the copy of the Annual Report along with the notice convening the AGM through e-mail to those members whose e-mail ID has been provided by them through their DP's / RTA's. Also the Annual Report has been uploaded on the website of the Company.

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

Item No. 6 to 9

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Prof Omprakash Mishra, Smt Savita Mahajan, Shri S V Ranganath and Shri K S Sreenivasan, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Prof Omprakash Mishra, Smt Savita Mahajan, Shri S V Ranganath and Shri K S Sreenivasan, non-executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. Hence approval of the members is being sought for appointment of these Directors in terms of Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, as Independent Directors of the Company w.e.f. April 1, 2014 for a term of three years.

Notices under Section 160 of the Companies Act, 2013 have also been received proposing candidature of Shri S V Ranganath and Shri K S Sreenivasan for appointment as Directors of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.ifcilt.com.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Resolutions for approval of the Members.

Brief profile of the above Directors is set out in the "Information about Directors seeking appointment/re-appointment as mandated in the Clause 49 of the listing agreement" is annexed with the notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these resolutions.

Item No. 10

The Board had appointed Shri Malay Mukherjee, as Additional Director and Chief Executive Officer & Managing Director w.e.f. December 12, 2013, for a period of three years, subject to the approval of the shareholders.

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

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

The above may be treated as a written memorandum setting out the terms of appointment of Shri Malay Mukherjee under section 190 of the Companies Act, 2013.

Your Directors recommend the Resolution for approval of the Members.

Item No. 11

The Board had appointed Shri Achal Kumar Gupta, as Additional Director and Deputy Managing Director w.e.f. December 12, 2013, for a period of three years, subject to the approval of the shareholders.

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

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

The above may be treated as a written memorandum setting out the terms of appointment of Shri Achal Kumar Gupta under Section 190 of the Act.

Your Directors recommend the Resolution for approval of the Members.

Item No. 12

Ms Kiran Sahdev, ED. Life Insurance Corporation of India, was appointed as a Director in Casual Vacancy in place of Smt Usha Sangwan. In terms of Section 161 (4) of the Companies Act, 2013, Ms. Sahdev is to hold office upto the date of this Annual General Meeting of the company, but is eligible for reappointment. The Company has received a valid notice and requisite deposit from a member of the Company under Section 160 of the Companies Act, 2013 proposing the candidature of Ms Sahdev for office of Director.

Brief resume of Ms Sahdev is set out in the "Information about Directors seeking appointment/re-appointment as mandated in the Clause 49 of the Listing Agreement" is annexed with the notice.

Ms Sahdev is interested in the resolution as it relates to her appointment. None of the other Directors or Key Managerial

Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the Resolution for approval of the Members.

Item No. 13

Prof N Balakrishnan, was appointed as an Additional Director by the Board of Directors of the Company w.e.f. June 26, 2014. In terms of Section 161 of the Companies Act, 2013, Prof Balakrishnan shall hold office upto the date of this Annual General Meeting of the Company. The Company has received a valid notice and requisite deposit under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director.

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

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

Your Directors recommend the Resolution for approval of the Members.

Item No. 14

Shri S N Ananthasubramanian, was appointed as an Additional Director by the Board of Directors of the Company w.e.f. July 4, 2014. In terms of Section 161 (1) of the Companies Act, 2013, Shri Ananthasubramanian, shall hold office upto the date of this Annual General Meeting of the Company. The Company has received a valid notice and requisite deposit under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director.

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

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

Your Directors recommend the Resolution for approval of the Members.

Item No. 15

At the Annual General Meeting of the Company held on September 30, 1998, the Members had, by way of Ordinary Resolution in pursuance of the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors to borrow in excess of the aggregate of the paid up capital and free reserves of the Company, subject to outstanding amount of borrowings not exceeding ₹40,000 crore at any time, excluding temporary loans obtained from the company's bankers in the ordinary course of business.

Your Company, a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered

with RBI, is in the business of providing finance to industries and services sector. The business of your company has expanded in the last few years and is expected to grow further. Therefore, to keep up the momentum of growth, increased amount of funding will be required in the coming years. It is, therefore, proposed to enhance the borrowing powers of the Board of Directors of the Company, to ₹60,000 crore as envisaged in the resolution.

Under Section 180 of the Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Section 293 of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Companies Act, 2013 for a period of one year from the date of Notification of Section 180 of the Act i.e. until September 11, 2014. The approval of the Members for the said borrowings is therefore now being sought, by way of a Special Resolution, pursuant to Section 180(1)(c) of the Companies Act, 2013.

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

Your Directors recommend the Resolution for approval of the Members.

Item No. 16

In the recent past, there have been changes in the regulatory environment of borrowings by way of RBI guidelines, Companies Act, 2013 and SEBI Guidelines, owing to which, security is mandatorily required to be created in favour of bondholders or Trustees on behalf of bondholders for various types of bonds/debentures. In view of this, approval from shareholders is being sought for creation of security by way of mortgage, charge or hypothecation on the Company's assets, in respect of borrowings of the Company upto ₹20,000 crore.

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

Your Directors recommend the Resolution for approval of the Members.

Item No. 17

As per Section 42 of the Companies Act, 2013 read with the Rules framed there under, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of special resolution can be obtained once in a year for all the offers and invitations made for such NCDs during the year. Ministry of Corporate Affairs has clarified vide Notification dated June 30, 2014 that in case of an offer or invitation for NCDs referred above, made within a period of six months from the date of commencement of the above Rules, the special resolution may be passed within the said period of six months from the date of commencement of the above Rules.

Bonds/debentures are an important source of borrowing for your Company. Your Company has issued non-convertible bonds in the last few years by way of private placement basis as the same is cost-effective and also offers flexibility as compared to public issues.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and non-convertible debentures upto ₹5,000 crore on a private placement basis, in one or more tranches, during the period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Company, as approved by the Members from time to time and which shall include any amount borrowed through securities offered on private placement basis and subscribed during the current financial year upto the approval of the shareholders proposed at the Resolution at Item No. 17.

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

Your Directors recommend the Resolution for approval of the Members.

Item No. 18

With the increase in the shareholding of the Govt. of India, your Company is in the process of aligning its policies, procedures and processes to that of the Public Sector Organizations.

In the changed ownership pattern, it was thought proper that the scheme of Employee Stock Option Scheme, 2011 (ESOP-2011) which was implemented in IFCI in the year 2011 was not in sync with the compensation philosophy. It was thought fit to modify the scheme. The proposed modification of the Scheme has been approved by IFCI Employees Welfare Trust and the Board of Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution except to the extent of their entitlement in the ESOP 2011.

Your Directors recommend the resolution for the approval of the Members.

IFCI Limited

Registered Office:

IFCI Tower
61 Nehru Place
New Delhi-110019
CIN: L74899DL1993PLC053677
Tel: +91-(011)-4173 2000
Fax: +91-(011)-2623 0201
Website: www.ifcilttd.com
E-mail: complianceofficer@ifcilttd.com

By order of the Board of Directors

Dated: July 04, 2014

Rupa Sarkar
Company Secretary

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

(a) Shri P G Muralidharan, aged 80 years retired as Secretary to Government of India after working in Ministries/ Departments in the Central and State Governments including Finance, Commerce, Industry, Agriculture and Planning and as Chairman/Director of various Central/ State public sector undertakings. He is on the Board of Religare Asset Management Company Pvt Ltd and is also a member of its Audit Committee of Directors. At present, he does not hold any shares in IFCI Ltd.

(b) Prof Omprakash Mishra, aged 53 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 alumni 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 various committees, expert group and is regularly consulted on policy and governance issues by a number of government departments, 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.

(c) Smt Savita Mahajan, aged 55 years, is Deputy Dean, Indian School of Business (ISB). She has been associated with the 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 is a member of the Board of Governors of Institute of Leadership Development, Jaipur. She does not hold any shares in IFCI Ltd.

(d) Shri S V Ranganath, aged 61 years retired as Chief Secretary, Government of Karnataka, is an IAS Officer of Karnataka-75 cadre. He has worked as a civil servant in various capacities both in Government of India and Government of Karnataka.

Shri Ranganath has done his Masters in Science from St. Stephen's College, University of Delhi. Apart from working in various Government Departments, he has also worked as Chairman, India Coffee Board and as the Resident Director, Indian Investment Centre, Abu Dhabi. He also worked as Principal Secretary to various Chief Ministers of Karnataka, as Additional Secretary and Financial Advisor in the Department of Space and also as Member (Finance), Space Commission, Atomic Energy Commission and Earth Commission.

Shri Ranganath has been extensively trained in various management concepts viz. decision making, human resource, international trade, financial management etc., as prestigious institutes in India and abroad including IIT, IIM (Bangalore) and IIFT among others. He also received training in rural policy from United Kingdom. He does not hold any Directorship/Committee membership in any other Company. He does not hold any shares in IFCI Ltd.

(e) Shri K S Sreenivasan, aged 59 years is a senior Chartered Accountant and is practicing for more than 26 years with wide knowledge/experience in Finance, Taxation, Systems Audit, Forensic Audit, Accounting, Investigation, Mergers & Acquisition, etc. He also has vast experience in Alternate Dispute Re-dressal Mechanism including Arbitration. He is a life member of the Indian Council of Arbitration (ICA), National Institute for Quality & Reliability (NIQR), Indian Society of Quality (ISQ) and All India Federation of Tax Practitioners. He also holds diploma in Computer Applications with special emphasis on Banking application and Client Server Technology and is also a Post Graduate Diploma holder in Computerised System Audit (DISA-ICA). He has completed Executive Management Programme of Crestom International, Denver Colorado, USA. Currently he is pursuing his Phd in Economics. Leading educational Institutions consult him on resource development, and curriculum framing. Further, he acts as Anchor for personal interviews (PI) and Group Discussions (GD).

At Present he is on the Board of Oriental Bank of Commerce, under the Chartered Accountant Category, Canbank Factors Ltd. and Indiabulls Asset Management Company Limited. He is also a member of the audit committee of Canbank Factors Ltd. He also serves on the Board of Governors of Madras School of Economics (MSE) and a couple of other corporate Boards. Government of India, has appointed Shri K S Sreenivasan as member, Advisory panel, Central Board of Film Certification (CBFC). At present, he does not hold any shares in IFCI Ltd.

(f) Shri Malay Mukherjee, aged 59 years is post graduate in Physics. He joined Indian Bank as Probationary Officer in 1976 and has more than 35 years of experience in the Banking Industry.

Shri Mukherjee has a wide field exposure, having worked in various branches in Assam, Bihar, West Bengal, Maharashtra, Gujarat, New Delhi, as Branch Manager in Indian Bank. He had also worked in Risk Management Department and Technology Management Department of Indian Bank at its Corporate Office.

As Zonal Manager of Bangalore and Delhi Zones and General Manager of Kolkata Zone of Indian Bank, he headed operations of branches in West Bengal, Sikkim, Andaman & Nicobar, Delhi NCR, Karnataka and Goa.

He has attended various training programmes - both internal and external in India and abroad. He is widely travelled in India and abroad.

As Executive Director of Central Bank of India, he oversaw the portfolios such as Credit, HR, General Administration, IT, Corporate Communications, Publicity, Marketing, Client coverage and New Initiatives etc.

He is Chairman of the Board of IFCI Factors Ltd, IFCI Infrastructure Development Ltd, Tourism Finance Corporation of India Ltd, IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd and Stock Holding Corporation of India Ltd.

He is also Chairman of the Board of Governors of Management Development Institute, Enterprenuership Development Institute of India and Institute of Leadership Development. At present, he does not hold any shares in IFCI Ltd.

- (g) Shri Achal Kumar Gupta, aged 61 years is a post graduate in English and is CAIIB qualified. He has been a banker by profession. In his 38 years of experience in Banking and Finance, he has held various critical positions in SBI and its associates/subsidiaries and handled various business verticals which inter-alia included Chief General Manager (Corporate Accounts Group), Managing Director, SBI Funds Management Pvt. Ltd. and Managing Director of State Bank of Patiala.

During his tenure at SBI, he headed Large Corporate Advances wing with the responsibility of business growth and credit administration in respect of large corporate accounts. The total fund based and non-fund based exposure of the corporates handled by the vertical was in excess of ₹3,00,000 crores. He retired as Managing Director of State Bank of Patiala, while under deputation from State Bank of India (SBI). Shri Achal Kumar Gupta also had an overseas stint of 4 years at Off-Shore Banking unit of SBI at Bahrain.

He is on the Board of IFCI Infrastructure Development Ltd, IFCI Financial Services Ltd, IFIN Commodities Ltd, IFIN Securities Finance Limited, MPCON Ltd, MPCON Finestar and North India Technical Consultancy Organisation Ltd. He is also a member of the Board of Governors of Institute of Leadership Development. He is also a member of the audit committee of IFCI Financial Services Ltd. At present, he does not hold any shares in IFCI Ltd.

- (h) Ms Kiran Sahdev, Executive Director, LIC, aged 54 years joined LIC in the year 1984 as a Direct Recruit Officer of

the 13th Batch. In a career spanning over three decades, she has handled many challenging assignments such as Secretary (Per. Admn/ER) at Central Office, Regional Manager (Personnel & IR) of Central and North Zones and Regional Manager (Estates/OS) of Northern Zone. The twelve years' of rich experience in managing personnel and industrial relations has made her almost a specialist in the field. As a part of the Team LIC, at corporate LIC, she looks forward to enhancing professionalism in work culture and establishing robust systems to improve corporate governance.

Ms Sahdev has been extensively trained in executive excellence and leadership at renowned Indian and international institutes, including ISB, Hyderabad, IIM (Ahmedabad) and Asian Institute of management, Manilla, Phillipines.

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

She does not hold any Directorship/ Committee membership in any other Company. She does not hold any shares in IFCI Ltd.

- (i) Prof N Balakrishnan, aged 64 years, is Professor at the Department of Aerospace Engineering and at the Supercomputer Education and Research Centre. He joined the Department of Aerospace Engineering as an Assistant Professor. He has also held the positions of Associate Director of the Indian Institute of Science; Chairman, Division of Information Sciences and Chairman, Supercomputer Education and Research Centre.

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

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

Prof N Balakrishnan is currently the Chairman of Data Security Council of India. He is also on the Board of Central Bank of India, Bharat Sanchar Nigam Limited (BSNL) and C-DOT Alcatel-Lucent Research Centre Private Ltd. He is also a member of audit committee of BSNL. Besides, he is a member of the Council of CDAC,

a member of the Council of the Indian Statistical Institute Kolkata, the Joint Advisory Board of Carnegie Mellon University at Qatar and of the Board of Governors of IIT Kharagpur. He has also been in the past, a member of the National Security Advisory Board. He was also one of the Directors of the Bharat Electronics Limited (BEL), and a Part-Time Member of the Telecom Regulatory Authority of India. He does not hold any shares in IFCI Ltd.

- (j) Shri S N Ananthasubramanian, aged 58 years, is a Practicing Company Secretary since 1991 and is a Fellow Member of The Institute of Company Secretaries of India (ICSI). He has served for two terms each on the Central Council and Regional Council of the Western Region of the ICSI. He was the PRESIDENT of the ICSI for the year 2013 and during his stint has many accomplishments to his recognition and credit; he facilitated ICSI's tie-up with National Institute of Securities Market (NISM), Indian Institute of Banking and Finance (IIBF) and Insurance Institute of India (III).

He also pioneered the introduction of Diligence Report by Reserve Bank of India in 2008 in respect of multiple-banking/consortium arrangements by all commercial banks in the country.

Shri Ananthasubramanian is a governance professional in every sense of the term having been a strong votary of good governance in all spheres of corporate/social endeavour; he introduced Guidelines for Good Council Practices in ICSI. He is associated with leading listed/unlisted corporates and several listed PSBs in areas of Secretarial/Securities Audits, Secretarial Standards Assurance, Postal Ballots, Corporate Governance Certifications, Opinions and Consultations.

Shri Ananthasubramanian, has also been associated with induction by election of shareholder directors in several listed PSBs across the country. His special assignments include incorporation of IDBI Bank Ltd, incorporation of the first pension fund in the country, amalgamations/mergers of associates/subsidiaries with PSBS etc. Besides being invited as a regular speaker in Seminars, Workshops, Conferences, he is also a prolific writer and his views have appeared on leading newspapers in the Country.

He is on the Board of Directors of Snaco Consulting Private Limited and MCX of India Limited by Forward Market Commission as an Independent Director. He is also an arbitrator empaneled to hear and settle disputes involving trading members and their clients in BSE and NSE. He does not hold any shares in IFCI 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. No. 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. The existing continuing bonds are listed at exchange mentioned at Sl. No.1.

- | | |
|---|--|
| <p>1. Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Tower
Dalal Street, Fort
MUMBAI - 400 001</p> | <p>2 The National Stock Exchange
of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East)
MUMBAI-400 051</p> |
| <p>3. The Delhi Stock Exchange Assn. Ltd
3/1 Asaf Ali Road
DELHI-110002</p> | <p>4. The Calcutta Stock Exchange Assn Ltd
7 Lyons Range,
KOLKATA-700 001</p> |
| <p>5. The Madras Stock Exchange Ltd
Exchange Building
11, Second Line Beach
CHENNAI - 600 001</p> | <p>6. Ahmedabad Stock Exchange Ltd
Kamdheni Complex, Ist Floor
Opp. Sahajanand College
Panjarapole
AHMEDABAD - 380 015</p> |

The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2014-15, 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

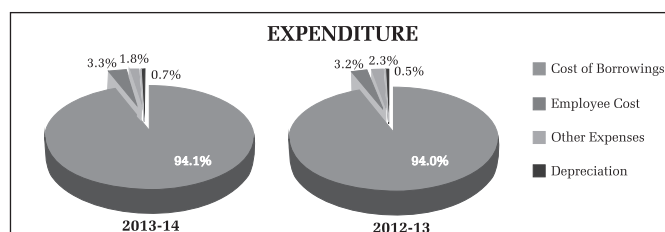
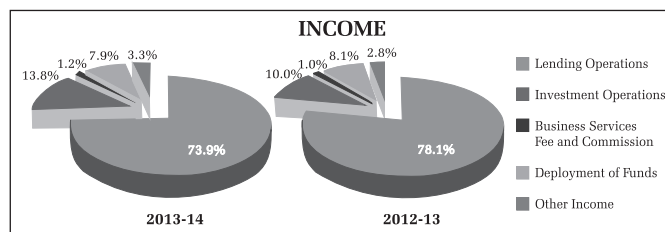
The Board of Directors of your Company has the pleasure of presenting the Twenty First Annual Report of IFCI Limited together with the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

PARTICULARS	(₹ crore)	
	2013-14	2012-13
1. Operational Income	2,885	2,706
2. Total Income	2,951	2,759
3. Cost of Borrowings	1,666	1,815
4. Staff Cost/Other Expenditure	91	105
5. Depreciation	13	10
6. Total Expenditure	1,770	1,930
7. Profit Before Provisions/write-off	1,181	829
8. Provision for Bad & Doubtful Assets and Others (Net of Write off)	520	165
9. Profit Before Tax	660	664
10. Tax Expense	152	213
11. Profit After Tax	508	451
12. Surplus Brought forward from Previous year	1,648	1,496
13. Appropriations:		
Reserve u/s 451C of RBI Act	102	90
Special Reserve u/s 36(1)(viii) of the Income Tax Act	15	15
Dividend on Equity Shares (incl. tax)	194	193
Dividend on Preference Shares (incl. Tax)	0*	0*
14. Balance carried to Balance Sheet	<u>1,845</u>	<u>1,649</u>

*₹ 0.31 crore.

The total income of your Company for the year under report was ₹ 2,951 crore which was higher by 7% than total income of ₹ 2,759 crore in the previous year. There was reduction in cost of borrowings by 8.2% to ₹ 1,666 crore in the current year from ₹ 1,815 crore in the previous year on the back of substantial reduction in interest rates on bank loans and prepayment of certain high cost bank borrowings. Your Company also took steps to rationalize overhead cost which resulted in a saving of ₹11 crore in the FY 2013-14 as compared to previous year.

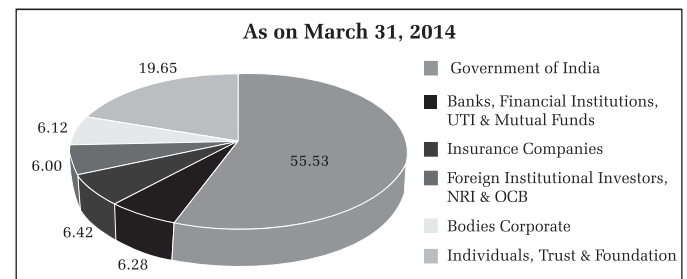


Dividend

Your Directors have recommended a dividend of ₹ 1/- per equity share, i.e. 10% of the face value of ₹ 10/- each for the FY 2013-14. 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 on the equity shares does not exceed 10% (ten percent) of the paid up equity share capital. Hence, no amount is mandatorily required to be transferred to the General Reserves as per Companies (Transfer of Profits to Reserves) Rules, 1975.

Ownership & Equity Shareholding

There is no change in the ownership of the Government of India in your Company during the FY 2013-14 as Government of India continues to hold 55.53% equity stake in IFCI as on March 31, 2014 thereby continuing to be the majority stakeholder of the Company. The equity shareholding pattern of your Company as on March 31, 2014 is depicted below:



Particulars	% Share	No. of Equity Shares
Government of India	55.53	92,30,00,000
Banks, Financial Institution, UTI and Mutual Funds	6.28	10,43,57,628
Insurance Companies	6.42	10,66,98,758
Foreign Institutional Investors, NRIs & OCBs	6.00	9,97,19,180
Bodies Corporate	6.12	10,17,37,323
Individuals and Trust & Foundation	19.65	32,65,24,346
TOTAL	100.00	1,66,20,37,235

Composition of the Board

Since the last Board's Report, the following changes occurred on the Board of IFCI:

Shri Santosh B Nayar who was appointed as CEO & Managing Director of your Company w.e.f. 15th July, 2013 ceased to be on Board of Company w.e.f. 11th December, 2013. Subsequent to the resignation of Shri Santosh B Nayar from the post of CEO & MD, the charge of CEO & MD was handed over to Shri Malay Mukherjee w.e.f. December 12, 2013. Shri Achal Kumar Gupta was also appointed during the year as Whole Time Director designated as Deputy Managing Director of your Company w.e.f. 12th December, 2013.

Shri S V Ranganath, who retired as Chief Secretary, Government of Karnataka, Ex-IAS Officer of Karnataka-75 cadre was appointed as Additional Director on Board of the Company w.e.f. November 22, 2013 and was made Non-Executive Chairman on the Board w.e.f. January 6, 2014. Consequently, Shri P G Muralidharan who was earlier Non-Executive Chairman on the Board of your Company ceased to be

the Chairman of the Board w.e.f. January 6, 2014. However, he continues to be Non-Executive Director on the Board of your Company.

The Government of India nominated Shri Arvind Kumar, Joint Secretary, Department of Financial Services (DFS), New Delhi on the Board of the Company who was appointed as Director w.e.f. July 30, 2013 vice Shri Sanjeev Kumar Jindal.

Shri Ashok Kumar Jha ceased to be a Director on the Board of your Company w.e.f. December 02, 2013. Ms Kiran Sahdev, Executive Director, LIC of India was appointed as Director in casual vacancy w.e.f. October 24, 2013 vice Mrs Usha Sangwan.

The Government of India nominated Shri Alok Tandon, Joint Secretary, Ministry of Finance, Department of Financial Services, New Delhi on the Board of the Company who was appointed as Director w.e.f. June 10, 2014 vice Shri Arvind Kumar, Joint Secretary, Ministry of Finance Department of Financial Services, New Delhi.

Shri K S Sreenivasan was appointed as Additional Director on the Board of your Company w.e.f. March 31, 2014.

Prof N Balakrishnan was appointed as Additional Director on the Board of the Company w.e.f. June 26, 2014.

Shri S N Ananthasubramanian was appointed as Additional Director on the Board of the company w.e.f. July 4, 2014.

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:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

Auditors

M/s Thakur Vaidyanath Aiyar & Co. (DE0016) (Firm Reg. No. 000038N) and M/s ANDROS & Co. (DE1122) (Firm Reg. No. 08976N) were appointed by the Comptroller & Auditor General of India (C&AG) as Joint Statutory Auditors of Your Company for FY 2013-14. C&AG shall appoint Statutory Auditor(s) of Your Company for FY 2014-15.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ECONOMIC ENVIRONMENT

(A) Global Developments and Outlook

Global economy broadly strengthened during the year with much of the impetus coming from advanced economies with key drivers of growth being a reduction in fiscal tightening and highly accommodative monetary conditions. The growth rates of most emerging market economies were a bit disappointing, owing to a less favorable external financial environment even though they still continued to contribute more than two-thirds of global growth.

According to IMF, the advanced economies grew at 1.3% in 2013 on account of subdued economic environment but growth is expected to pick up to about 2.25% in 2014-15. There are risks

to activity from lower-than-expected inflation in advanced economies and new geopolitical risks have resurfaced. The US economy grew by only 1.9% in 2013 with expectations of a 2.75% growth in 2014-15 with support from exports growth, accommodative monetary conditions, recovering real estate sector, higher household income and easier bank lending conditions.

In advanced economies, risks to activity associated with very low inflation have come to the fore, especially in the euro area, where large output gaps have contributed to low inflation. More monetary easing, including unconventional measures, may be necessary to sustain activity and help achieve price stability objective, thus lowering risks of very low inflation or even deflation. In the euro area, repairing bank balance sheets in the context of a credible asset quality review and recapitalizing weak banks will be critical if confidence is to improve and credit is to revive with growth expected to be positive but varied, being weaker in countries with high debt and financial fragmentation. In Japan, implementation of the structural reforms and fiscal consolidation are essential to achieve the inflation target and higher sustained growth.

The increase in financial volatility during the year highlighted the challenges for emerging market economies posed by the changing external environment and weak market fundamentals. Although market pressures were relatively broadly based, countries with higher inflation and wider current account deficits were generally more affected. With prospects of improved returns in advanced economies, investor sentiment became less favorable toward emerging market risks. In view of possible capital flow reversals, risks related to sizable external funding needs and disorderly currency depreciations are a concern in emerging markets. In response to the changing external environment, some emerging market economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives.

According to IMF, growth in emerging market and developing economies is projected to pick up gradually from 4.7% in 2013 to about 5% in 2014, helped by stronger external demand from advanced economies. In China, growth is projected to remain subdued as the authorities seek to rein in credit and advance reforms while ensuring a gradual transition to a more balanced and sustainable growth path. Further monetary policy tightening may be seen in economies where inflation is still relatively high or the risks that recent currency depreciation could feed into underlying inflation are high. Many emerging economies need a new round of structural reforms that include investment in public infrastructure, removal of barriers to entry in product and services markets. Low-income countries will need to avoid a buildup of external and public debt.

IMF expects global growth to strengthen from 3% in 2013 to 3.6% in 2014. Both advanced and emerging market economies need to shift their focus from liquidity fed to growth driven markets including a normalization of U.S. monetary policy that avoids financial stability risks; financial rebalancing in emerging market economies amid tighter external financial conditions and higher corporate debt levels; further progress in the euro area's transition from fragmentation to robust integration; and the successful implementation of financial strategies in Japan to deliver sustained growth and stable inflation.

(B) Domestic Developments and Outlook

During FY 2013-14, the economic activity in India remained subdued as the economic slowdown bottomed out due to pressure on exchange rate and continuous spell of global financial turbulence caused by capital outflows. However, strong policy

measures helped the currency to stabilize, rebuild reserves, and narrow the excessive current account deficit. The Indian economy remains weak due to persistent inflation, fiscal imbalances, bottlenecks to investment, and inefficiencies that require structural reforms. Without a systemic resolution to these, growth is forecasted to pick up modestly.

As per the advanced estimates of Central Statistics Office (CSO), the overall growth of GDP for FY 2013-14 is estimated at 4.9% with agriculture, industry and services registering growth rates of 4.6%, 0.7% and 6.9% respectively. A good monsoon in 2013 helped agriculture to grow by 4.6% in FY 2013-14, though growth moderated somewhat in the second half of the year.

With a nominal growth of 1.0% in FY 2012-13, industry decelerated to 0.7% in FY 2013-14. While mining has been in the red for nearly 2 years because policy bottlenecks plaguing coal and natural gas have seen little resolution, the contraction in manufacturing output at 0.2% was a new low in FY 2013-14 from 1.1% in FY 2012-13. Continued contraction in the output of capital goods and consumer durables reflected weak investment and consumer demand. Bottlenecks restricting fuel supplies have hampered electricity generation. The industrial slowdown and weak recovery in advanced economies caused growth in services to drop below 7%. Trade, hotels, transport, and communication services, which together account for more than a quarter of GDP, saw growth slump to 3.5% in FY 2013-14 as industry weakened and consumption dried up. Growth in private consumption slowed sharply to 4.1% in FY 2013-14. The consumer confidence was severely dented due to weak currency, persistent food inflation, rising fuel prices and dim employment prospects.

Rural consumption is likely to have been affected by some moderation in rural wage growth since January 2013. Growth in government consumption, which sharply picked up in the first quarter, remained subdued for the rest of the year as fiscal pressures intensified. Investment flattened during the year, registering no growth. While structural and procedural delays continued to hamper investment, new headwinds appeared in the form of monetary tightening and the heightened challenge of repayment in foreign currency as the currency weakened.

During FY 2013-14, the merchandise exports grew by 4% at US\$ 313 billion from US\$ 300 billion, while imports declined by 8% at US\$ 450 billion from US\$ 491 billion as compared to previous year mainly on account of decline in non-oil imports in FY 2013-14. Total trade of India declined by 4% on account of a dip in imports at US\$ 763 billion in FY 2013-14 from US\$ 791 billion. Imports of oil, the largest item, were stagnant, while those of gold, the second largest, fell by 45.2% from a year earlier as higher taxes and quantitative restrictions took hold. India's total trade deficit was US\$ 137 billion as compared to US\$ 190 billion in previous year as it showed some improvement on account of decline in imports. Competitiveness gains from a weaker currency and the pickup in demand in some of the advanced economies helped exports to grow by 4% in FY 2013-14. Exports of petroleum products, fabrics, garments, and plastics grew at a robust pace. The current account deficit is estimated to have narrowed sharply to 2.2% of GDP in FY 2013-14 from 4.7% a year earlier.

Consumer price inflation averaged 9.8% in FY 2013-14, while wholesale price inflation averaged 5.9%. Both picked up from May with higher food prices and periodic increments in fuel prices. However, from December 2013, inflation decelerated sharply due to a drop in food prices, especially for vegetables. Marked currency depreciation during the year affected import prices, though the pass-through to

prices has been limited by weak demand, which has curtailed firms' pricing power and forced them to tighten margins.

Economic recovery would have to be led by improved investment and consumption, but elevated inflation, a tight monetary stance, and a weak currency will continue to constrain spending. Further, fiscal austerity is likely to be an additional drag on growth. The Cabinet Committee on Investment's efforts towards clearing stalled projects is likely to provide some traction to growth. The new and stable government formed at Centre is likely to give a fresh impetus to actions that would bolster capital expenditure and attract investment in the economy. A revival in the manufacturing sector is likely to stimulate credit growth in the economy. Better growth prospects in the US and the euro area are likely to bolster external demand. Improved global prospects are likely to boost tradable services such as finance, communication, and information technology and business services. Possibility of El Niño impacting the Indian monsoon and thereby adversely impacting agricultural growth and resultant food inflation remains a key risk in 2014.

Infrastructure deficiencies, especially for power and transport and a difficult regulatory environment for manufacturing loom large and are factors responsible for holding back manufacturing. The government is transforming major transport corridors into economic corridors and promoting greater industrial activity along them. The economic downdraft of recent years appears to have calmed, and GDP growth in FY 2014-15 is expected to be comfortably above 5% on improved performance in industry and services.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Non-Banking Finance Companies (NBFCs) faced a challenging economic environment during 2013-14 on account of subdued economic, industrial and manufacturing growth and relatively high credit costs due to increased risk perception in the economy. RBI had to calibrate monetary policy to balance weak growth with concerns over external and price pressures. This was to counter intense pressures on the exchange rate and reserves from turmoil in global capital markets stemming from fears that the US Federal Reserve was about to abruptly end quantitative easing. On a year-on-year (y-o-y) basis, non-food bank credit increased by 14.3% in March 2014 as compared with the increase of 13.5% in March 2013. Credit to industry increased by 13.1% in year ended March 2014 as compared with the increase of 15.1% in year ended March 2013. Deceleration in credit growth was observed in respect of mining and quarrying, textiles, wood and wood products, petroleum and coal product, chemical and chemical products, glass and glassware, cement and cement products, basic metals, engineering, gems and jewellery and infrastructure.

Slowdown in industrial activity contributed to stress on asset quality of NBFCs as the payback capacity of companies were affected severely during the last year. The regulatory scenario for NBFCs has been undergoing changes with newer guidelines and regulations being introduced; In addition, the enactment of the Companies Act, 2013 which replaced the 60-year old Companies Act, 1956, the Reserve Bank of India, which is the main regulator of NBFCs, has from time to time come out with various guidelines, and most recently with extensive and elaborate guidelines and norms on corporate restructuring for the NBFCs, etc. Some of the major regulatory changes made by RBI were:

- (i) In January 2014, RBI issued guidelines on restructuring of advances by NBFC's, including income recognition, provisioning norms and including framework on distressed assets. The guidelines aimed at early recognition of signs of distress, catalyzing restructuring process, and quicker distress resolution planning. The guidelines permitted NBFCs to expeditiously restructure the standard loans to infra and non-infrastructure

sector facing delay in implementation or cash flow constraints at par with commercial banks subject to applicable provisioning requirement.

(ii) In order to improve the financial systems ability to deal with corporate distress early, taking prompt action to resolve it and ensuring fair recovery for lenders and investors, RBI issued guidelines on formation of Joint Lenders Forum (JLF) and formulation of Corrective Action Plan (CAP), refinancing of project loans, sale of NPAs and other measures in March 2014. Some of the highlights are:

- Identifying stressed assets into sub categories under Special Mention Accounts (SMA), SMA-0, SMA-1, SMA-2, based on principal and interest repayment overdue between 1-30 days, 31-60 days and 61-180 days respectively.
- Advising financial institutions to form Joint Lender Forum (JLF) as soon as an account is classified as SMA-2 for formulating a timely Corrective Action Plan (CAP).
- Reporting of stressed assets to a central repository viz. Central Repository of Information on Large Credits (CRILC) to collect, store, and disseminate credit data to lenders set up by RBI.
- In order to discourage borrowers/defaulters from being unreasonable and non-cooperative with lenders in their bona-fide resolution/recovery efforts, NBFCs have been empowered to classify such borrowers as non-cooperative borrowers, after giving them due notice if satisfactory clarifications are not furnished. Notified NBFCs will be required to report classification of such borrowers to CRILC.
- As per circular, NBFCs are allowed to sell their NPAs to other banks/FIs/NBFCs (excluding SCs/RCs) without any initial holding period. However, the non-performing financial asset should be held by the purchasing bank/FI/NBFC in its books at least for a period of 12 months before it is sold to other banks/financial institutions/NBFCs (excluding SCs/RCs).

This will create an appropriate infrastructure for credit monitoring, restructuring and monetization that will benefit in the long run.

INITIATIVES AND DEVELOPMENTS AT IFCI

During the year under report, in spite of facing challenges in the economy due to depressing global economic scenario and also frequent changes in the management at the top level, your Company continued to exhibit resilience and took initiatives for achieving the desired set targets of profits for FY 2013-14. The Business Assets and Net Profit of Your Company have increased by 13.86% and 12.69%, respectively during FY 2013-14.

During the FY 2013-14, your Company approached Ministry of Finance, Government of India for granting IFCI status of Development Financial Institution for Financing long gestation infrastructure and industrial projects at reasonable rates. Your Company also requested Government of India for providing low cost funds through various means including Rural Infrastructure Development Fund (RIDF).

The Government of India allowed your Company to issue tax free bonds and your Company successfully raised low cost tax free bonds of ₹310 crore in a short span of 1 day after the issue of notification by GoI.

Your company for the first time introduced an IFCI Benchmark Rate (IBR) in January 2014, the lowest rate (with monthly rests) at which it can lend, similar to the Base Rate of Banks. It has been decided to review the IBR quarterly (or earlier, if required) in a scientific and transparent manner, generally based on regulatory guidelines for fixation of Base Rate in Banks and prevailing market best practices.

The IBR is exclusive of risk premium to be charged to the borrowers based on credit rating, tenor premium and additional interest to be charged for exposures to certain sectors. All future fresh loans of your Company would be at floating rates, linked to IBR. The existing borrowers with interest rate linked to external benchmark rate would also be facilitated with an option to shift to interest rate linked to IBR, at the time of next reset of interest rate.

During the year under report, a long standing disagreement of your Company with Life Insurance Corporation of India (LIC) on a certain investment of LIC was resolved. Historically, LIC has been one of the largest investor of your Company. The resolution of dispute has opened the door for sourcing of long term funds at reasonable cost from LIC.

In order to promote entrepreneurship among the scheduled castes and to provide concessional finance to them, your Company has been entrusted with the setting up of a Venture Capital Fund for Scheduled Castes in the Interim Budget for FY 2014-15. The Fund would have an initial capital of ₹ 200 crore, which can be supplemented every year.

During the period under consideration, your Company acquired 18.95% equity stake of IDBI Bank Ltd in Stock Holding Corporation of India Ltd (SHCIL) consequently your Company's equity holding in SHCIL has increased from 33.91% to 52.86% thereby making it a subsidiary. This will bring substantial business opportunities through SHCIL's 196 branches.

Right to Information

IFCI has implemented the Right to Information Act, 2005 and it has been providing information to the applicants under RTI Act. The relevant information as per the RTI Act has been posted on IFCI's website (www.ifcilt.com). During the year, IFCI received 134 applications and 11 appeals seeking information under RTI Act, which were replied to as per the provisions of the RTI Act within the stipulated time.

Promotion of Rajbhasha

Your Company takes pride in the promotion of Rajbhasha for which an Official language Implementation Committee (OLIC) has been set up at all offices except the satellite offices. Quarterly meetings of OLIC are being held to review the progress of the use of Hindi. All Computers available with your Company has been upgraded with Unicode facility and the website of your Company has also been made bilingual for the benefit of the shareholders and to further promote use of Hindi.

Corporate Social Responsibility

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 Responsibility (CSR) initiatives, with focus on skill development, employment generation, public health and environment. Under this initiative, in FY 2013-14, your Company released an amount of ₹ 80 lakh towards various social activities including skill development in fashion designing, tailoring, motor driving and tool kit cost in Rajasthan, undertaking Village Adoption Programme of Neemkhara Village, Madhya Pradesh and Amal Agosh in Rajasthan, Bamboo farm demonstration and training facility at Jaipur, Rajasthan, awareness programme and employment generation programmes in Haryana, nature farm and ecological conservation in north Guwahati and Assam.

Ministry of Corporate Affairs has notified Section 135 and Schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 01, 2014 onwards. The CSR Policy of your Company for the year 2014-15 has been formulated for implementation for compliance of new guidelines and rules.

Employee Stock Option Scheme

The Board of Directors of your Company at its Meeting held on November 12, 2013 has decided to withdraw the Employee Stock Option Scheme in IFCI subject to regulatory compliances in this regard subject to the effect that no further vesting of options (2nd, 3rd & 4th) shall take place and no further grants under the Scheme shall be made. However, the employees can exercise their options as a result of 1st vesting.

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

Committee on Sexual Harassment

Your company is fully committed to take appropriate measures against Sexual Harassment of Women at Workplace as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which came into force in April, 2013. Requisite organizational architecture in terms of constitution of Committee, amending the IFCI Staff Regulations etc. to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 has been created. The information about the sexual harassment cases received during the year is as under:

No. of Complaints Received	No. of Complaints Disposed
01	01

PERFORMANCE OF IFCI

Your Company continued its emphasis on retaining existing customers by providing customized financial products and services as well as adding new customers thereby enlarging customer base. During FY 2013-14, considering the maturity profile of its existing liabilities, your Company sanctioned term loans for various maturities to meet the fund requirements of companies with good track record, for general corporate purposes, 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

The profit before provisions of your Company was substantially higher at ₹ 1,181 crore for the current year than ₹ 829 crore for the previous year. However, due to higher net provisions of ₹ 520 crore made against bad & doubtful assets in the current year as against net provisions of ₹ 165 crore in the previous year, profit before tax in FY 2013-14 was marginally lower at ₹ 660 crore than ₹ 664 crore in the previous year. The increase in provisions was due to certain prudential measures being taken apart from slippages of certain assets in an uncertain economic environment. The Profit After Tax however, stood increased to ₹ 508 crore for the FY 2013-14 from ₹ 451 crore in FY 2012-13 due to lower deferred tax charge of ₹ 45 crore in the FY 2013-14 as compared to ₹ 110 crore in the previous year. Standard Loans to Borrowers which was at ₹ 12,853 crore as at March 31, 2013 stood increased to ₹ 16,539 crore as at March 31, 2014 on account of higher disbursements during the current year.

(B) Sanctions and Disbursements

During FY 2013-14, the total fund based sanctions were ₹ 9,717 crore as against ₹ 2,192 crore in the previous year registering a growth of 343%. Out of the above sanctions an amount of ₹ 4,865 crore (50.07%) was by way of rupee term loan (including short

term loan), ₹ 4,311.50 crore (44.37%) by way of Corporate Loan, ₹ 310 crore (3.19%) by way of NCDs and ₹ 230 crore (2.37%) by way of Working Capital Term Loan.

Your Company disbursed an amount of ₹ 8,683 crore during FY 2013-14 as compared to ₹ 1,504 crore registering a growth of 477% over previous year. Out of the disbursements, ₹ 3,929 crore (45.25%) was by way of rupee term loan (including short term loan), ₹ 3,907 crore (45%) was by way of Corporate Loan, ₹ 557 crore (6.42%) was by way of Debentures and ₹ 164 crore by way of Equity (1.89%). An amount of ₹ 125 crore was disbursed towards Underwriting and Working Capital Term Loan (1.45%).

(C) Treasury, Investment and Forex Operations

During the FY 2013-14, high volatility was observed throughout the year due to global headwinds which also saw Indian stock markets hitting a new peak with the Sensex closing at 22,386 on March 31, 2014. The year also saw inflation in fuel and power component peaking at 12.66% in September 2013 and in Primary Articles peaking at 15.3% in December 2013. The WPI ranged between 4.77% & 7.52% during the FY 2013-14 and closed at 5.2%. In the above backdrop, your Company has been cautious in investing the surplus funds with focus on safety while making every effort for efficient management of liquidity and return.

In rupee operations, the objective has been to manage the liquidity efficiently undertaking minimum risk and maintaining bare minimum cash balance while ensuring availability of funds for business requirement. With priority on safety, your company invested more in safe instruments like Treasury Bills, Certificate of Deposits, Short Term Deposits (STDs) and Liquid schemes of Mutual Funds. Average Deployment during the year was ₹ 2,591 crore and annualized return on funds deployed was 8.96%. Your Company has consistently generated yield higher than the average 91 day T-Bill yield during FY 2013-14. During the year under report, your Company registered an income of ₹ 232 crore from Fixed Income Money Market operations, as against ₹ 254 crore in the previous year.

The Foreign Currency operations were restricted to containing the exchange risks arising due to mismatch in the outstanding amount of FC assets and liabilities. The mismatches were covered through forward contracts and currency futures. The net mismatch position was invariably restricted to much below the limit of USD 15 million approved by RBI by maintaining almost square position. Your company did not have any exotic derivatives exposure in equity/debt or foreign exchange market.

Considering the uncertain market conditions, trading activities in equity was avoided and effort was focused towards generating risk free income through Stock Lending and Borrowing Mechanism (SLBM). During the year, your company also continued with the strategy of selective disinvestment of slow moving/illiquid stocks and strengthening the portfolio through selective investment in liquid stocks. Your Company earned a profit of ₹ 365 crore through sale of long term shares (including ₹ 98 crore through sale of quoted equity shares & ₹ 263 crore through sale of Un-quoted shares) during FY 2013-14. Your Company was successful in its objective of gradually reducing the Direct Equity exposure as a percentage of Networth. Net investment portfolio (standalone) of your company as on March 31, 2014 stood at ₹ 7,514 crore as against ₹ 8,641 crore at the end of previous financial year. Direct Equity exposure at ₹ 3,363 crore was 58% of the Networth on March 31, 2014, brought down from 70% from the end of the year 2012-13, excluding investment in subsidiaries and other group companies.

(D) Management of Non-Performing Assets

Your Company continued its efforts to exploit aggressively all channels available to reduce its NPAs. A considerable success was achieved in past few years and last year also by way of substantial recovery from the NPAs as reflected in the recovery as under:

(₹ crore)		
Sl. No.	Resolution Strategy	Amount
1.	One Time Settlement (OTS)/Restructured/ Guarantee/Assignment/Repayment	547.95
2.	SRFA & ESI Act & Legal	36.83
3.	Recovery under Misc. Categories	299.38
TOTAL		884.16

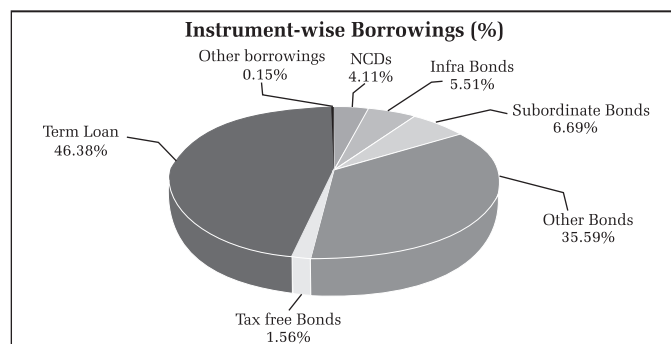
To resolve and minimize the NPAs, your Company has been taking all possible legal actions and also adopting all techniques and filing necessary applications before Debt Recovery Tribunal and also by adopting other methods of recovery viz. filing of criminal complaints u/s 138 of Negotiable Instruments Act, 1881 lodging FIR, declaring as wilful defaulter, attachment of secured and unsecured properties of the borrower and guarantor, arrest of absconding guarantor and taking stringent steps under the provisions of SRFA & ESI Act, 2002. Efforts were also made to ensure that the loan Accounts are closely monitored so as to avoid slippage of accounts to NPA.

(E) Resource Mobilization

Keeping pace with the sanctions and disbursements during the year under report, your Company mobilized an amount of ₹ 6,966.45 crore, at competitive rates by way of term loans from Banks, private placement of taxable bonds and tax free bonds. During the current year, Government of India authorized IFCI for the first time to raise tax free bonds. Aggregate amount of ₹ 310 crore was subscribed by investors through this issue after the issuance of the notification by Government of India, in the last week of March, 2014.

The total borrowings of your Company stood at ₹ 20,823 crore as at March 31, 2014, which comprised of rupee and foreign currency borrowings of ₹ 20,223 crore and ₹ 600 crore respectively.

The broad instrument wise break-up of rupee borrowings outstanding as at March 31, 2014 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. The focus of your Company shall be to arrange more funds at low/reasonable cost in the days ahead and for that various new avenues shall be explored.

(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, 2014.

(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.

(H) Awards and Accolades

The performance of your Company has been duly recognized by the market. In terms of financial performance for the year under report, your Company ranked 13th as per Total Income under the category of FIs/NBFCs/Financial Services in the Dun & Bradstreet's listing of India's Top 500 Companies 2014. Further, considering contribution by your Company in the field of Financial Inclusion and Financial Deepening in the Financial Sector, your Company has been conferred with Skoch Gold Award, 2014 for adopting strategy for Financial Inclusion & Financial Deepening in the financial sector.

SUBSIDIARY AND ASSOCIATES PROMOTED BY IFCI

SUBSIDIARIES

(A) Stock Holding Corporation of India Ltd (SHCIL)

During FY 2013-14, your company made an investment of ₹ 339.55 crore by purchasing 18.95% of IDBI's stake in Stock Holding Corporation of India Ltd (SHCIL) and increasing its equity stake in SHCIL from 33.91% to 52.86%, thereby making it a subsidiary. By bringing SHCIL into IFCI group, a wider range of services has been added to the Group's offerings. SHCIL and its subsidiaries also have synergies with IFCI group and can significantly contribute to IFCI group's outreach with their 196 branches all over India.

SHCIL was promoted by the public financial institutions and incorporated as a limited company on July 28, 1986. SHCIL, one of the largest Depository Participants, besides being the country's largest and premier custodian in terms of assets under custody, provides post trading and custodial services to institutional investors, mutual funds, banks, insurance companies, etc. SHCIL has been profit making and dividend paying company right from its inception. With a share capital of ₹ 21.10 crore, SHCIL's income stands at ₹ 272.10 crore with a Profit After Tax of ₹ 48.30 crore for the year ended March 31, 2014.

SHCIL has two wholly owned subsidiaries viz. (i) SHCIL Services Ltd (SSL) and (ii) SHCIL Projects Limited (SPL); SSL, the broking arm of SHCIL, is providing corporate stock broking services to all its retail and institutional clients across the country. SSL offers services in Cash & F & O segment of BSE & NSE. SPL is a Microsoft Gold certified partner for all its products and services and an ISO 9001:2008 certified company, provides End to End Document Management Solutions and acts as an Insurance Repository. SPL has been granted a Certificate of Registration to act as an "Insurance Repository (IR)" by Insurance Regulatory & Development Authority (IRDA). SPL's IR businesses are regulated by IRDA. The insurance repository would enable policy holders to hold their insurance policies in demat/electronic form.

(B) 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 span of six years from incorporation, the Company has successfully delivered a 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 mid of 2015. Around 75% of the flats have been sold till end of FY 2013-14. 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 flats and is expected to be completed by March, 2015.

On the commercial side, spread over an area of 50 acres, a financial Hub, known as 'IFCI Financial City', the first of its kind in Southern India, is coming up near Devanahalli Airport at Bengaluru. The land has been allotted by Karnataka Industrial Areas Development Board (KIADB) and after leaving space for roads and common facilities balance land available for sale was 42.63 acres, out of which IIDL has already sold 38.63 acres of land to various Banks and Financial Institutions. IIDL has undertaken construction of office complex at Bengaluru and Ahmedabad which have already been completed. During FY 2013-14, the Company has also undertaken and completed interior work for 6 branches of Bharatiya Mahila Bank (BMB) located at New Delhi, Ahmedabad, Guwahati, Kolkata, Bangalore and Chennai. Further, a middle segment Residential Project at Financial City, Bangalore, for providing apartments to various banks, is under planning. IIDL has a wholly owned subsidiary viz. IIDL Realtor Private Ltd, which is engaged in the business of purchase and leasing of properties and providing Project Consultancy Services for various commercial and infrastructural projects.

(C) IFCI Venture Capital Fund 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 promoted 17 high profitability venture. The VECAUS-III fund was closed 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. These funds were fully invested by 2012 and partial disinvestments have also started from them. 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 recorded Total Income of ₹ 75.94 crore and Net Profit of ₹ 20.39 crore for the financial year ended March 31, 2014. The Net Worth of the Company stands at ₹ 174.56 crore. The Company has a well-defined credit policy for sanction of loans. As on March 31, 2014, IFCI Venture had a book-debt position of ₹ 370 crore and bonds & bank borrowings stands at ₹ 297.30 crores.

(D) IFCI Factors Ltd (IFL)

During the year under report, IFL has been granted registration/re-categorization/converted as the "NBFC-Factor" by the Reserve Bank of India effective December 27, 2013. IFL continues to be a

major provider of factoring services in India. After registering sizeable growth year on year in business following its acquisition by IFCI Ltd, the company has been in a phase of consolidation over FY 2012-13 and FY 2013-14 in the wake of adverse economic environment. The company having pioneered export factoring business in India achieved substantial export factoring business growth during FY 2012-13 and has continued to expand its export factoring portfolio in FY 2013-14. In spite of growing 44% by volume in absolute terms in calendar year 2013 (Y-o-Y), India's share of world factoring volume has grown from 0.17% to 0.23% only. While there is immense potential for factoring business to grow in India, lack of conducive legal framework and of appreciation for factoring as a method of advancing working capital by stake holders, have been the major impediments in the orderly growth of factoring business in India. With the enactment and implementation of the Factoring Regulation Act, 2011, initiative for setting up a Credit Guarantee Fund of ₹ 500 Crore for factoring business as announced in the Union Budget for FY 2013-14, and a recent initiative by the RBI exploring the possibility of setting up of a Trade Credit Exchange for electronic factoring of bills, factoring business in India is poised for growth.

(E) IFCI Financial Services Ltd (IFIN)

IFIN was set up 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. IFIN has three wholly-owned subsidiaries namely IFIN Commodities Ltd, IFIN Securities Finance Ltd and IFIN Credit Ltd.

(F) MPCON Ltd

MPCON Ltd is a professionally managed Technical Consultancy Organization promoted by your Company established in 1979. It is a premier consulting organization having base in Central India, providing quality consulting services. During FY 2013-14, it consolidated its project consultancy business and also enhanced its presence in the training and capacity building spheres particularly in emerging CSR (Corporate Social Responsibility) sector. As a result in FY 2013-14 the turnover of MPCON Ltd almost doubled to ₹ 23.03 crores from previous year of ₹ 12.02 crores. The Financial Inclusion Project which MPCON Ltd bagged through tender floated by the Central Bank of India, the lead bank of MP on behalf of consortium of all nationalized banks, has started delivering services with coverage in approximately 4000 villages. MPCON has also entered into strategic tie-ups with likeminded institutions for expansion of business and also has expanded operations into other States like Andhra Pradesh, Maharashtra, Punjab and West Bengal.

ASSOCIATES

(A) Tourism Finance Corporation of India (TFCI)

Tourism Finance Corporation of India Ltd (TFCI), a Public Financial Institution was incorporated on 27th January 1989, pursuant to the recommendations of the National Committee on Tourism set up under the aegis of the Planning Commission, Government of India. Your company along with other All-India Financial/Investment Institutions and Nationalised Banks promoted TFCI to cater to the financial needs of burgeoning tourism industry. Since its inception, TFCI has provided high-quality research and consultancy services to the tourism industry in general and to the investors in tourism industry in particular. It provides financial assistance to enterprises for setting up and/or development of

tourism-related projects, facilities and services. It undertakes appraisal of individual projects, project studies, and surveys for various State Government agencies/individual clients.

(B) Assets Care & Reconstruction Enterprise Ltd. (ACRE)

ACRE, [formerly Assets Care Enterprise Ltd (ACE)], was set up as an Assets Reconstruction Company (ARC) under the provisions of SARFA & ESI Act, 2002 by IFCI along with other Banks & Financial Institutions in July 2007. It helps banks and FIs to clean their books through acquisition of the Non Performing financial assets for resolution. ACRE, as a prominent ARC in the country, has carved out its role for easing the situation of distressed assets of Banks and FIs in the economy towards their faster resolution, often through the route of debt aggregation. Its operations revolve around multi-pronged strategies towards Securitization/ Reconstruction of stressed financial assets/NPAs of the banks/ FIs.

TECHNICAL CONSULTANCY ORGANIZATIONS

IFCI played a cardinal role in supporting the need of low cost and high quality professional consultancy services of industrial projects in the MSME Sector, through the promotion of Technical Consultancy Organizations (TCOs). IFCI along with other FIs, Public Sector Banks and State level institutions has set-up 18 TCOs in various states. IFCI is the lead promoter in 5 TCOs (MPCON, HIMCON, RAJCON, NITCON and HARDICON) which play a pivotal role in nurturing entrepreneurial growth in MSME sector by undertaking programmes for entrepreneurship and skill development so as to accelerate the process of industrialization.

(A) HIMCON Ltd

HIMCON (earlier Himachal Consultancy Organization Ltd) was promoted in 1977 with your Company as a lead institution, along with other FIs such as IDBI, ICICI Bank Ltd in collaboration with Nationalised Banks and state level Corporations and Institutions. HIMCON is a multi-functional and multi-disciplinary organization offering a wide range of services to the industrial and infrastructure development, and to a wider spectrum of clientele including those outside the state of Himachal Pradesh. The major thrust areas of HIMCON's service base includes Evaluation Studies, Project Appraisals, Compilation of Project Reports, Compilation of Pre-Feasibility/Feasibility Reports, TEVs and Conducting EDPs & Skill Development Training Programmes and Awareness Programmes. It is also an Associate of IFCI Ltd.

(B) RAJCON Ltd

Rajasthan Consultancy Organisation Ltd (RAJCON), jointly promoted by IFCI, IDBI, ICICI along with State Finance Corporations viz. RIICO, RFC, RSIC and Commercial Banks namely SBBJ, CBI, PNB, BOB and UCO Bank, was set-up in March 1978 with the twin objectives of facilitating overall industrial development of the country by way of providing technical consultancy services as well as promoting entrepreneurship. RAJCON has been undertaking assignments like feasibility/viability studies, project appraisals, valuation studies, valuation of assets, etc. for banks/FIs. RAJCON also undertakes assignments on capacity building and skill development. It is also an Associate of IFCI Ltd.

(C) NITCON Ltd

North India Technical Consultancy Organisation Ltd (NITCON), was setup in 1984 by your Company jointly with All India FIs namely IDBI, ICICI Bank Ltd, State Level Corporations viz. PSIDC, PSIEC, PFC, CITCO and Public Sector Commercial Banks to render cost effective professional consultancy services to units in Small/Medium/Large Medium Scale Industries/Entrepreneurs/Institutions/Government and Government Agencies. NITCON has been an all-time associate of the SME movement. NITCON has

gained considerable expertise in undertaking the Detailed Techno Economic Appraisals (TEFR) of Investment proposals envisaging green field as also Expansion, Modernisation, Diversification etc., TEVS of existing Industrial units for Revival/ Rehabilitation (BIFR Cases), Energy Audits and Preparation of Inventory and Valuation of Assets to help the Institutions/Banks in Valuation of Securities, Sale of Assets, One Time Settlement (OTS). It is also an Associate of IFCI Ltd.

(D) HARDICON Ltd

In 1985, the All India FIs led by your Company jointly with various Nationalized Banks and State Level Institutions of Delhi and Haryana set-up a consulting organization named HARDICON (previously known as Haryana Delhi Industrial Consultants Limited) with the objective to ensure growth of SME sector by providing low-cost industrial consultancy solutions. In the initial years, the focus of operations was confined to the states of Haryana and Delhi. Post liberalization HARDICON expanded its service base beyond Haryana and Delhi and now undertakes nationwide assignments. Its portfolio of clients now includes large scale industrial sector enterprises as well as traditional SME sector clients. HARDICON also undertakes CSR related work for Public Sector Undertakings. It is also an Associate of IFCI Ltd.

(E) KITCO Ltd

KITCO Limited (formerly Kerala Industrial and Technical Consultancy Organization Ltd) established in 1972, is one of the premier Engineering, Management & Project consultancy firm in India promoted by your Company jointly with IDBI, ICICI and other State Level Institutions. Some of the key fields where KITCO is a prominent player are Energy Studies, Skill Certification and Placement services. The company provides professional technical consultancy services to Small and Medium Enterprise (SME). KITCO is the only consultancy organization in the state having EIA accreditation. As part of business expansion a new branch office is started in New Delhi for liaisoning with various Ministries/Central Government departments for taking up assignments all over India. During the year under report, KITCO has been instrumental in setting up of TCO consortium having its office in Delhi. While KITCO will be the National Coordinating agency for the consortium, the other TCO members are: NITCON (Punjab), MITCON (Maharashtra), ITCOT (Tamil Nadu), APITCO (Andhra Pradesh), GITCO (Gujarat), HARDICON (Haryana), MPCON (Madhya Pradesh), UPICO (Uttar Pradesh), HIMCON (Himachal Pradesh) and RAJCON (Rajasthan). It is also an Associate of IFCI Ltd.

SOCIETIES

(A) Management Development Institute (MDI)

Management Development Institute is one of India's premiere Business Schools promoted by your company, which aims to inculcate professionalism in management and enhance the effectiveness of organizations through education, training and research. MDI has the distinction of being the first internationally accredited Indian Business School having received international accreditation by AMBA in 2006. The long-term programmes of MDI have received global, regional and national accreditations – accreditation of Association of MBAs (AMBA) London, South Asian Regional Accreditation (SAQS) and National Board of Accreditation (NBA). MDI also has the distinction of being the only Indian B-school that has a community outreach programme, the International Summer University (ISU) wherein MDI has joined hands with nine Indian universities and institutions to form a network of learning. During the year under report MDI received AICTE approval for conducting PG Level Management Programmes at its Murshidabad campus.

(B) Institute of Leadership Development (ILD)

The Institute of Leadership Development (ILD) – erstwhile Institute of Labour Development was established in 1992, by your Company recognizing the fact that, alongside the management, the workers have to be provided with opportunities and external facilities of training and development for meeting the continuous challenges of change. ILD is working towards its mission to build capacities and infuse leadership skills among all levels of human resources in all types of organizations i.e. business and corporate entities, SMEs, NGOs, social action groups, key developmental sectors like education, health, energy and environment and the wide sweep of the government sector.

(C) Rashtriya Gramin Vikas Nidhi (RGVN)

RGVN having its headquarter in Guwahati, Assam was established in April 1990, as an autonomous, non-profit organization registered under the Society's Registration Act of 1860. Your company being a founding promoter of RGVN, provided the initial set-up support and with time the Industrial Development Bank of India (IDBI), the National Bank for Agriculture and Rural Development (NABARD) and the Tata Social Welfare Trust (TSWT) also became its promoters. RGVN is a national level multi-state development and support organization working in the states of Assam, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur, Tripura, Sikkim, Odisha, Jharkhand, Bihar. After expanding operations in the Northeast, development activities of RGVN were also extended to the poverty stricken pockets of Chhattisgarh, Eastern Uttar Pradesh and coastal Andhra Pradesh. RGVN's core strength comes from its network of NGOs and Self Help Groups, which are capable of handling large development projects.

DEPARTMENTS AT IFCI**(A) Credit Appraisal, Monitoring and Industry Research (CAMIR)**

With a view to pitch in new business for IFCI, carry out quality appraisal and timely recovery in standard assets in sectors other than infrastructure, 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.

CAMIR's focus is not only to grow loan book but also to improve the quality of loan portfolio. Steps taken/being taken in this direction are:

- (i) Improvement in Credit Appraisal System.
- (ii) Improving Skills in the area of credit appraisals.
- (iii) Activated Regional Offices at 6 Centres viz. Bhopal, Bhubaneswar, Kochi, Lucknow, Patna and Pune for sourcing proposals at these centres.
- (iv) Introduction of Screening Committee for scrutiny of all new credit proposals before these are considered for detailed appraisal and sanction.
- (v) Thrust on marketing quality business.

(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 has developed invaluable insights into the technical,

practical and financial aspects of the infrastructure sector in general and power generation and road sectors in particular. The group presently manages IFCI's exposure to infrastructure projects by way of direct equity, mezzanine instruments and term loans to infrastructure projects and their holding companies. The department also deals with business development, credit appraisal of proposals, monitoring of existing standard cases of all regional offices except Delhi, Mumbai and Ahmedabad Regional Offices and need-based reliefs/concessions/restructuring of stressed accounts.

During FY 2013-14, aligning with various external challenges being faced by the infrastructure sector, the department focused on consolidation of the investment portfolio from a value preservation standpoint. Simultaneously, it also achieved exits in some of the investments with expected returns.

While keeping in view the current challenging environment in Indian infrastructure space, the department intends to continue to consolidate existing investment portfolio with a focus on exits from equity investments. The department will also be keenly watching developments in regulatory landscape in infrastructure sector and will continue to scout for viable business opportunities.

(C) Corporate Advisory Group

IFCI today provides an entire gamut of financial advisory services to clients across different sectors of the economy. In the area of providing customized corporate advisory services, your Company, despite stiff competition during the year, has not only been able to retain its existing clients but has also been able to secure some prestigious new assignments on competitive bidding basis, management consultancy assignments with respect to bid advisory, due diligence, project appraisal, business re-engineering, financial restructuring, business plan, valuation, bid process management, TEV study etc. from various private/public sector entities/banks and Central/State Government(s). During the year, your Company has also been empanelled with many prestigious clients for various consultancy assignments.

(D) Sugar Development Fund

Your Company has been acting as the nodal agency of the Government of India since inception of the Sugar Development Fund (SDF) for the purpose of disbursement, follow-up and recovery of SDF loans sanctioned for modernization of sugar factories, setting-up of bagasse based cogeneration projects, ethanol projects and cane development schemes. Cumulative sanctions and disbursements under SDF up to March 31, 2014 stood at ₹ 5,319 crore and ₹ 4,525 crore respectively. The agency commission booked for the FY 2013-14 is ₹ 16.28 crore. In addition, IFCI also carries out financial appraisals of projects for availing SDF loans by sugar mills.

(E) Human Resources

In FY 2013-14, the process to realign Human Resource Management ethos to that of Public Sector entities was initiated. In this regard, several steps have been taken like restructuring the compensation philosophy, emphasising accountability etc.

Your company has continued to lay focus on the effective utilisation of the human resource pool. The human resource pool has further been enriched by engaging experienced hands mostly drawn from the leading Public Sector Banks of the Country.

Further, in order to cater to the organisational requirements and meet the career aspirations of the employees in IFCI, the Promotion activity was restarted after a gap of two years in February-March 2014. The activity has enabled IFCI to utilise its

Human Resource Pool in a better way by assigning critical responsibilities to the promoted officers.

In order to capture the performance of employees in a more efficient and objective manner, your company also introduced the online Performance Appraisal System. The online Performance Appraisal System is expected to help the organisation in better identification of the organisational talent and ensuring that the entire process is completed expeditiously.

Your Company continues to upgrade knowledge and skill set of its employees. The employees were nominated to leading institutes in India and abroad for Executive Education Programs. Employees were also nominated to participate in various conferences, discussion forums organised by industry so as to provide them platforms for keeping abreast with latest developments and also explore business opportunities.

Your company continues to maintain harmonious employee relations and healthy environment at workplace.

The manpower strength of your Company as on March 31, 2014 was 234.

(F) Information Technology and Communication

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 during FY 2013-14 are:

IT Applications/Automations

- Implementation of Pay Fixation and RBI – Pay Scale. Related Enhancements were also made in Tax Module for Special Perquisite Allowance.
- Development and Implementation of Online Recruitment Portal.
- Major Enhancements:
 - o Bonds Monitoring & Processing System for development of Utility for filing Annual Information Return (AIR) under Section 285 BA of IT Act 1965.
 - o Service Tax Centralization (Reverse Charge).
 - o Loan Accounting and Debenture Accounting to capture and calculate Interest based on Benchmark Rates as well as Interest Reset Clause.
 - o Business Intelligence Reports Added for:
 - Current/Non-Current Bifurcation of Loans and Advances.
 - Standard Assets Defaults.
- Roll out of Tour Approval Process for all regional offices.
- Performance Appraisal System has been automated.
- IFCI was instrumental in development of Internet Portal for Sugar Development Fund (SDF).
- Video Conferencing facility was extended to – Chennai, Kolkata, Bangalore, Ahmedabad and Chandigarh besides Mumbai, Delhi and Hyderabad. Secondary Link was put in place to facilitate the VC.

IFCI website was made Bi-lingual. IFCI Website was further enhanced to cater to the inclusion of Right to Information (RTI) as well.

Further as part of the efforts to provide IT support to its associates and subsidiaries, IT team of your Company has implemented the General Financial Accounting (GFA) and Loan Accounting modules of CIIS at TFCI. Implementation GFA and Loan Accounting modules in TFCI were followed with the Legacy Data Migration as well.

The Business applications used in IFCI Factor, IFCI Venture and ACRE were also maintained and supported by the IT Team of your company – (IFCI Factor – Financial Accounting for IFIN, GFA & Loan Accounting for IVCF and e-TDS in ACRE).

(G) Legal

On the legal activities front, your company has been in compliance with all the statutory requirements in relation to sanctions and disbursement of financial assistance to various borrowers. During the FY 2013-14, your company has completed documentation and enabled disbursement amounting to ₹ 8,939 crore. Your company has also endeavored to obtain the securities for the loans disbursed during the year.

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

Risk Management is an integral part of IFCI's business strategy. Being primarily a lending Institution, credit risk is the most important for IFCI and therefore, your Company has put in place a comprehensive credit risk management framework. The systems and controls, in place, to mitigate credit risks including exposure ceilings for borrowers, borrower groups and industry exposures; multi-tier credit appraisal system; risk-based monitoring system; committee system for considering proposals and detailed risk assessment of new proposals have been further strengthened during the year. The General Lending Policy and Credit Risk Management Policy of your Company are reviewed periodically keeping in view the changing economic and business environment.

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, etc. In pursuance of RBI guidelines, necessary role centers have also 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), Risk Management Committee of Executives (RMCE) and the Credit Risk Management Department (CRMD). Further, in line with the recent RBI guidelines to boost up monitoring of loan assets, with effect from April 1, 2014, the role and importance of credit risk management has increased manifolds.

In line with the industry best practices and to ensure proper credit evaluation and monitoring standards, your Company carries out credit audit of standard exposures 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 portfolio quality with constant endeavor for asset quality improvement.

As a part of Loan Review Mechanism, Credit Audit function was further streamlined. Credit Audit of major Standard Assets Loan Portfolio was undertaken during the year under report with an objective to identify weaknesses in the outstanding exposure enabling initiation of timely corrective measures. Credit Audit also provided feedback to the top management about the quality of credit management and administration including sanction processes, disbursement compliances and also credit monitoring.

The market and liquidity risk is managed by the Asset Liability Committee (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, given the criticality of risk management in a financial institution, your Company would also strive at developing a strong culture for risk management and awareness within the organization.

(B) Internal Control Systems

Your company has in place adequate system of internal control through the process of Risk Based Internal Audit. Internal Audit of all operating units was carried out during the year under report as per the scope approved by the Audit Committee of Directors. All the internal audit reports along with corrective measures taken are regularly reviewed by the Audit Committee of Directors.

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 they have lent (or provided financial assistance). The underlying objective of making such appointment is to help build professional management and facilitate effective functioning of the Board as well as formulation of proper corporate policies and strategies to improve productive efficiency and promote long term growth of the assisted companies, keeping in view the overall interest of the shareholders and financial institutions. The feedback received from Nominee Directors act as a tool for credit monitoring. The system of Nominee Directors is functioning effectively in your company.

With the Companies Act, 2013 coming into force, the Nominee Director on assisted concerns needs to be more vigilant with regard to functioning of assisted concern as well as reporting and reviewing the performance of the concerned company. Your company is taking steps to update its officers about the new Act so that they may contribute effectively as Nominee Directors on the boards of assisted concerns.

(C) Vigilance

Your Company being the first Financial Institution in India, has in place formal set up to deal with complaints received from various sources, viz. Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI), Ministry of Finance, Individual Employees, Others, etc. A Vigilance Department in your Company deals with the various complaints involving vigilance angle, examining rules and procedures with a view to eliminate or minimize the scope for corruption or malpractices, ensures prompt observance of conduct rules relating to integrity of officers, etc. in an effective manner. During the year under review, your Company as per CVC Guidelines designated a Senior Management level Officer in the rank of General Manager as Chief

Vigilance Officer (CVO) for handling such sensitive matters and reports directly to the Head of the organization. A "Vigil Mechanism/Whistle Blower Policy" has also been framed in your company for its director(s) and employees to report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy and adequate safeguards will be provided against victimization of such director(s)/employee(s) who avail of this mechanism.

Opportunities, Threats and Future Outlook

Your Company as a Financial Institution has been catering to all segments of industry for more than six decades. With the strong corporate and institutional relationships and an established brand image in the financial sector, your Company has developed an entire range of financial products including debt, equity, mezzanine instruments, equity related products, project development, consultancy, etc. of short, medium and long term duration. Your Company will continue to strive for newer 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 and so on.

Persistently high interest rates in the domestic economy and delay in regulatory approvals has significantly reduced the credit offtake by industries. Challenging macro-economic conditions also affected the sentiments. It has been the endeavor of your Company to continuously analyze its portfolio risks and initiate timely interventions like diversification in order to chart out a balanced growth, despite the challenging environment. It is expected that an improvement in macro-economic environment will boost growth in industrial as well as other sectors, lower inflation and will create more opportunities for your Company in the next year. 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. It shall be the endeavor of your Company to strive for ways to lower down its cost of funds and thereby cater to borrowers with the best credit ratings.

Gradually strengthening regulatory framework for NBFC's will lead to more robust governance structures and better performance. Competition within the financial services sector is expected to strengthen, along with the entry of new banking players, but your Company sees them as opportunities for improvement. Your Company shall continue to pursue creation of fresh assets, project development activities by way of participating in debt/equity which shall result in ample opportunities in future and resultant growth of your Company.

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 FY 2013-14.

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 Practicing Company Secretary 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, 1988 regarding conservation of energy and technology absorption, are not applicable. The Company is also not engaged in any activity relating to exports. The particulars regarding expenditure and earning in the foreign exchange are as under:

Particulars	₹ crore)	
	Year ended 31.03.2014	Year ended 31.03.2013
Foreign Exchange used		
Interest on Borrowing	4.78	4.41
Other matters	0.29	0.01
TOTAL	5.07	4.42
Earnings in Foreign Exchange		
Earning 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 (C&AG) is at Addendum.

Appreciation

Your Directors wish to express gratitude for the cooperation, guidance and support from the Ministry of Finance, various other Ministries and Departments of the Government of India, 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

Malay Mukherjee
Chief Executive Officer &
Managing Director

Achal Kumar Gupta
Deputy Managing Director

B N Nayak
Chief Financial Officer

Rupa Sarkar
Company Secretary

Place: New Delhi

Date: July 4, 2014

DIRECTORS' REPORT DISCLOSURES

ANNEXURE-1

**STATEMENT AS AT MARCH 31, 2014, 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:

S.No.	Particulars	Details
1.	Details of the Meeting	Authorised by Shareholders of the Company on September 13, 2011
2.	Approved	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	71,96,993
5.	Options Vested and Exercisable	8,66,427
6.	Options Exercised	2,78,282
7.	Options Cancelled/Lapsed/Surrendered	17,15,812
8.	Total Number of Options in force	52,02,899
9.	Variation in terms of ESOP	Not Applicable
10.	Total number of shares arising as a result of exercise of options	2,78,282
11.	Money realised by exercise of options (₹ lakh)	51.46

B. Employee-wise details of options granted during Financial Year 2013-14 to:

(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	The Company has not granted options during the current financial year.
(b)	Exercise price is greater than market price	
(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	The Company has not granted options during the current financial year.
(b)	Exercise price is greater than market price	
(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 2013-14 is ₹ 4,206,950. 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 2013-14 would be ₹ 13,355,788.

The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	₹
Net Income as reported	5,08,09,89,468
Add: Intrinsic Value Compensation Cost	43,88,399
Less: Fair Value Compensation Cost	1,33,55,788
Adjusted Pro Forma Net Income	5,07,20,22,079
Earning Per Share: Basic	
As Reported	3.05
Adjusted Pro Forma	3.05
Earning Per Share: Diluted	
As Reported	3.05
Adjusted Pro Forma	3.05

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.

ANNEXURE-2

Name/ Designation & Age of employee	Remuneration includes Salary & Allowances, Contribution to PF & Other Funds, Perquisites & Other Paid by IFCI (Amount in ₹)	Nature of Employment and other Terms and Conditions	Nature of Duties of the Employee	Qualification and Experience of employee	Date of Commencement of Employment	Details of Employment held by the Employee before Joining	Percentage of Equity Shares held by the Employee
Atul Kumar Rai, Ex-CEO & MD (from 01.04.2013 to 31.05.2013) Age around 53 years	31,56,510	Contractual as per Rules of the Company	Had Substantial Powers of Management	B.A.(Hons) (Eco) from DU, PG in ECO from JNU, Experience : Over 26 years	01.06.2007 Resigned w.e.f. 31 st May, 2013	Forward Market Commission, Planning Commission, Ministry of Industry, DDA and Ministry of Finance	0.0%

ADDENDUM

**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, 2014**

The preparation of financial statements of IFCI Limited for the year ended 31 March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is a responsibility of the management of the company. The Statutory Auditors 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 29 April, 2014.

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, 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. Comments on Profitability

Long Term Loans & Advances

Loans - Rs. 17,953.67 crore

Allowance for Bad and Doubtful Assets - Rs. 1,355.08 crore

Above does not include Rs. 79.36 crore being provision for bad & doubtful assets, in respect of loan given to Pipavav Marine and Offshore Limited, in accordance with RBI guidelines (July 2013) applicable to NBFCs despite inadequate security cover against the loan, poor past track record of the group in dealing with IFCI and meagre paid up capital of the newly incorporated borrower company. This has resulted in understatement of allowance for bad & doubtful assets and overstatement of profit by Rs. 79.36 crore.

B. Comments on Balance Sheet

Non-current Investments - Rs. 5,751.86 crore

Above includes long term investment of Rs. 587.57 crore in respect of four companies viz. ABG Cement Ltd., Chennai Network Infrastructure Ltd., HPCL Mittal Energy Ltd. and Koutons Retail India Ltd. for which no assessment has been made by the Company of the adequacy of provision for diminution in value of unquoted equity shares as per the requirement of Accounting Standard - 13 despite continuous cash losses; negative Earning Per Shares (EPS); heavy debt on balance sheet; erosion of net-worth; accumulated losses; non-declaration of dividend; passing/filing of winding up petition in Courts and having no buy back commitments/defaults in buy back commitments by investee companies.

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

(Suparna Deb)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II, New Delhi

Place: New Delhi

Date: 23.07.2014

COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF COMPANIES ACT, 1956 AND MANAGEMENT'S REPLY ON THE ACCOUNTS FOR 2013-14

Comments of Comptroller & Auditor General of India	Management's Reply
<p>A. Comments on Profitability Long Term Loans & Advances Loans - Rs. 17,953.67 crore Allowance for Bad and Doubtful Assets-Rs. 1,355.08 crore</p> <p>Above does not include Rs. 79.36 crore being provision for bad & doubtful assets, in respect of loan given to Pipavav Marine and Offshore Limited, in accordance with RBI Guidelines (July 2013) applicable to NBFCs despite inadequate security cover against the loan, poor past track record of the group in dealing with IFCI and meagre paid up capital of the newly incorporated borrower company. This has resulted in understatement of allowance for bad & doubtful assets and overstatement of profit by Rs. 79.36 crore.</p>	<p>The loan was sanctioned against security of listed shares and was a standard asset in terms of the Income Recognition and Classification (IRAC) norms of RBI. In case of standard assets, security of less than one time does not necessarily require any provision. In the instant case, the value of liquid security by way of pledge of actively traded shares was Rs.122.86 crore as on March 31, 2014 against the loan of Rs.202.22 crore. The borrower company is also in the process of providing additional security by way of mortgage of immovable properties. Though there was a small overdue on March 31, 2014, the period of default was only 16 days. There was, therefore, no understatement of allowance for bad and doubtful debts and no overstatement of profit.</p>
<p>B. Comments on Balance Sheet Non-current Investments-Rs. 5,751.86 crore</p> <p>Above includes long term investment of Rs. 587.57 crore in respect of four companies viz. ABG Cement Ltd., Chennai Network Infrastructure Ltd., HPCL Mittal Energy Ltd. and Koutons Retail India Ltd. for which no assessment has been made by the Company of the adequacy of provision for diminution in value of unquoted equity shares as per the requirement of Accounting Standard - 13 despite continuous cash losses; negative Earning Per Shares (EPS); heavy debt on balance sheet; erosion of net-worth; accumulated losses; non-declaration of dividend; passing/filing of winding up petition in Courts and having no buy back commitments/defaults in buy back commitments by investee companies.</p>	<p>As per AS - 13, investment classified as long term should be carried in the financial statements at cost. However, provision for diminution shall be made to recognise a decline, other than temporary in the value of the investment. The investments in all these four companies were long term investments in unquoted equity shares. The indicators as observed by the auditors were associated with the sluggish macro-economic scenario in infrastructure/core sectors. The valuation of the investments were perceived to improve with expected improvement in the economic climate and actions being taken by these companies. Accordingly, the provisions made were considered adequate by the Company. The status is being reviewed periodically for assessment of adequacy of provisions. As per the review, in one of these accounts where winding-up petition has been filed against the company, provision of 100% of diminution is being made in first quarter of FY 2014-15.</p>

Malay Mukherjee
 Chief Executive Officer &
 Managing Director

Achal Kumar Gupta
 Deputy Managing Director

B N Nayak
 Chief Financial Officer

Rupa Sarkar
 Company Secretary

Place: New Delhi
 Date: 24.07.2014

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

As on March 31, 2014, the Board of the Company consisted

of 10 (ten) Directors, out of whom 8 (eight) Directors were Non-Executive while 1 (one) is Managing Director and Chief Executive Officer and 1 (one) is Whole Time Director designated as Deputy Managing Director.

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, 2014 is given here-in below:

Sl. No.	Name of Director	Category	Attendance Particulars			No. of Directorships/Committee Memberships/Chairmanships of Other Companies		
			No. of Board Meetings during the year 2013-14		At AGM held on November 13, 2013	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Shri P G Muralidharan	Non Executive – Independent Director	9	8	No	1	1	–
2.	Shri Arvind Kumar(*)	Nominee Director – Government of India	7	5	No	2	–	–
3.	Shri Anurag Jain	Nominee Director – Government of India	9	9	No	2	2	–
4.	Ms Kiran Sahdev(*)	Non Executive – Independent Director	6	6	Yes	–	–	–
5.	Prof Omprakash Mishra	Non Executive – Independent Director	9	9	Yes	–	–	–
6.	Smt Savita Mahajan	Non Executive – Independent Director	9	6	No	–	–	–
7.	Shri S V Ranganath(*)	Non Executive – Independent Director	4	4	N.A.	–	–	–
8.	Shri Malay Mukherjee(*)	Chief Executive Officer & Managing Director	4	4	N.A.	5	–	–
9.	Shri Achal Kumar Gupta(*)	Whole Time Director – Deputy Managing Director	4	4	N.A.	6	1	–
10.	Shri K S Sreenivasan(*)	Non Executive – Independent Director	–	–	N.A.	2	1	–
DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2013-14								
1.	Smt Usha Sangwan	Non Executive – Independent Director	3	3	N.A.	–	–	–
2.	Shri Atul Kumar Rai	Chief Executive Officer & Managing Director	1	–	N.A.	7	–	–
3.	Shri Sanjeev Kumar Jindal	Nominee Director – Government of India	2	2	N.A.	2	1	–
4.	Shri Santosh B Nayar	Chief Executive Officer & Managing Director	3	3	Yes	5	–	–
5.	Shri Ashok Kumar Jha	Non Executive – Independent Director	3	3	No	4	3	–

(*) Shri Arvind Kumar, Government Director was appointed w.e.f. July 30, 2013.

Ms. Kiran Sahdev was appointed w.e.f. October 24, 2013.

Shri S V Ranganath was appointed w.e.f. November 22, 2013.

Shri Malay Mukherjee, CEO & MD was appointed w.e.f. December 12, 2013 for a period of 3 years.

Shri Achal Kumar Gupta, Whole Time Director designated as Deputy Managing Director was appointed w.e.f. December 12, 2013 for a period of 3 years.

Shri K.S. Sreenivasan was appointed w.e.f. March 31, 2014.

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.
- 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 or to any Key Managerial Personnel of the Company.
- None of the Directors on the Board are Members of more than 10 (ten) committees or Chairman of more than 5 (five) committees

across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2014 have been made by the Directors.

7. 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 the financial year 2013-14, the Board of Directors met 9 (nine) times. The dates of the Meetings were May 20, 2013, June 27, 2013, July 30, 2013, October 24, 2013, November 12, 2013, January 6, 2014, February 10, 2014, February 24, 2014 and March 13, 2014.

(C) Information available to the Board

During the year 2013-14, 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 in advance of 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 also proposes the fixation of their fees.

(B) Composition, Meetings and Attendance of the Committee

The Chairman of the Committee is an Independent Director. The composition of the Audit Committee and attendance of Directors at the Meetings (as on March 31, 2014) is shown below:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2013-14	
			Held	Attended
MEMBERS OF THE COMMITTEE				
1.	Shri P G Muralidharan(*)	Chairman	1	1
2.	Shri Arvind Kumar(**)	Member	2	-
3.	Prof. Omprakash Mishra	Member	4	4
4.	Smt. Savita Mahajan	Member	4	2
DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2013-14				
1.	Shri Anurag Jain	Member	2	2
2.	Shri Ashok Kumar Jha	Member	2	2

(*) Became Member of the Committee w.e.f. 10.02.2014.

(**) Became Member of the Committee w.e.f. 12.11.2013.

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 2013-14, the Audit Committee of Directors of IFCI met Four (4) times. The Meetings were held on May 20, 2013, July 29, 2013, November 12, 2013 and February 10, 2014.

4. REMUNERATION OF DIRECTORS

(A) Terms of Reference

The Board formed HR & Compensation Committee of Directors with a mandate for policy on HR matters including compensation, career management and succession planning. The Committee looked after the compensation structure at the Board level. The Committee consisted of five Directors as on March 31, 2014, out of whom four directors were Non-Executive Directors. During the year, 5 (Five) meetings of the Committee were held on May 20, 2013, June 27, 2013, July 16, 2013, October 03, 2013 and March 13, 2014.

- (B) The following are the details of the remuneration paid to the managerial personnel during the financial year 2013-14:

1. Shri Atul Kumar Rai, Chief Executive Officer and Managing Director, from 01.04.2013 to 31.05.2013

Particulars	(₹ Lakhs)
Salary & Allowances (excluding Perquisites) (including Retirement Leave salary and Gratuity Payment)	28.25
Contribution to PF & Other Funds	0.77
Perquisites as per IT Act	2.40
Others	0.14
TOTAL	31.56

2. Shri Anurag Jain(*), Government Director held Additional Charge of Chief Executive Officer and Managing Director, from 31.05.2013 to 14.07.2013

Particulars	(₹ Lakhs)
Salary & Allowances (excluding Perquisites)	-
Contribution to PF & Other Funds	-
Perquisites as per IT Act	-
Others	-
TOTAL	-

(*) No remuneration was drawn by him from the Company.

3. Shri Santosh B Nayar, Chief Executive Officer and Managing Director, from 15.07.2013 to 11.12.2013

Particulars	(₹ Lakhs)
Salary & Allowances (excluding Perquisites)	8.25
Contribution to PF & Other Funds	0.39
Perquisites as per IT Act	1.04
Others	0.75
TOTAL	10.43

4. Shri Malay Mukherjee, Chief Executive Officer and Managing Director, from 12.12.2013 to 31.03.2014

Particulars	(₹ Lakhs)
Salary & Allowances (excluding Perquisites)	6.52
Contribution to PF & Other Funds	0.29
Perquisites as per IT Act	0.25
Others	0.42
TOTAL	7.48

5. Shri Achal Kumar Gupta, Deputy Managing Director, from 12.12.2013 to 31.03.2014

Particulars	(₹ Lakhs)
Salary & Allowances (excluding Perquisites)	6.23
Contribution to PF & Other Funds	0.28
Perquisites as per IT Act	0.23
Others	0.12
TOTAL	6.86

(C) The Company pays sitting fees of ₹20,000 per Meeting for the Board and ₹10,000 per Meeting of Committee thereof, to the non-executive 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, 2014.

5. INVESTORS' GRIEVANCE COMMITTEE:

(A) Investors' Grievance Committee (nomenclature changed to "Stakeholders Relationship Committee" w.e.f. April 7, 2014) of IFCI consists of 3 (three) Non-Executive Directors. During the financial year 2013-14, the Committee met two times on May 20, 2013 and October 24, 2013. The position of attendance of Directors at the Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during 2013-14	
			Held	Attended
MEMBERS OF THE COMMITTEE				
1.	Shri P G Muralidharan	Chairman	2	2
2.	Prof Omprakash Mishra	Member	2	2
3.	Smt Savita Mahajan	Member	2	-

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, Deputy General Manager & Company Secretary
Email: complianceofficer@ifcilttd.com

(C) The number of complaints received from the shareholders and bondholders during **financial year 2013-14** and the number of pending complaints are shown below:

Equity Shares & Bonds

No. of Complaints received during the Financial Year 2013-14	8630(*)
Pending as on March 31, 2014	-

(*) 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 2013-14.

(D) The Company has in place 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. 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.	13.11.2013	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
2.	18.07.2012	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
3.	13.09.2011	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	Particulars of special resolutions
13.11.2013	u/s 31	Alteration of Articles of Association
18.07.2012	u/s 224A	Appointment of Statutory Auditors
13.09.2011	u/s 224A	Appointment of Statutory Auditors
	u/s 314(1)(b)	Appointment of a relative of a director in a place of profit
	u/s 81(1A)	ESOP - 2011

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 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 Board's 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 21st 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

Shri Samir Bhatnagar, Practicing Company Secretary has 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 as on March 31, 2014 has 6 (six) subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd, MPCON Ltd and Stock Holding Corporation of India Ltd. The Company also has 6 (six) step down subsidiaries viz. IFIN Commodities Ltd, IFIN Credit Ltd, IFIN Securities Finance Ltd, IIDL Realtors Pvt Ltd, SHCIL Services Ltd and SHCIL Projects 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:

(I) The Board

- (i) The Non-Executive Chairman has been provided limited need-based facilities only to dispose of his responsibilities effectively.
- (ii) No Independent Director is on the Board of the Company for more than Nine Years.

(II) 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.

(III) Whistle Blower Policy

The Company was not required to have a formal Whistle Blower Policy under the Companies Act, 1956 and the Listing Agreement. However, the employees were 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. However, during the financial year 2014-15, a vigil mechanism under the provisions of Section 177 of the Companies Act, 2013 has been

established. A Policy in this regard has also been approved by the Board of Directors of the Company.

8. DEVELOPMENTS UNDER THE COMPANIES ACT, 2013

The majority of the provisions of the Companies Act, 2013 became effective w.e.f. April 1, 2014. Under the slew of developments brought in by the Companies Act 2013, the overall framework of the Corporate Governance has also undergone a major makeover. The various changes in the Corporate Governance framework may be classified as under:

A. Audit Committee

The provision of the Audit Committee of Directors is mentioned under Section 177 of the Companies Act, 2013. The Section has also provided for the specific terms of reference for the Audit Committee. As per Section 177 of the Companies Act, 2013, the Board of Directors of every Listed Company and such other class or classes of Companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three Directors with Independent Directors forming a majority. The existing terms of reference of the Audit Committee has been suitably modified to meet the statutory requirements of both Companies Act, 2013 and the Listing Agreement. The composition of the Audit Committee is also as per the provisions of the Companies Act, 2013.

B. Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC)

The provisions related to the SRC are mentioned under Section 178 of the Companies Act, 2013. As per the provisions of Section 178 of the Companies Act, 2013, a Company which consists of more than 1000 shareholders, debenture holders, deposit holders and any other security holders at any time during the financial year shall constitute a Stakeholders Relationship Committee consisting of a Chairperson who shall be a Non-Executive Director and such other members as may be decided by the Board. The SRC shall consider and resolve the grievances of security holders of the Company. Accordingly, a SRC has been constituted.

The provisions of Section 178 of the Companies Act, 2013 has made it mandatory for certain class of Companies to constitute NRC having three or more Non-Executive Directors out of which not less than one half shall be independent Directors. The basic objective of the NRC is to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The NRC of Directors shall also formulate a Policy ensuring that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. Accordingly, IFCI has constituted a NRC of Directors. The Company has also formulated and has in place the requisite Policy as required under Section 178 of the Companies Act, 2013.

C. Corporate Social Responsibility (CSR) Committee

The provisions of Section 135 of the Companies Act, 2013 requires that every Company having net worth of ₹ 500 crore or more, or turnover of ₹1000 crore or more, or a net profit of ₹5 crore or more during any financial year shall constitute a CSR Committee of Directors consisting of three or more Directors out of which at least one Director shall be Independent Director. The provisions of the Section also requires the CSR Committee of Directors to formulate and recommend a Policy to the Board which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. Accordingly, a CSR Committee has been constituted and the Policy as mentioned under Section 135 of the Companies Act, 2013 has also been approved by the Board.

8. MEANS OF COMMUNICATION

IFCI's quarterly/half-yearly financial results are published in the leading Hindi and English papers. During FY 2013-14, IFCI's quarterly/half-yearly financial results were published in Financial Express, Business Standard, Jansatta and Navbharat Times (All editions). Official press releases are also displayed on Company's website (www.ifcilttd.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 : August 27, 2014
Time : 10:30 A.M.
Venue : FICCI Auditorium
1, Tansen Marg
New Delhi - 110 001

(ii) **Financial Calendar (Tentative):**
Results for quarter ending : Second Week of August, 2014
June 30, 2014
Results for quarter ending : Third week of October, 2014
September 30, 2014
Results for quarter ending : Third week of January, 2015
December 31, 2014
Results for quarter ending : Third week of May, 2015
March 31, 2015

(iii) **Dates of Book Closure for the purpose of payment of Dividend** : Monday, August 18, 2014 to Thursday, August 28, 2014 (both days inclusive)

(iv) **Dividend Payment Date** : A final dividend of Re 1/- per equity share will be paid for the financial year 2013-14 on/after September 1, 2014, subject to 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

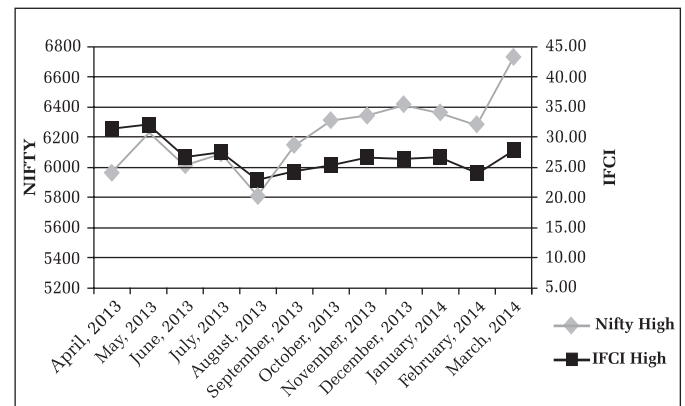
(vii) Market Price data: (Price in ₹)

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2013	31.45	25.90	31.45	25.90
May, 2013	32.05	25.15	32.05	25.20
June, 2013	26.70	21.25	26.70	21.25
July, 2013	27.40	20.05	27.35	20.20
August, 2013	22.80	17.80	22.80	17.85
September, 2013	24.35	18.45	24.30	18.45
October, 2013	25.35	21.60	25.35	21.65
November, 2013	26.65	23.85	26.65	23.90
December, 2013	26.25	23.15	26.40	23.25
January, 2014	26.65	21.90	26.65	21.90
February, 2014	24.05	21.65	24.05	21.80
March, 2014	27.80	22.60	27.80	22.60

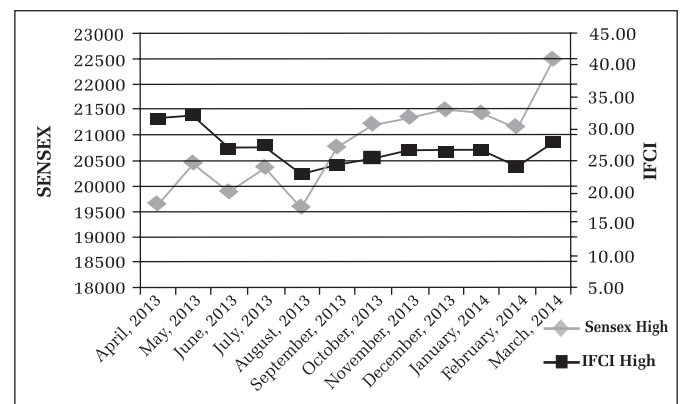
Source: NSE/BSE

(viii) Performance in comparison to broad based indices:

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



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



(ix) Registrar and Transfer Agent

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

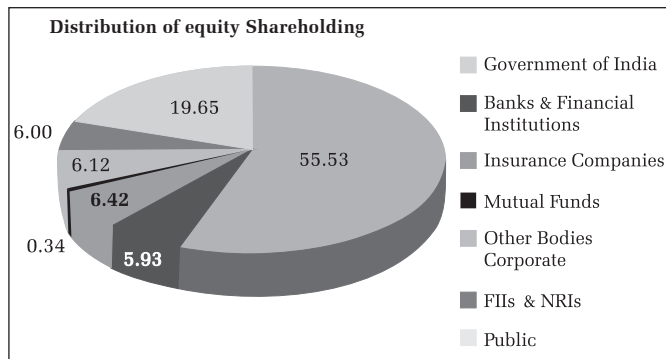
For Infrastructure Bonds (Series I & II)	Beetal Financial & Computer Services (P) Ltd Beetal House, 3 rd Floor, 99 Madangir Behind LSC, Near Dada Harsukhdas Mandir, New Delhi-110 062
For Infrastructure Bonds (Series III, IV & V)	Karvy Computershare Private Ltd Plot No. 17-24, Vittal Rao Nagar Madhapur, Hyderabad-500 081
For subordinate Bonds (Series I & III)	Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (W) Mumbai-400 078
For Tax Free Bonds	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi-110 019

(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 Shareholding (as on March 31, 2014):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2014 is as under:


(a) Shareholding Pattern:

Shareholding Pattern of Equity Shares of IFCI as on March 31, 2014 and March 31, 2013 is given as under:

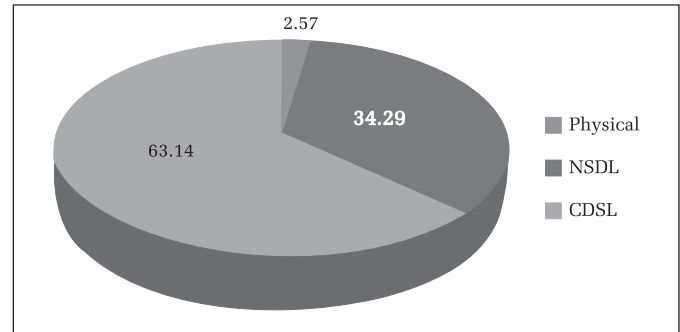
Category	As on 31.03.2014		31.03.2013	
	No. of Equity Shares	%	No. of Equity Shares	%
Government of India	92,30,00,000	55.53	92,30,00,000	55.53
Banks & Financial Institutions	9,86,32,053	5.93	10,06,94,919	6.06
Insurance Companies	10,66,98,758	6.42	10,66,98,758	6.42
Mutual Funds	57,25,575	0.34	23,17,411	0.14
Other Bodies Corporate	10,17,37,323	6.12	11,54,16,888	6.94
FIIs & NRIs	9,97,19,180	6.00	8,45,59,736	5.09
Public	32,65,24,346	19.65	32,93,49,523	19.82
TOTAL	1,66,20,37,235	100.00	1,66,20,37,235	100.00

(b) Distribution Schedule Range Analysis as on March 31, 2014:

Sl. No.	Category		No. of Shareholders	% of total Shareholders	No. of Equity Shares	% Shares
	From	To				
1.	1	500	6,29,673	85.96	9,56,09,946	5.7526
2.	501	1000	53,913	7.36	4,42,51,694	2.6625
3.	1001	2000	25,884	3.53	3,97,30,835	2.3905
4.	2001	3000	8,278	1.13	2,13,83,689	1.2866
5.	3001	4000	3,828	0.52	1,39,21,308	0.8376
6.	4001	5000	3,051	0.42	1,45,37,830	0.8747
7.	5001	10000	4,491	0.61	3,32,40,589	2.0000
8.	10001	50000	2,858	0.39	5,71,02,292	3.4357
9.	50001	100000	287	0.04	2,06,43,897	1.2421
10.	100001	and above	304	0.04	1,32,16,15,155	79.5178
TOTAL			7,32,567	100.00	1,66,20,37,235	100.00

(xii) Dematerialization of Shares and liquidity:

About 97.44% of the Equity Shares of the Company have already been dematerialized up to March 31, 2014. IFCI's Shares are listed at major Stock Exchanges of the Country and being traded actively.


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

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

(xiv) Registered Office : IFCI is a Public Financial Institution having its Registered Office at New Delhi.

Regional Offices at : Ahmedabad, Bengaluru, Bhopal, Kolkata, Chandigarh, Chennai, Delhi Hyderabad, Jaipur, Lucknow, Mumbai, Bhubaneswar, Guwahati, Kochi, Patna and Pune.

(xv) Address for Correspondence:

Investor Correspondence (Equity & Family Bond) MCS Ltd
F-65, First floor, 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 LSC Near Dada Harsukhdas Mandir New Delhi-110 062

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

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

For Tax Free Bonds IFCI Ltd, IFCI Tower IFCI Tower 61 Nehru Place New Delhi-110 019

Any other query IFCI Limited, IFCI Tower 61 Nehru Place New Delhi-110 019

Website: www.ifcilt.com
Email: 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 confirmed that the Company has in respect of the Financial Year ended March 31, 2014, 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.

Malay Mukherjee
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

Malay Mukherjee
Chief Executive Officer &
Managing Director

Place : New Delhi
Date : April 29, 2014

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, 2014, 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.

Samir Bhatnagar
Practicing Company Secretary
M. No. 30997
COP No. 13115

Place : New Delhi
Date : July 01, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IFCI LIMITED

Report on Financial Statements

We have audited the accompanying financial statement of IFCI Limited ("the Company") which comprises of the Balance Sheet as at 31st March, 2014, 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.

Auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 as 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 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the company 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, in terms of Sub - Section (4A) of Section 227 of the Act, we give, based on the information and explanation given to us, a statement in the Annexure on the matters specified in paragraphs 4 and 5 of that 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, 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, the 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Clause (g) of Sub-Section(1) of Section 274 of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
FRN: 000038N

V Rajaraman
Partner
M. No. 2705

Place: New Delhi
Date : April 29, 2014

For **ANDROS & CO.**
Chartered Accountants
FRN: 08976N

Brij Bhushan Garg
Partner
M. No. 84865

ANNEXURE TO THE AUDITORS' REPORT

The Company is a Non Banking Financial Company (NBFC) and the Clause (ii) (a, b, c); (iii) (b, c, d, f, g) and (xiii) (a, b, c, d) of Companies (Auditors Report) Order 2003 or not applicable and hence no opinion on these have been expressed.

- (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. However, the policy with regards to the verification of physical assets and the periodicity thereof needs to be reviewed and approved by the Board.
- (c) The Company did not dispose off any substantial part of fixed assets during the year that may affect the going concern.
- (ii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iii) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to 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 actions.
- (iv) (a) There are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956.
- (b) As there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956, therefore, paragraph (v)(b) of the Order is not applicable.
- (v) 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.
- (vi) The Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (vii) 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.
- (viii) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. As per the information and explanation and records made available to us there were no undisputed dues payable for the period of more than six months from the date they became payable as at March 31, 2014.
- (b) 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) Gwalior, M P

* net of amount deposited under protest

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

- (ix) There are no accumulated loss and the Company has not incurred any cash loss during the financial year covered by our audit report and in the immediately preceeding financial year.
- (x) The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xi) 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.
- (xii) 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.
- (xiii) The Company has given guarantees for loans taken by others Performance Guarantees and Letters of comforts for subsidiaries and others. The terms and conditions of these guarantees and Letters of comfort are not prima facie prejudicial to the interests of the Company.
- (xiv) Term loans availed by the Company were applied by the Company during the year for the purpose for which they were obtained.
- (xv) Funds raised on short term basis have not been used for long term purpose.
- (xvi) The Company has not made any preferential allotment of shares during the financial year to the parties and companies covered under the register maintained under Section 301 of the Companies Act, 1956.
- (xvii) The Company has issued secured tax free bonds for which creation of charge has not been completed since the prescribed form under the Companies Act, 2013 is yet to be notified by the Ministry of Corporate Affairs.
- (xviii) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices, in India we have neither come across any instance of fraud on or by the Company nor, the Company has noticed and reported any such case during the year, and accordingly the company has not informed us of any such case.

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
FRN: 000038N

V Rajaraman
Partner
M. No. 2705

Place : New Delhi
Date : April 29, 2014

For **ANDROS & CO.**
Chartered Accountants
FRN: 08976N

Brij Bhushan Garg
Partner
M. No. 84865

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014	(₹ crore) As at March 31, 2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,924.96	1,924.68
(b) Reserves and Surplus	2	5,055.64	4,766.28
(2) Non-current Liabilities			
(a) Long-term Borrowings	3	17,342.11	14,224.67
(b) Long-term Liabilities	4	86.86	73.37
(c) Long-term Provisions	5	81.76	42.80
(3) Current Liabilities			
(a) Short-term Borrowings	6	247.95	14.68
(b) Trade Payables	7	95.84	185.26
(c) Other Current Liabilities	8	3,955.97	4,451.13
(d) Short-term Provisions	5	198.22	198.54
TOTAL		28,989.31	25,881.41
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	1,141.30	1,152.96
(ii) Intangible Assets	10	0.20	0.34
(iii) Capital work-in-progress		5.62	19.29
(b) Non-current Investments	11	5,751.86	5,955.20
(c) Deferred Tax Asset (Net)	12	682.04	726.79
(d) Long-term Loans & Advances			
(i) Loans	13	16,598.59	10,542.78
(ii) Others	14	183.57	216.32
(e) Other Non-current Assets	15	4.55	4.57
(2) Current Assets			
(a) Current Investments	16	1,761.67	2,686.21
(b) Trade Receivables	17	33.82	15.08
(c) Cash and Cash Equivalents	18	535.83	605.62
(d) Short-term Loans and Advances			
(i) Loans (Current Maturity of Long-term Loans)	13	2,036.52	3,737.14
(ii) Others	14	34.31	32.52
(e) Other Current Assets	15	219.43	186.59
TOTAL		28,989.31	25,881.41

Accounting Policies and Notes (1 to 50) form an integral part of financial statements

For and on behalf of Board

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

S P ARORA
Executive Director

B N NAYAK
Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 08976N

V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	For the year ended March 31, 2014	(₹ crore) For the year ended March 31, 2013
I. Revenue from Operations	19	2,884.51	2,705.85
II. Other Income	20	66.75	53.45
III. Total Revenue		2,951.26	2,759.30
IV. Expenses			
Finance Cost	21	1,665.99	1,814.61
Employee Benefits Expenses	22	58.89	60.94
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		13.04	10.33
Other Expenses	23	32.50	44.15
Total Expenses		1,770.42	1,930.03
V. Profit before NPA Recovery, Provisions/Write-off		1,180.84	829.27
VI. Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	24	520.39	165.15
VII. Profit before Tax		660.45	664.12
VIII. Tax Expense			
- Current Tax		107.60	103.12
- Deferred Tax (Net)		44.75	110.13
IX. Profit for the period		508.10	450.87
X. Basic Earnings per share of ₹10.00 each (₹)		3.05	4.14
Diluted Earnings per share of ₹10.00 each (₹)		3.05	4.14

Accounting Policies and Notes (1 to 50) form an integral part of financial statements

For and on behalf of Board

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

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Executive Director

B N NAYAK
Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
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V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014	(₹ crore) For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	660.45	664.12
Adjustments for:		
Depreciation	13.04	10.33
Provision/write offs	520.39	165.15
Bond Issue Expenses charged to Share Premium Account	(5.58)	(17.33)
(Profit)/Loss on Sale of Assets	(0.03)	0.04
Employee Stock Option Compensation Cost	0.44	0.91
Lease Equalisation	-	12.23
Operating Profit before Working Capital Changes & Operating Activities	<u>1,188.71</u>	<u>835.45</u>
Adjustments for Operating Activities:		
(Increase)/decrease in Investments (incl. Current Investments)	1,014.44	(829.24)
(Increase)/decrease in Loans & Advances	(4,760.53)	2,534.93
(incl. Current Maturities of Long-Term Loans & Advances)		
Increase/(decrease) in Borrowings	2,867.98	(3,418.75)
(incl. Current Maturities of Long-Term Liabilities)		
Operating Profit before Working Capital Changes	<u>310.60</u>	<u>(877.61)</u>
Adjustments for:		
(Increase)/decrease in Current Assets	(52.07)	489.66
Increase/(decrease) in Current Liabilities	(49.72)	(137.08)
Cash Flow before taxation	<u>208.81</u>	<u>(525.03)</u>
Income Tax (paid)/refund - Net	(77.74)	(57.68)
Net cash flow from Operating Activities	<u>131.07</u>	<u>(582.71)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(7.49)	(48.40)
Sale proceed of Fixed Assets	0.86	0.10
Net cash flow from Investing Activities	<u>(6.63)</u>	<u>(48.30)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares by way of conversion of OCDs held by GoI	-	923.00
Issue of Equity Shares on exercise of employee stock options	0.28	-
Share Premium (net of expenses)	0.23	0.01
CSR Fund (net of expenses)	0.02	(0.08)
Benevolent Reserve Fund	-	0.25
Dividend paid	(194.76)	(85.16)
Net cash flow from Financing Activities	<u>(194.23)</u>	<u>838.02</u>
Net Increase/(Decrease) in Cash and Cash Equivalent Flow (A+B+C)	<u>(69.79)</u>	<u>207.01</u>
Opening Cash and Cash Equivalent *	<u>605.62</u>	<u>398.61</u>
Closing Cash and Cash Equivalent *	<u>535.83</u>	<u>605.62</u>

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

* Includes ₹10.36 crore (Previous Year - ₹ 7.96 crore) in Unclaimed Dividend Account

Accounting Policies and Notes (1 to 50) form an integral part of financial statements

For and on behalf of Board

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

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Chief Financial Officer

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In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 08976N

V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

A. SIGNIFICANT ACCOUNTING POLICIES

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) for Non-Banking Financial Companies, 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.

2. Revenue Recognition

- 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 for Non-Banking Financial Companies.
- Front-end fees, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on cash basis.
- Dividends declared by the respective Companies till the close of the accounting period are accounted for as income.
- Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.
- 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.
- Interim returns by promoter/promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments are taken to income on receipt basis.
- Surplus/gains on sale of investments is net of losses thereon.

3. Investments

- 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).
 - 'Long term Investments' are carried at acquisition cost. The RBI Guidelines prescribe Accounting Standard 13 on 'Accounting for Investments' for valuation of long-term investments. Accordingly, provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with firm buy-back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/promoter group and provision is made accordingly on individual basis.
 - '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.
- 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.
- Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

4. Derivatives

- 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.
- 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 statement of profit and loss.
 - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the statement of profit and loss.
 - Equity Index/Stock Options are carried at cost where they are used as an instrument for hedging.
- 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.
- 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.

5. Foreign Exchange Transactions

- The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/at the forward rate, if booked, for such transaction.

- (b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss.

6. Tangible Fixed Assets and Depreciation

- (a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any.
- (b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) over the useful life of the asset as 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 the value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset. An equal amount is withdrawn from the revaluation reserve and adjusted against the depreciation on revalued value of assets.
- (e) Leasehold Improvements are amortized over the remaining 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.
- (h) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/disposal. Assets having individual value of less than ₹ 5,000/- are charged to the Statement of Profit & Loss in the year of purchase.

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) method under Schedule XIV of the Companies Act, 1956.

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.

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 as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.
- (b) For restructured/rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.
- (c) Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances 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.

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, 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.

11. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

12. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

13. Miscellaneous Expenditure

Expenses on issue of Shares and Debentures/Bonds are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.

14. Employee Benefits

- (a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.

- (b) Prior to 01.04.2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme for employees existing on 01.04.2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.
- (c) The Company has a defined benefit 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.
- (d) Provision for leave encashment is being made on actuarial valuation basis.
- (e) The Company has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The amount is charged to the Staff Welfare Fund as and when incurred.

15. Employee Stock Option Plan

The Company had formulated Employee Stock Option Schemes (ESOS) in 2011-12 in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provided for grant of options to employees (including employees deputed in subsidiaries/associates/joint ventures) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price was amortised on a straight-line basis over the vesting period.

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.

17. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where the probability of occurrence of outflow of resources cannot be ascertained to settle the same. Contingent assets are neither recognized nor disclosed.

B. NOTES ON ACCOUNTS

1. SHARE CAPITAL

1.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
AUTHORISED				
Equity Shares of ₹10/- each	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Cumulative Redeemable Preference Shares of ₹10/- each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	3,00,00,00,000	3,000.00	3,00,00,00,000	3,000.00
ISSUED				
Equity Shares of ₹10/- each	1,72,92,84,689	1,729.28	1,72,92,84,689	1,729.28
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
	1,99,31,27,789	1,993.12	1,99,31,27,789	1,993.12
SUBSCRIBED				
Equity Shares of ₹10/- each	1,66,33,53,935	1,663.35	1,66,33,53,935	1,663.35
Cumulative Redeemable Preference Shares of ₹10/- each	26,38,43,100	263.84	26,38,43,100	263.84
	1,92,71,97,035	1,927.19	1,92,71,97,035	1,927.19
PAID UP				
(A) EQUITY				
Equity Shares of ₹10/- each	1,66,20,37,235	1,662.04	1,66,20,37,235	1,662.04
Less: Loan given to ESOP Trust recoverable (outstanding) (shares allotted to Trust)	(9,21,622)	(0.92)	(11,99,904)	(1.20)
TOTAL - EQUITY	1,66,11,15,613	1,661.12	1,66,08,37,331	1,660.84
(B) PREFERENCE				
0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each				
Redeemable at par on 31.03.2021	20,00,000	2.00	20,00,000	2.00
Redeemable at par on 03.03.2021	80,00,000	8.00	80,00,000	8.00
Redeemable at par on 02.03.2021	3,00,00,000	30.00	3,00,00,000	30.00
Redeemable at par on 01.03.2021	1,00,00,000	10.00	1,00,00,000	10.00
Redeemable at par on 31.10.2020	20,00,000	2.00	20,00,000	2.00
Redeemable at par on 31.03.2019	3,00,00,000	30.00	3,00,00,000	30.00
Redeemable at par on 17.09.2018	5,00,00,000	50.00	5,00,00,000	50.00
Redeemable at par on 15.09.2018	9,30,00,000	93.00	9,30,00,000	93.00
Redeemable at par on 02.08.2017	3,88,43,100	38.84	3,88,43,100	38.84
TOTAL - PREFERENCE	26,38,43,100	263.84	26,38,43,100	263.84
TOTAL SHARE CAPITAL		1,924.96		1,924.68

1.2 Reconciliation of the Number of Equity Shares and Share Capital:

There has been no changes in the Authorised, Issued and Subscribed Share Capital during the year.

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	1,66,08,37,331	1,660.84	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 on exercise of employee stock options	2,78,282	0.28	-	-
Outstanding at the end of the period	<u>1,66,11,15,613</u>	<u>1,661.12</u>	<u>1,66,08,37,331</u>	<u>1,660.84</u>

1.3 Terms/Rights attached to equity shares:

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

1.4 Shareholders holding more than 5% of equity Shares as at the end of the year:

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Share-holding %	Number of Shares	Share-holding %
Government of India	92,30,00,000	55.53	92,30,00,000	55.53

1.5 Employees Stock Option Scheme

The Company had, during the financial year 2011-12, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme. During the current year, the Board in its meeting dated November 12, 2013 has withdrawn the scheme, subject to all the regulatory compliances required in this regard and no further vesting under the scheme shall be held. Pending such compliances, the granted options that have not vested under the scheme, have not been cancelled.

ESOP A	Year ended 31.03.2014		Year ended 31.03.2013	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	38,01,999	17.55	45,54,700	17.55
Add: Granted during the period	-	-	-	-
Less: Cancelled during the period	1,41,558	17.55	7,52,701	17.55
Less: Exercised during the period	2,33,522	17.55	-	-
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period*	34,26,919	17.55	38,01,999	17.55
* incl. shares allotted to Employee Stock Option Trust	7,48,810	17.55	9,82,332	17.55

The charge towards ESOP Compensation included under Salaries is ₹ 0.44 crore (Previous Year - ₹ 0.91 crore).

ESOP B

Outstanding at the beginning of the period	20,24,776	23.40	26,23,681	23.40
Add: Granted during the period	-	-	-	-
Less: Cancelled during the period	1,48,841	23.40	5,98,905	23.40
Less: Exercised during the period	44,760	23.40	-	-
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period *	18,31,175	23.40	20,24,776	23.40
* incl. shares allotted to Employee Stock Option Trust	1,72,812	23.40	2,17,572	23.40

2. RESERVES AND SURPLUS

	As at March 31, 2014	As at March 31, 2013
(A) Capital Reserve (foot-note 1)	0.85	0.85
(B) Capital Redemption Reserve (foot-note 2)	193.08	193.08
(C) Securities Premium Reserve		
Opening Balance	930.18	945.90
Additions	-	1.61
Deductions/Transfers	(5.58)	(17.33)
Closing Balance	<u>924.60</u>	<u>930.18</u>
Less: Loan given to ESOP Trust recoverable (outstanding) (shares allotted to Trust)	<u>(0.80)</u>	<u>(1.03)</u>
	923.80	929.15

Note 2 (contd..)

	As at		(₹ crore)	
	March 31, 2014		March 31, 2013	
(D) Debenture Redemption Reserve				
Opening Balance	-		5.00	
Transfer to General Reserve	-		(5.00)	
Closing Balance	-		-	
(E) Revaluation Reserve (refer foot-notes of note 9)				
Opening Balance	939.25		958.28	
Deduction on account of Depreciation	(19.03)		(19.03)	
Deduction on account of transfer/sale/disposal	(0.06)		-	
Closing Balance	920.16		939.25	
(F) Share Options Outstanding A/c				
Employee Stock Options Outstanding	1.57		1.65	
Less: Deferred Employee Compensation Outstanding	(0.34)		(0.86)	
	1.23		0.79	
(G) Corporate Social Responsibility				
Opening Balance	10.00		10.08	
Additions	0.82		0.80	
Deductions	(0.80)		(0.88)	
Closing Balance	10.02		10.00	
(H) Grant received from Govt under KfW Loans (foot-note 3)	184.48		184.48	
(I) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (foot-note 4)				
- for the period upto 31.03.1997			1.69	1.69
- after 01.04.1997				
Opening Balance	50.00		35.00	
Additions	15.00		15.00	
Closing Balance	65.00		50.00	
(J) Reserve u/s 451C of RBI Act (foot-note 5)				
Opening Balance	669.10		578.93	
Additions	101.62		90.17	
Closing Balance	770.72		669.10	
(K) Benevolent Reserve				
Opening Balance	-		4.11	
Additions/Transfers	-		0.25	
Transfer to General Reserve	-		(4.36)	
Closing Balance	-		-	
(L) General Reserve				
Opening Balance	139.36		130.00	
Transfer from Benevolent Reserve	-		4.36	
Transfer from Debenture Redemption Reserve	-		5.00	
Closing Balance	139.36		139.36	
(M) Surplus				
Opening Balance	1,648.53		1,496.30	
Add: Profit for the year	508.10		450.87	
Less: Appropriations				
Reserve u/s 451C of RBI Act	(101.62)		(90.17)	
Special Reserve u/s 36(1)(viii)	(15.00)		(15.00)	
Proposed Dividend - Equity @ ₹ 1 per share	(166.20)		(166.20)	
Tax on Proposed Distributed Profits - Equity	(28.25)		(26.96)	
Dividend - Preference @ ₹ 0.01 per share	(0.26)		(0.26)	
Tax on Distributed Profits - Preference	(0.05)		(0.05)	
Closing Balance	1,845.25		1,648.53	
TOTAL RESERVES AND SURPLUS	5,055.64		4,766.28	

Foot-notes to Note No. 2

- Capital Reserve represents proceeds of forfeited shares.
- Capital Redemption Reserve represents amount transferred from surplus in profit and loss statement towards redemption of preference shares without fresh issue of capital, as required under Section 80 of the Companies Act, 1956.
- Grant received from Government of India under KfW Loans is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development.
- Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f. FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability.
- In terms of Section 451C of RBI Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

	(₹ crore)			
	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
3. LONG-TERM BORROWINGS				
3.1 RUPEE - UNSECURED				
(A) Non-Convertible Debentures (NCDs)				
(i) 6.00% LIC - Redeemable on 28.12.2021	200.00	-	200.00	-
(ii) 6.00% SBI - Redeemable on 25.01.2022	200.00	-	200.00	-
(iii) 0.00% LIC - Redeemable on 01.04.2022	418.19	-	418.19	-
Sub - Total 'A'	818.19	-	818.19	-

	(₹ crore)			
	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
(B) Bonds				
(i) Guaranteed by Government of India and redeemable at par (refer foot note 1)	-	-	1,643.27	195.50
(ii) Privately Placed Bonds (refer foot note 1)	6,300.30	573.21	4,879.76	955.76
(iii) Privately Placed Bonds issued to Subsidiaries	75.00	-	75.00	-
(iv) Privately Placed Zero Coupon Bonds. Unamortised Discount - ₹ 895.05 crore (Previous Year - ₹ 907.64 crore)	141.70	-	129.11	-
(v) Infrastructure Bonds (incl. cumulative interest ₹ 155.20 crore (Previous Year - ₹ 86.77 crore))	1,097.79	-	1,029.36	-
(vi) Subordinate - Tier II Bonds (incl. cumulative interest ₹ 20.38 crore (Previous Year - ₹ 9.67 crore))	1,333.68	-	1,322.97	-
(vii) Application Money	-	-	4.00	-
Sub-Total 'B' (refer foot note 2)	8,948.47	573.21	9,083.47	1,151.26
(C) Other Long Term Borrowings				
(i) Banks (refer foot note 3)	6,591.87	2,548.47	3,706.99	2,438.18
(ii) Financial Institutions (repayable on 01.04.2022)	100.00	-	100.00	-
(iii) Government of India under KfW Loans	3.07	20.06	4.24	18.89
(iv) Others	-	7.72	7.72	-
(v) Inter Corporate Deposit to Subsidiaries	-	-	-	36.00
Sub-Total 'C'	6,694.94	2,576.25	3,818.95	2,493.07
TOTAL (RUPEE - UNSECURED)	16,461.60	3,149.46	13,720.61	3,644.33
3.2 RUPEE - SECURED				
(A) Tax-free Bonds (secured by Receivables) (refer foot note 4)				
- subscribed by subsidiaries				
IFCI Infrastructure Development Ltd. (a subsidiary company)	15.00	-	-	-
IFCI Venture Capital Funds Ltd. (a subsidiary company)	5.00	-	-	-
Stock Holding Corporation of India Ltd. (a subsidiary company)	25.00	-	-	-
Tourism Finance Corporation of India Ltd. (an associate company)	50.00	-	-	-
- subscribed by others	215.00	-	-	-
TOTAL (RUPEE - SECURED)	310.00	-	-	-
3.3 FOREIGN CURRENCIES - UNSECURED				
(a) KfW Line - Guaranteed by Government of India (refer foot note 5)	570.51	29.21	504.06	24.55
TOTAL (FOREIGN CURRENCIES)	570.51	29.21	504.06	24.55
TOTAL LONG-TERM BORROWINGS	17,342.11	3,178.67	14,224.67	3,668.88

Foot-notes to Note No. 3

- Privately placed Bonds of ₹ 6,300.30 crore shown at 3.1(B)(ii) above includes ₹ 1,643.27 crore of bonds which were guaranteed by the Govt. of India at the time of issue. These bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period and accordingly, these bonds were shown under Bonds guaranteed by Govt. of India till March 31, 2013, with suitable disclosure of the fact in Notes to Accounts. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such rolled over erstwhile government guaranteed bonds are clustered under Privately Placed Bonds as on March 31, 2014 above.
- (a) Put/Call Option applicable on ₹ 2,237.78 crore (Previous Year - ₹ 2,943.70 crore) of Bonds included in Non-current Bonds of ₹ 8,948.47 crore at 3.1 (B) above.
(b) Terms of repayment of total bonds of ₹ 9,521.67 crore is annexed below.
- (a) Put/Call Option applicable on ₹ 1,180 crore (Previous Year - ₹ 315.00 crore) of Bank Borrowings included in Non-current Borrowings of ₹ 6,591.86 crore at 3.1(C)(i) above.
(b) Terms of repayment of total bank borrowings of ₹ 9,140.37 crore is annexed below.
- Terms of repayment of Tax-free Bonds annexed below.
- Terms of repayment of foreign currency liabilities annexed below :

FOOT NOTE 2(b) TERMS OF REPAYMENT OF OTHER BONDS {NOTE 3.1(B)}

Series	Intt Rate	Date of Maturity	(₹ crore)	Series	Intt Rate	Date of Maturity	(₹ crore)
Zero Coupon Bonds	9.75	07-Jul-40	8.99	Other Bonds	9.70	18-May-30	250.00
Zero Coupon Bonds	9.75	07-Jul-39	9.86	Other Bonds	9.70	04-May-30	250.00
Zero Coupon Bonds	9.75	07-Jul-38	10.84	Other Bonds	9.75	26-Apr-28	350.00
Other Bonds	9.90	05-Nov-37	106.88	Other Bonds	9.90	05-Nov-27	106.88
Tier II Bonds	9.98	05-Oct-37	20.00	Other Bonds	10.12	08-Oct-27	19.59
Tier II Bonds	9.98	18-Sep-37	50.00	Other Bonds	10.10	08-Oct-27	5.15
Zero Coupon Bonds	9.75	07-Jul-37	11.90	Infra Bonds	8.72	31-Mar-27	29.34
Zero Coupon Bonds	9.75	07-Jul-36	13.06	Infra Bonds	9.16	15-Feb-27	54.50
Zero Coupon Bonds	9.75	07-Jul-35	14.34	Infra Bonds	8.75	12-Dec-26	14.65
Zero Coupon Bonds	9.75	07-Jul-34	15.73	Tier II Bonds	10.75	31-Oct-26	102.49
Zero Coupon Bonds	9.75	07-Jul-33	17.26	Tier II Bonds	10.75	01-Aug-26	483.27
Other Bonds	9.90	05-Nov-32	106.88	Other Bonds	9.55	13-Apr-25	225.00
Tier II Bonds	9.98	15-Oct-32	10.00	Other Bonds	9.55	05-Mar-25	200.00
Zero Coupon Bonds	9.75	07-Jul-32	18.94	Other Bonds	9.75	25-Jan-25	200.00
Zero Coupon Bonds	9.75	07-Jul-31	20.79	Infra Bonds	8.50	31-Mar-24	113.65
Other Bonds	9.98	29-Oct-30	250.00	Other Bonds	6.00	10-Dec-22	50.00
Other Bonds	9.75	16-Jul-30	500.00	Other Bonds	6.00	18-Nov-22	25.00
Other Bonds	9.75	13-Jul-30	250.00	Other Bonds	9.90	05-Nov-22	106.88

Note 3 (contd..)

Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	6.00	22-Oct-22	50.00
Other Bonds	9.95	08-Oct-22	5.41
Other Bonds	10.05	28-Sep-22	8.20
Other Bonds	6.00	27-Sep-22	45.00
Other Bonds	10.15	26-Jun-22	2.80
Other Bonds	10.25	26-Jun-22	124.07
Other Bonds	10.25	31-Mar-22	0.89
Other Bonds	8.22	03-Mar-22	46.22
Other Bonds	10.25	28-Feb-22	0.40
Tier II Bonds	10.50	28-Feb-22	64.70
Tier II Bonds	10.70	28-Feb-22	123.63
Infra Bonds	9.09	15-Feb-22	335.32
Infra Bonds	9.16	15-Feb-22	0.01
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	109.33
Other Bonds	10.60	30-Nov-21	0.30
Tier II Bonds	10.50	31-Oct-21	74.51
Tier II Bonds	10.60	31-Oct-21	8.98
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	01-Aug-21	196.10
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	343.22
Infra Bonds	8.25	31-Jan-21	32.47
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	60.03
Infra Bonds	7.95	15-Sep-20	5.30
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	07-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	9.50	03-Apr-18	0.45
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	08-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

Series	Intt Rate	Date of Maturity	(₹ crore)
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
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	08-Jun-16	12.00
Other Bonds	9.00	08-Jun-16	0.73
Other Bonds	6.00	07-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	03-Mar-16	3.50
Other Bonds	6.00	01-Mar-16	52.50
Other Bonds	6.00	01-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	04-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	09-Oct-15	5.00
Other Bonds	6.00	06-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	08-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	09-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
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

Note 3 (contd..)

Series	Intt Rate	Date of Maturity	(₹ crore)
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

Series	Intt Rate	Date of Maturity	(₹ crore)
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	07-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
Total			9,521.67

FOOT NOTE 3(b) TERMS OF REPAYMENT OF TERM LOANS FROM BANKS/FIs {NOTE 3.1(C)(i)}

Rate of Interest (% p.a.)	Amount (₹ crore)	Date of Maturity	Repayment	Date of First Instalment	Number of Instalments
5.85	200.00	23-07-2022	Bullet	23-07-2022	-
5.85	100.00	02-05-2022	Bullet	02-05-2022	-
10.50	200.00	30-12-2018	Quarterly	30-03-2016	Twelve
10.50	200.00	29-03-2019	Quarterly	29-06-2016	Twelve
10.50	100.00	29-03-2019	Quarterly	29-06-2015	Sixteen
10.50	400.00	21-03-2019	Quarterly	21-06-2015	Sixteen
10.50	100.00	12-03-2019	Quarterly	12-06-2015	Sixteen
10.50	100.00	28-02-2019	Quarterly	28-05-2015	Sixteen
10.50	100.00	24-02-2019	Quarterly	24-05-2015	Sixteen
10.50	200.00	14-02-2019	Quarterly	14-05-2016	Twelve
10.50	250.00	12-02-2019	Quarterly	12-05-2016	Twelve
10.50	100.00	06-02-2019	Quarterly	06-05-2016	Twelve
10.50	250.00	30-12-2018	Quarterly	30-03-2016	Twelve
10.50	50.00	26-12-2018	Quarterly	26-03-2016	Twelve
10.50	250.00	13-12-2018	Quarterly	13-03-2015	Sixteen
10.50	1,000.00	27-03-2017	Quarterly	27-12-2014	Ten
10.50	750.00	12-11-2018	Quarterly	12-02-2016	Twelve
10.50	1,000.00	30-09-2018	Quarterly	31-12-2014	Sixteen
10.25	275.00	31-12-2016	Quarterly	30-06-2014	Eleven
10.25	265.83	19-12-2016	Quarterly	19-06-2014	Eleven
10.25	500.00	01-12-2016	Quarterly	01-03-2015	Eight
10.50	450.00	11-11-2016	Quarterly	11-02-2015	Eight
10.50	250.00	30-09-2016	Quarterly	31-12-2014	Eight
10.20	150.02	29-06-2016	Quarterly	29-06-2014	Nine
10.30	150.00	17-08-2015	Quarterly	17-05-2014	Six
10.25	187.50	29-06-2015	Quarterly	29-06-2014	Five
10.25	225.00	15-06-2015	Half yrly	15-06-2014	Three
10.25	66.68	28-04-2015	Quarterly	28-04-2014	Five
10.25	75.00	06-04-2015	Quarterly	01-07-2014	Four
10.25	53.34	31-03-2015	Quarterly	01-07-2014	Four
10.25	80.00	31-03-2015	Quarterly	01-07-2014	Four
10.25	25.00	29-03-2015	Quarterly	01-07-2014	Four
10.20	332.00	23-03-2015	Half Yearly	23-09-2014	Two
10.25	75.00	15-03-2015	Quarterly	15-06-2014	Four
10.25	62.50	07-02-2015	Half yrly	07-08-2014	Two
10.20	187.50	31-12-2014	Quarterly	30-06-2014	Three
10.30	30.00	22-09-2014	Quarterly	22-06-2014	Two
10.25	350.00	24-06-2014	Bullet	24-06-2014	One
TOTAL	9,140.37				

FOOT-NOTE 4 TERMS OF REPAYMENT OF TAX-FREE BONDS (NOTE 3.2)

Intt Rate	Date of Maturity	(₹ crore)
8.76	31-Mar-29	145.00
8.39	31-Mar-24	165.00

FOOT-NOTE 5 TERMS OF REPAYMENT OF KFW LINES OF CREDIT (NOTE 3.2)

Rate of Interest (% p.a.)	Amount (Euros)	Amount (₹ crore)	Date of Maturity	Repayment	Date of first Instalment	Number of instalments
0.75%	2,47,52,662.48	204.67	30-06-2038	Half Yearly	30-06-2014	49
0.75%	72,67,502.80	60.09	31-12-2036	Half Yearly	30-06-2014	46
0.75%	67,20,420.41	55.57	31-12-2034	Half Yearly	30-06-2014	42
0.75%	52,40,741.79	43.33	30-06-2034	Half Yearly	30-06-2014	41
0.75%	37,91,229.25	31.35	31-12-2033	Half Yearly	30-06-2014	40
0.75%	81,01,931.21	66.99	31-12-2032	Half Yearly	30-06-2014	38
0.75%	35,56,546.37	29.41	30-06-2032	Half Yearly	30-06-2014	37
0.75%	33,18,284.26	27.44	30-06-2031	Half Yearly	30-06-2014	35
0.75%	21,55,606.61	17.82	31-12-2030	Half Yearly	30-06-2014	34
0.75%	20,92,206.42	17.30	30-06-2030	Half Yearly	30-06-2014	33
1.25%	30,34,517.27	25.09	31-12-2029	Half Yearly	30-06-2014	32
0.75%	24,99,194.78	20.66	31-12-2026	Half Yearly	30-06-2014	26
TOTAL	7,25,30,843.65	599.72				

4. LONG - TERM LIABILITIES

(A) Funds placed with the Corporation
(a) Jute Development Fund (placed by Govt. of India)
(b) Employees' Provident Fund
(c) Staff Welfare Fund
(B) Interest accrued but not due on bonds & borrowings
(C) Other Liabilities (security deposits)
TOTAL

As at March 31, 2014		As at March 31, 2013	
Non-Current	Current	Non-Current	Current
4.58	-	4.32	-
46.70	-	39.53	2.72
2.90	-	3.46	-
19.48	433.49	17.83	427.53
13.20	1.01	8.23	4.30
86.86	434.50	73.37	434.55

5. PROVISIONS

(A) Provision for standard and securitised assets
(B) Employee Benefits
(C) Proposed Dividend
(D) Corporate Dividend Tax
TOTAL

As at March 31, 2014		As at March 31, 2013	
Long-Term	Short-Term	Long-Term	Short-Term
72.55	-	32.06	-
9.21	3.26	10.74	3.58
-	166.20	-	166.20
-	28.76	-	28.76
81.76	198.22	42.80	198.54

6. SHORT - TERM BORROWINGS

(A) Book Overdraft (Unsecured)
(B) Collateralised Borrowings Lending Operations (CBLOs) (Secured against Treasury Bills face value amounting to ₹ 50.50 crore)
(C) Commercial Paper (Unsecured)
(D) Corporate Bond Repo (maturing on 05.06.2014; secured against Corporate Bonds ₹ 271.20 crore)
TOTAL

As at	As at
March 31, 2014	March 31, 2013
-	0.01
48.05	-
-	14.67
199.90	-
247.95	14.68

7. 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
TOTAL

-	-
95.84	185.26
95.84	185.26

8. OTHER CURRENT LIABILITIES

(A) Current maturities of Long-term Debt
(i) Rupee {refer notes 3.1, 4(A)(b) & 4(C)}
(ii) Foreign Currencies (refer note 3.3)
Sub - Total 'A'
(B) Others
(i) Interest accrued but not due on bonds and borrowings {refer note 4(B)}
(ii) Income received in Advance
(iii) Unclaimed Dividend*
(iv) Unpaid Matured Debentures
(v) Other Liabilities (Trade deposits and other payables)
Sub - Total 'B'
TOTAL

3,150.47	3,651.35
29.21	24.55
3,179.68	3,675.90
433.49	427.53
0.09	1.32
10.36	7.95
1.24	2.67
331.11	335.76
776.29	775.23
3,955.97	4,451.13

*will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend.

9. FIXED ASSETS - TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at	Additions	Disposals	As at	Revalued Amount	As at	For the	Disposals	As at	As at	As at	Revalued Amount
	01.04.2013			31.03.2014		01.04.2013	year		31.03.2014	31.03.2014	31.03.2013	
Owned Assets												
Freehold Land	70.40	-	-	70.40	69.91	-	-	-	-	70.40	70.40	69.91
Leasehold Land	327.12	1.69	-	328.81	277.36	30.45	8.82	-	39.27	289.54	296.67	246.57
Buildings	874.90	17.96	0.07	892.79	686.64	121.59	17.87	0.01	139.45	753.34	753.31	603.68
Leasehold Improvements	3.29	-	-	3.29	-	1.32	0.66	-	1.98	1.31	1.97	-
Plant & Machinery	7.70	0.35	-	8.05	-	3.94	0.36	-	4.30	3.75	3.76	-
Furniture & Fixtures	18.45	0.26	0.25	18.46	-	10.05	1.46	0.09	11.42	7.04	8.40	-
Vehicles	2.95	-	1.14	1.81	-	1.81	0.19	0.71	1.29	0.52	1.14	-
Office Equipments	11.67	0.06	0.27	11.46	-	9.27	0.60	0.24	9.63	1.83	2.40	-
Electrical Installations and Equipments	25.86	0.84	0.33	26.37	-	10.95	1.97	0.12	12.80	13.57	14.91	-
Leased Assets												
Plant & Machinery	197.92	-	-	197.92	-	197.92	-	-	197.92	-	-	-
TOTAL	1,540.26	21.16	2.06	1,559.36	1,033.91	387.30	31.93	1.17	418.06	1,141.30	1,152.96	920.16
Previous Year	1,497.20	43.50	0.44	1,540.26		358.46	29.14	0.30	387.30	1,152.96		

Foot- notes to Note No. 9

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

10. FIXED ASSETS - INTANGIBLE ASSETS
(₹ crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Disposals	As at 31.03.2014	As at 01.04.2013	For the year	Disposals	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Computer Software	1.74	–	–	1.74	1.40	0.14	–	1.54	0.20	0.34
TOTAL	1.74	–	–	1.74	1.40	0.14	–	1.54	0.20	0.34
Previous Year	1.59	0.15	–	1.74	1.18	0.22	–	1.40	0.34	

11. NON-CURRENT INVESTMENTS (NON-TRADE)
A. QUOTED

	As at March 31, 2014	As at March 31, 2013
1. Equity Shares		
(a) Associates	86.21	86.21
(b) Assistance under financing	388.97	838.40
(c) Others	929.15	1,010.92
	<u>1,404.33</u>	<u>1,935.53</u>
2. Bonds	120.24	230.37
3. Warrants	–	0.03
4. Units	–	0.51

B. UNQUOTED

1. Equity Shares		
(a) Subsidiaries	1,395.56	758.79
(b) Associates	7.73	304.95
(c) Joint Venture	0.01	0.01
(d) Assistance under financing (refer foot-note 3)	2,271.41	2,087.29
(e) Others	72.63	72.63
	<u>3,747.34</u>	<u>3,223.67</u>
2. Preference Shares		
3. Debentures/Bonds	365.40	381.21
(a) Subsidiaries	100.00	25.00
(b) Joint Venture	2.64	2.64
	<u>102.64</u>	<u>27.64</u>
4. Security Receipts (issued by Asset Reconstruction Companies)	51.96	64.07
5. Government Securities	400.00	400.00
6. Units	246.56	259.63
TOTAL	<u>6,438.47</u>	<u>6,522.66</u>

Less: Provision for Diminution in value

– Shares		
– Equity Shares - Quoted	134.94	85.34
– Equity Shares - Unquoted	250.02	165.00
– Preference Shares	238.22	240.11
– Corporate Bonds	11.47	22.42
– Security Receipts	51.96	54.59
TOTAL	<u>5,751.86</u>	<u>5,955.20</u>

QUOTED

(1) Total Book Value	1,524.57	2,166.44
– Equity Shares	1,404.33	1,935.53
– Others	120.24	230.91
(2) Total Market Value	1,055.08	1,507.86
– Equity Shares	936.24	1,275.67
– Others	118.84	232.19

UNQUOTED

(1) Total Book Value	4,913.90	4,356.22
– Equity Shares	3,747.34	3,223.67
– Preference Shares	365.40	381.21
– Others	801.16	751.34

Note:

- In respect of Investments in shares in certain cases, scrips are yet to be received.
- The diminution in market value of quoted equity is considered temporary; hence not provided for.
- The above balances include:
 - Equity Shares of ₹ 0.03 crore (Previous Year - ₹ 38.18 crore) which are subject to a lock-in period.
 - Equity Shares of Nil (Previous Year - ₹ 1.20 crore) which are subject to restrictive covenants.
 - Equity Shares of ₹ 8.98 crore (Previous Year - ₹ 15.34 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines as indicated below:

As on 31.03.2014

Name	No. of Shares Lent	Cost (₹ crore)
Bharat Heavy Electricals Ltd	1,99,919	7.79
Steel Authority of India Limited	75,450	1.19
		<u>8.98</u>

As on 31.03.2013

Name	No. of Shares Lent	Cost (₹ crore)
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 11 (Contd..)

NON-CURRENT INVESTMENTS -DETAILS

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/Units	Amount (₹ crore)	No. of Shares/Units	Amount (₹ crore)
QUOTED				
Equity Shares (Associates)				
(a) Tourism Finance Corporation of India Ltd	3,43,04,266	86.21	3,43,04,266	86.21
Bonds				
(a) LIC Housing Finance Company Ltd [9.8] 22-Oct-17	300	30.24	300	30.31
(b) Housing Development Finance Corp. Ltd (Series E-031) [9.20] 07-Feb-18	900	90.00	1,900	190.00
(c) Power Finance Corporation Ltd (Series XI Option III) [9.28] 28-Dec-17	-	-	100	10.06
	1,200	120.24	2,300	230.37
Units				
(a) Investment in UTI Balance Fund	-	-	5,00,000	0.51
Warrants				
(a) Bharat Forge Ltd	-	-	1,50,000	0.03
UNQUOTED				
Equity Shares (Subsidiaries)				
(a) IFCI Financial Services Ltd	3,93,63,809	83.15	3,93,63,809	83.15
(b) IFCI Venture Capital Funds Ltd	5,95,21,008	107.55	5,95,21,008	107.55
(c) IFCI Infrastructure Development Ltd	47,70,99,243	477.10	47,70,99,243	477.10
(d) IFCI Factors Ltd	7,91,54,700	90.19	7,91,54,700	90.19
(e) MPCON Ltd	7,972	0.80	7,972	0.80
(f) Stock Holding Corporation of India Ltd	1,11,30,000	636.77	-	-
	66,62,76,732	1,395.56	65,51,46,732	758.79
Equity Shares (Associates)				
(a) Assets Care & Reconstruction Enterprise Ltd	72,48,334	7.25	72,48,334	7.25
(b) HIMCON Ltd	735	0.07	735	0.07
(c) HARDICON Ltd	4,550	0.28	4,550	0.28
(d) NITCON Ltd	9,750	0.13	9,750	0.13
(e) Stock Holding Corporation of India Ltd	-	-	71,40,000	297.22
	72,63,369	7.73	1,44,03,369	304.95
Equity Shares (Joint Venture)				
(a) IFCI Sycamore Capital Advisors Pvt Ltd	10,000	0.01	10,000	0.01
Debentures/Bonds (Subsidiaries)				
(a) IFCI Factors Ltd	500	25.00	500	25.00
(b) IFCI Infrastructure Development Ltd	750	75.00	-	-
	1,250	100.00	500	25.00
Debentures/Bonds (Joint Venture)				
(a) IFCI Sycamore Capital Advisors Pvt Ltd	4,50,000	2.64	4,50,000	2.64
Government Securities				
(a) 9.75% GoI (IFCI Ltd) Special Security, 2021	4,00,00,00,000	400.00	4,00,00,00,000	400.00
Units				
(a) Units of IACM-1-D (Fund promoted by IVCF)	12,83,19,472	128.32	14,20,04,279	142.01
(b) Units of IEDF Fund promoted by IVCF	4,70,32,759	47.03	4,74,31,884	47.43
(c) Units of GIVF Fund promoted by IVCF	3,23,04,218	32.31	4,16,73,690	41.67
(d) Units of CANBANK Venture Capital Fund	17,21,000	17.21	17,21,000	17.21
(e) Units of Golden Gujarat Growth Fund - I	2,169	21.69	1,131	11.31
	20,93,79,618	246.56	23,28,31,984	259.63

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:

Issuer Company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Equity Shares – Quoted				
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	1,87,60,723	42.88	2,14,40,823	49.00
Bartronics India Ltd	3,76,472	7.34	3,76,472	7.34
Bharat Forge Company Ltd	-	-	5,67,130	15.43
Bharat Heavy Electricals Ltd	2,65,000	9.37	2,65,000	9.37
Bharti Airtel Ltd	2,80,000	10.19	2,80,000	10.19
Cairn India Ltd	5,00,000	16.61	5,00,000	16.61
Canara Bank	5,00,000	23.31	5,00,000	23.31
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

Note 11 (Contd..)

Issuer Company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
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
GIVO Ltd	26,04,186	2.60	26,05,386	2.61
GMR Infrastructure Ltd	3,00,000	1.95	3,00,000	1.95
GTL Infrastructure Ltd	–	–	17,55,36,793	250.14
Hindalco Industries Ltd	44,92,318	53.44	44,92,318	53.45
Hindustan Unilever Ltd	–	–	2,10,000	10.29
IDFC Ltd	18,26,857	22.65	20,76,857	22.90
Indian Acrylics Ltd	92,41,583	9.24	95,15,753	9.52
Indian Bank	6,70,000	13.58	6,70,000	13.58
Indorama Synthetics Ltd	21,50,342	9.62	21,50,342	9.62
ITC Ltd	–	–	4,30,000	12.55
JCT Ltd	74,79,699	1.87	92,64,810	2.32
JSW Ispat Steel Limited	–	–	6,16,98,726	73.98
JSW Steel Limited	3,59,797	38.18	13,71,583	84.14
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
Koutons Retail India Ltd	–	–	31,30,000	9.39
Larsen & Toubro Ltd	1,69,441	17.49	1,12,961	17.49
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	2,76,515	1.11	2,76,682	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
Mysore Paper Mills Ltd	29,00,110	2.90	30,96,137	3.10
National Mineral Development Corporation Ltd	7,20,000	11.58	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	1,91,950	5.98	9,15,653	6.31
Polar Industries Ltd	–	–	14,11,191	8.65
Power Finance Corporation Ltd	3,13,679	6.04	3,13,679	6.04
Power Trading Corporation Ltd	–	–	11,26,484	1.13
Punj Lloyd Ltd	2,47,875	7.91	2,47,875	7.91
Punjab & Sind Bank	2,76,438	3.32	2,76,438	3.32
Ramky Infrastructure Ltd	2,00,000	7.62	2,00,000	7.62
Ranbaxy Laboratories Ltd	90,000	4.31	90,320	4.33
Reliance Capital Ltd	65,006	3.67	65,006	3.68
Reliance Communications Ltd	5,55,000	18.01	5,55,136	18.02
Reliance Industries Ltd	4,59,332	45.59	4,59,604	45.66
Reliance Infrastructure Ltd	2,95,010	19.74	2,95,010	19.74
Saurashtra Cements Ltd	4,55,257	3.32	4,55,257	3.32
Sesa Sterlite Ltd	9,00,000	17.28	15,00,000	17.28
Shree Ganesh Jewellery House Ltd	13,98,531	33.08	13,98,531	33.08
Spentex Industries Ltd	3,68,784	1.67	4,36,744	2.05
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	1,21,43,128	12.14	1,21,43,128	12.14
SRF Ltd	–	–	5,84,000	3.82
Star Paper Mills Ltd	7,01,600	3.95	7,01,600	3.95
State Bank of India	3,46,750	73.22	3,49,000	73.94
Steel Authority of India Ltd	16,95,293	17.96	16,95,293	17.96
Sujana Universal Industries Ltd	69,61,112	8.92	73,67,546	9.44
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	5,30,379	21.57
The South Indian Bank Ltd	6,66,42,320	147.48	6,66,42,320	147.48
Titagarh Wagons Ltd	31,901	1.04	31,901	1.04
Uttam Value Steels Ltd	46,32,114	12.65	46,32,114	12.65
Videocon Industries Ltd	31,86,068	71.69	31,86,068	71.69
Welspun Syntex Ltd	77,41,599	30.78	77,41,599	30.78
TOTAL - EQUITY QUOTED		1,314.20		1,840.69
Equity Shares - Unquoted				
ABG Cement Ltd	6,39,16,797	63.92	6,39,16,797	63.92
AGB Energy (Gujarat) Ltd	3,60,00,000	35.44	3,60,00,000	35.44
Anrak Aluminium Ltd	11,25,00,000	112.50	15,00,00,000	150.00
Athena Chhattisgarh Power Private Ltd	13,85,40,000	137.29	10,72,30,000	105.98

Note 11 (Contd..)

Issuer Company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Athena Infraprojects Pvt. Ltd	2,71,12,991	27.11	-	-
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
Chennai Network Infrastructure Ltd	48,19,90,245	433.79	-	-
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
Gayatri Hi-Tech Hotels Ltd	5,61,00,000	56.10	5,61,00,000	56.10
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
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	7,71,89,796	80.48
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	7,46,20,000	74.62	6,96,80,000	69.68
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
Koutons Retail India Ltd	31,30,000	9.39	-	-
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
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
Nagai Power Private Ltd	56,40,000	5.17	56,40,000	5.17
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	2,23,90,000	21.88
Pertech Computers Ltd	5,00,000	3.00	5,00,000	3.00
Polar Industries Ltd	14,11,191	8.65	-	-
Polygenta Technologies Ltd	28,45,594	2.99	28,45,594	2.99
Raichur Power Corporation Ltd	23,27,15,200	232.72	10,00,00,000	100.00
Rajahmundry Godavari Bridge Ltd	5,70,86,535	56.65	6,48,60,000	64.43
Samcor Glass Ltd	20,00,000	7.60	20,00,000	7.60
SBI DFHI Ltd	46,743	1.10	46,743	1.10
Shiga Energy Private Ltd	2,67,20,000	26.16	2,67,20,000	26.16
Silver Resort Hotel India Pvt. Ltd	8,50,00,000	84.15	8,50,00,000	84.15
SKIL Infrastructure Ltd	49,76,285	96.52	82,41,168	202.22
Sravanthi Energy Private Ltd	9,44,60,000	93.33	9,44,60,000	93.33
STCI Finance Ltd	3,37,400	4.58	3,37,400	4.58
Sun Granites Ltd	17,48,600	1.75	17,48,600	1.75
TOTAL - EQUITY UNQUOTED		2,330.49		2,147.80
Preference Shares - Unquoted				
Bellary Steel & Alloys Ltd	5,67,260	5.67	5,67,260	5.67
Dhampur Sugar Mills Ltd	7,54,045	5.31	9,24,099	8.39
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
Jamna Auto Industries Ltd	3,50,000	1.75	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
JSW Steel Ltd	3,53,82,650	40.46	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
Nagai Power Private Ltd	2,18,90,000	21.37	2,18,90,000	21.37
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

Issuer Company	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/ Debentures	Amount (₹ crore)	No. of Shares/ Debentures	Amount (₹ crore)
Prag Bosmi Synthetics Ltd	26,14,577	26.15	26,14,577	26.15
Saurashtra Chemicals Ltd	-	-	10,46,700	10.47
Shiga Energy Private Ltd	1,30,60,000	12.79	1,30,60,000	12.79
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
TOTAL - PREFERENCE		363.65		378.95
Security Receipts - Unquoted				
ARCIL- Akar Laminates Ltd	1,958	11.16	1,958	11.16
ARCIL- Birla Vxl Scheme- C - Bvxl	1,212	2.27	1,212	3.71
ARCIL- Consolidated Fibres & Chemicals Ltd	85,500	8.55	85,500	8.55
ARCIL- Global Board Ltd	-	-	335	2.18
ARCIL- GSL India Ltd	192	1.82	192	1.82
ARCIL- Kalyanpur Cements Ltd	1,814	5.79	1,814	5.79
ARCIL- Spectrum Power Generation Ltd-Ix Trust	6,42,869	2.89	6,42,869	11.38
ARCIL- Titagarh Industries Ltd	3,43,292	4.18	3,43,292	4.18
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
TOTAL - SECURITY RECEIPTS		51.96		64.07

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:

PARTICULARS	As at March 31, 2014	As at March 31, 2013
No of concerns	357	383
Book value (₹ crore)	19.22	23.00
Market/Break value (₹ crore)	25.63	41.09

	As at March 31, 2014	As at March 31, 2013
12. DEFERRED TAX ASSET (NET)		
(A) Provision against Loans/ Advances & other Assets	740.35	747.64
(B) Timing difference in Depreciable Assets	(71.82)	(34.44)
(C) Other Timing Differences	13.51	13.59
TOTAL	682.04	726.79

	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
13. LOANS				
(A) Loans to Assisted Concerns	14,841.27	1,456.05	9,069.24	3,214.19
(B) Debentures	2,919.62	528.80	2,940.46	316.28
(C) Loan to Subsidiaries/Associates	190.38	51.67	167.05	206.67
(D) Lease Rental Receivable	2.40	-	2.38	-
	17,953.67	2,036.52	12,179.13	3,737.14
(i) Considered good				
- Secured	16,501.49	2,036.52	10,445.68	3,737.14
- Unsecured	97.10	-	97.10	-
(ii) Considered doubtful	1,355.08	-	1,636.35	-
	17,953.67	2,036.52	12,179.13	3,737.14
Less: Allowance for bad and doubtful assets				
- Loans	1,265.59	-	1,479.17	-
- Debentures	89.49	-	157.18	-
	1,355.08	-	1,636.35	-
TOTAL	16,598.59	2,036.52	10,542.78	3,737.14
Classification of Loans (Security-wise)				
(i) Secured by Assets	14,197.92	1,482.29	7,025.62	1,769.79
(ii) Guaranteed by Central/State Govts.	1.80	-	1.80	-
(iii) Guarantee/ Holding Company Guarantee	204.04	91.66	594.69	-
(iv) Against Promissory Notes and Usance Bills accepted	194.72	16.64	210.33	3.82
(v) Against pledge of shares	3,258.09	445.93	4,249.59	1,963.53
(vi) Unsecured	97.10	-	97.10	-
	17,953.67	2,036.52	12,179.13	3,737.14

	As at March 31, 2014		As at March 31, 2013	
	Non-	Current	Non-	Current
	Current		Current	
(₹ crore)				
14. LOANS & ADVANCES - OTHERS				
(A) Capital Advances	0.27	-	0.27	-
(B) Security Deposits	1.45	-	1.44	-
(C) Advance Tax paid (net of provisions)	39.91	-	52.60	-
(D) MAT Credit Entitlement	131.50	-	148.67	-
(E) Other Deposits/Loan	-	-	-	-
- Considered good	-	-	-	-
- Considered doubtful	-	12.12	-	12.12
Less: Allowance for bad and doubtful debts	-	(12.12)	-	(12.12)
(F) Other Loans and advances				
(a) Loans to Staff (Secured - considered good) \$	10.44	0.41	13.34	0.12
(b) Others (Unsecured)	-	-	-	-
- Considered good	-	33.90	-	32.40
- Considered doubtful	-	1.00	-	1.00
Less: Allowance for bad and doubtful debts	-	(1.00)	-	(1.00)
TOTAL	183.57	34.31	216.32	32.52
\$ includes amount due from Directors	-	-	0.19	-
15. OTHER ASSETS				
(A) Accrued Income				
(i) Interest and commitment charges on Loans	-	76.12	-	68.82
(ii) Interest on Debentures	-	95.33	-	45.77
(iii) Interest on Investments	-	19.04	-	31.65
(iv) Other Income	4.55	21.32	4.57	32.75
(B) Sundry Deposits	-	6.22	-	4.65
(C) Due from Gratuity Fund	-	-	-	1.16
(D) Pre-paid Expenses	-	1.40	-	1.79
TOTAL	4.55	219.43	4.57	186.59
(₹ crore)				
	As at		As at	
	March 31, 2014		March 31, 2013	
16. CURRENT INVESTMENTS				
A. QUOTED				
1. Treasury Bills		47.92		-
2. Units of Mutual Funds		20.00		-
		67.92		-
B. UNQUOTED				
1. Bonds		1,269.06		1,330.17
2. Certificate of Deposit		443.26		1,186.15
		1,712.32		2,516.32
C. APPLICATION MONEY				
1. Equity shares				
(i) Subsidiaries - IFCI Financial Services Ltd		0.02		0.02
(ii) Others		11.00		205.30
2. Preference shares		15.57		15.57
		26.59		220.89
TOTAL		1,806.83		2,737.21
Less: Provision		45.16		51.00
- Bonds (Unquoted)		18.57		-
- Application Money (Equity & Preference)		26.59		51.00
TOTAL		1,761.67		2,686.21
QUOTED				
(1) Total Book Value		67.92		-
- Equity Shares		-		-
- Others		67.92		-
(2) Total Market Value		68.71		-
- Equity Shares		-		-
- Others		68.71		-
UNQUOTED				
(1) Total Book Value		1,712.32		2,516.32
- Equity Shares		-		-
- Preference Shares		-		-
- Others (Bonds & Certificate of Deposits)		1,712.32		2,516.32

CURRENT INVESTMENTS – DETAILS	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/ Units	Amount (₹ crore)	No. of Shares/ Units	Amount (₹ crore)
QUOTED				
Treasury Bills				
(a) 91 Days Treasury Bill (Maturity Date - 10.04.2014)	10,000	24.47	-	-
(b) 91 Days Treasury Bill (Maturity Date - 17.04.2014)	200	0.49	-	-
(c) 364 Days Treasury Bill (Maturity Date - 05.02.2015)	10,200	22.96	-	-
	20,400	47.92		
Units of Mutual Funds				
(a) SBI Mutual Fund	99,261	20.00	-	-
UNQUOTED				
Bonds				
(a) Air India Ltd. (Series 1) [9.84] 27-Sep-26	159	17.38	359	38.19
(b) Chennai Petroleum Corporation Ltd [8.85] 18-Feb-18	10	1.00	250	25.00
(c) Damodar Valley Corporation Ltd (Series-15) [8.69] 25-Mar-28	2,000	209.00	3,450	345.00
(d) Food Corporation of India (Series-V-B) [8.80] 22-Mar-28	465	46.50	965	96.50
(e) Gujarat State Petroleum Copropration [10.45] 28-Sep-72	-	-	500	52.85
(f) Gujarat State Petroleum Copropration [9.45] 01-Oct-22	-	-	1,000	102.59
(g) Gujarat State Petroleum Corporation (Series 1 Debentures) [9.03] 22-Mar-28	200	20.44	-	-
(h) Gujarat State Petroleum Corporation (Series -2 Debentures) [9.80] 22-Mar-73	1,000	100.04	-	-
(i) Gujarat State Petroleum Corporation [10.45] 28-Sep-72	700	73.69	-	-
(j) IFCI Infrastructure Development Limited (Series - III) [9.70] 09-Nov-13	-	-	750	75.00
(k) Indian Renewable Energy Development Agency Ltd (Series-V-A) [8.44] 10-May-23	1,100	110.00	-	-
(l) Indian Renewable Energy Development Agency Ltd (Series-V-B) [8.49] 10-May-28	940	94.00	-	-
(m) Mahanagar Telephone Nigam Ltd. [8.57] 28-Mar-23	400	40.00	1,900	190.00
(n) Nuclear Power Corporation of India Limited (Sr XXVII Tranche B) [8.54] 15-Mar-23	1,200	120.00	1,200	120.00
(o) Nuclear Power Corporation of India Limited (Sr XXVII Tranche C) [8.56] 15-Mar-23	130	13.00	130	13.00
(p) Nuclear Power Corporation of India Limited (Sr XXVII Tranche A) [8.56] 18-Mar-23	385	38.50	385	38.50
(q) Power Finance Corporation Ltd (Series 98 - I) [8.72] 08-Feb-17	-	-	150	15.01
(r) Power Finance Corporation Ltd (Series 98 - II) [8.72] 08-Feb-18	-	-	100	10.00
(s) Power Finance Corporation Ltd (Series 98 - III) [8.72] 08-Feb-19	-	-	150	15.00
(t) Power Finance Corporation Ltd (Series 99) [8.82] 20-Feb-20	-	-	280	28.00
(u) Power Grid Corporation of India Ltd (XLIII Issue - A) [7.93] 20-May-17	150	15.00	-	-
(v) Power Grid Corporation of India Ltd (XLIII Issue - B) [7.93] 20-May-18	150	15.00	-	-
(w) Power Grid Corporation of India Ltd (XLIII Issue - C) [7.93] 20-May-19	150	15.00	-	-
(x) Power Grid Corporation of India Ltd (XLIII Issue - D) [7.93] 20-May-20	150	15.00	-	-
(y) Power Grid Corporation of India Ltd (XLIII Issue - E) [7.93] 20-May-21	150	15.00	-	-
(z) Power Grid Corporation of India Ltd (XLIII Issue - F) [7.93] 20-May-22	150	15.00	-	-
(aa) Power Grid Corporation of India Ltd (XLIII Issue - G) [7.93] 20-May-23	150	15.00	-	-
(ab) Power Grid Corporation of India Ltd (XLIII Issue - H) [7.93] 20-May-24	150	15.00	-	-
(ac) Power Grid Corporation of India Ltd (XLIII Issue - I) [7.93] 20-May-25	150	15.00	-	-
(ad) Power Grid Corporation of India Ltd (XLIII Issue - J) [7.93] 20-May-26	150	15.00	-	-
(ae) Power Grid Corporation of India Ltd (XLIII Issue - K) [7.93] 20-May-27	150	15.00	-	-
(af) Power Grid Corporation of India Ltd (XLIII Issue - L) [7.93] 20-May-28	150	15.00	-	-
(ag) Reliance Capital Ltd (F Series B-264) [10] 03-Nov-17	250	25.13	250	25.12
(ah) Reliance Capital Ltd (F Series B-272) [10] 20-Dec-17	750	75.38	750	75.37
(ai) Reliance Capital Ltd [10.40] 27-Sep-22	200	20.01	250	25.02
(aj) Rural Electrification Corporation Ltd (Series 112) [8.70] 01-Feb-18	-	-	400	40.02
(ak) Rural Electrification Corporation Ltd (Series 115) [8.06] 31-May-23	850	85.00	-	-
	12,539	1,269.07	13,219	1,330.17
Certificate of Deposit				
(a) Allahabad Bank	5,000	49.14	5,000	72.19
(b) Andhra Bank	-	-	5,000	72.19
(c) Axis Bank	5,000	48.81	2,500	23.87
(d) Bank of Baroda	-	-	2,500	23.14
(e) Bank of Maharashtra	-	-	2,500	23.62
(f) Canara Bank	-	-	20,000	195.38
(g) Central Bank of India	5,000	49.73	7,500	69.52
(h) Corporation Bank	-	-	2,500	23.19
(i) HDFC Bank	-	-	5,000	47.72
(j) ICICI Bank	5,000	49.63	5,000	46.33
(k) IDBI Bank	-	-	2,500	24.46
(l) Indian Bank	-	-	7,500	71.08
(m) Jammu & Kashmir Bank Ltd.	-	-	5,000	48.79
(n) Oriental Bank of Commerce	-	-	5,000	48.40
(o) Punjab National Bank	-	-	15,000	141.13
(p) State Bank of Bikaner & Jaipur	-	-	7,500	70.00
(q) State Bank of Hyderabad	-	-	2,500	24.00
(r) State Bank of Mysore	5,000	49.59	2,500	23.50
(s) State Bank of Patiala	-	-	2,500	23.27
(t) State Bank of Travancore	-	-	7,500	71.82
(u) Uco Bank	10,000	98.02	-	-
(v) United Bank of India	-	-	7,500	68.97
(w) Vijaya Bank	10,000	98.34	5,000	45.77
	45,000	443.26	1,27,500	1,258.34

	As at March 31, 2014	As at March 31, 2013
(₹ crore)		
17. TRADE RECEIVABLES		
(A) Secured	-	-
(B) Unsecured		
– More than 6 months	5.04	5.55
– Others	34.39	13.53
	<u>39.43</u>	<u>19.08</u>
Less: Allowance for bad and doubtful debts	(5.61)	(4.00)
TOTAL	33.82	15.08
Out of the above,		
(i) Considered good	33.82	15.08
(ii) Considered doubtful	5.61	4.00
	<u>39.43</u>	<u>19.08</u>
18. CASH & CASH EQUIVALENTS		
(A) Balances with Banks		
– Bank balance	312.69	11.42
– Unclaimed dividend Account	10.36	7.96
– Balances with Banks held as margin money/security against guarantees	8.90	8.90
– Bank Deposits (entirely due within 12 months)	187.30	485.89
(B) Cheques on hand & under collection and remittances in transit	16.57	91.43
(C) Cash in hand (including postage stamps)	0.01	0.02
TOTAL	535.83	605.62
(₹ crore)		
	For the year ended	For the year ended
	March 31, 2014	March 31, 2013
19. REVENUE FROM OPERATIONS		
(A) Interest Income		
(i) Loans (refer foot-note 1)	1,545.73	1,655.56
(ii) Debentures	444.49	362.58
(iii) Income from deployment of liquid funds	232.35	223.86
(iv) Interest on Bonds/Government Securities/other contractual obligation	171.44	96.52
(v) Lease Rentals etc.	1.52	10.14
(vi) Lease Equalisation Account	-	(12.23)
SUB-TOTAL (A)	2,395.53	2,336.43
(B) Other Financial Services		
(i) Income from Acquired Non-performing Assets	18.11	41.28
(ii) Dividend (Gross) - non-current	40.91	36.58
(iii) Profit on sale of Shares/Debentures (Net)		
– Assistance under financing - non-current	316.37	208.24
– Investments - non-current	49.02	29.31
– Investments - current	-	2.68
(iv) Business Services Fees and Commission (including guarantee commission)	34.18	27.71
(v) Exchange Fluctuation Gains/(Loss)	(2.03)	(1.43)
(vi) Provision/Liability no longer required written back	32.42	25.05
SUB-TOTAL (B)	488.98	369.42
TOTAL (A+B)	2,884.51	2,705.85
<i>Foot-notes to Note No. 19</i>		
1. Interest on Loans includes from subsidiaries & associates	27.69	44.30
20. OTHER INCOME		
(A) Interest on staff advances	0.70	0.90
(B) Profit on sale of fixed assets (Net)	0.03	(0.04)
(C) Rental Income	40.03	29.30
(D) Dividend from Subsidiaries/Associates	24.57	20.33
(E) Miscellaneous Income	1.42	2.96
TOTAL	66.75	53.45
21. FINANCE COST		
(A) Interest on Rupee Bonds and Borrowings *	1,610.26	1,772.07
(B) Interest on Foreign Currency Borrowings	43.87	36.14
(C) Interest on Bank Overdraft	0.64	0.08
(D) Other Interest (Jute Development Fund, Provident Fund & Corporate Social Responsibility)	4.75	4.50
(E) Commitment Charges, Brokerage, Commission and other costs	6.47	1.82
TOTAL	1,665.99	1,814.61

* includes interest of ₹ 1.28 crore pertaining to previous years booked in the current year

	For the year ended March 31, 2014	For the year ended March 31, 2013
22. EMPLOYEE BENEFIT EXPENSES		(₹ crore)
(A) Salaries and Allowances (refer foot-note 1)	31.37	36.35
(B) Contribution to Retirement Funds (refer foot-note 2)	24.10	20.64
(C) Staff Welfare Expenses	2.98	3.04
(D) Employee Compensation Expenses (ESOP)	0.44	0.91
TOTAL	58.89	60.94
<i>Foot-notes to Note No. 22</i>		
1. Salaries and Allowances include:		
– Leave Encashment	(0.50)	(1.06)
– WDV of vehicles transferred to employees during FY 2012-13	0.25	–
2. Contribution to Retirement Funds include:		
– Gratuity	0.41	(0.12)
– Provident Fund	1.24	1.46
– Annuity for DA relief/restoration of commuted pension to retirees	16.97	15.61
23. OTHER EXPENSES		
(A) Rent	2.57	6.64
(B) Rates and Taxes	3.26	3.97
(C) Insurance	0.25	0.29
(D) Repairs and Maintenance		
– Buildings	6.96	11.26
– IT	0.86	1.60
– Others	0.19	0.40
(E) Electricity & Water Charges	4.95	4.83
(F) Security	1.37	1.50
(G) Payment to Auditors (refer note 32)	0.41	0.36
(H) Directors' Fee & Expenses	0.74	0.88
(I) Publications, Advertisement & Business Development	0.70	4.25
(J) Consultation and Law Charges	1.81	0.98
(K) Travelling & Conveyance	1.54	2.03
(L) Training & Development	0.17	0.18
(M) Postage & Telephone	1.17	0.90
(N) Printing & Stationery	0.78	0.89
(O) Listing/Filing/Custody Fee	1.36	1.39
(P) Library/Membership Subscription	1.80	1.02
(Q) Other Miscellaneous Expenses (refer foot-note 1)	1.61	0.78
TOTAL	32.50	44.15
<i>Foot-notes to Note No. 23</i>		
1. includes ₹ 0.99 crore paid to an architect for redevelopment of a property, held under CWIP, now written-off		
24. PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE OFF)		
(A) Loans & Advances		
– Provision Reversal on recovery from NPAs	(31.07)	(153.61)
– Write-off	645.59	447.44
Less transfer from provision held for bad & doubtful debts	(645.59)	(447.44)
– Provision for assets	437.48	274.16
(B) Investments		
– Provision Reversal	(13.58)	(2.83)
– Write-off	0.03	0.13
– Provision made	106.72	25.95
– Provision - mark to market	19.02	(0.41)
(C) Debtors		
– Write-off	0.18	7.64
– Provision made	1.61	2.00
(D) Other Loans & Advances	–	12.12
TOTAL	520.39	165.15

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

25.1 Contingent Liabilities: (₹ crore)		
As at	31.03.2014	31.03.2013
(i) Bank Guarantees	84.87	34.87
(ii) Performance Guarantees issued	0.02	0.02
(iii) Claims not acknowledged as debts	12.99	179.67
(iv) Tax Matters –		
Income Tax	29.58	28.78
Service tax	13.44	12.39
In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.		
25.2 Commitments: (₹ crore)		
As at	31.03.2014	31.03.2013
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	0.62	0.62
(ii) Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	1,044.08	2,624.64

26. IFCI Ltd. has given letters of comfort to certain banks for one of its subsidiary, IFCI Factors Ltd. in connection with availing loans from those banks. Outstanding of loans availed under such letters of comfort was ₹ 690 crore as on March 31, 2014 (Previous Year - ₹ 729.00 crore).

27. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 08 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, which have been fulfilled. The accounts for the year ended March 31, 2014 have been prepared in accordance therewith.

28. The Company had obtained valuation of certain long term unquoted investments by an independent valuer and the report of the said expert has been considered for the purpose of assessment of the value of said long term unquoted investments.

29. Hitherto, the interim return received, till the date of actual buy back, in certain cases of equity investment was being considered as "Amount received against unquoted investments". Due to this policy an amount of ₹ 69.02 crore was accumulated upto 31.03.2013 and was shown under Trade Payables. These equity investments were made at pre-agreed rate of return and with firm buy back commitments from the promoter(s)/promoter group company(ies). During the year, the company changed this policy to recognize the interim return, so received as income on receipt basis and amount of ₹ 104.49 crore has been recognized as income.

This amount of ₹ 104.49 crore includes ₹ 69.02 crore pertaining to previous years' accumulation as stated above. Had this change in accounting policy not been made, the profit of the Company would have been lower by ₹ 104.49 crore and Trade Payables higher by an equivalent amount.

30. Expenditure in Foreign Currencies: (₹ crore)		
	Year ended 31.03.2014	Year ended 31.03.2013
Interest on Borrowings	4.78	4.41
Other matters	0.29	0.01
	<u>5.07</u>	<u>4.42</u>

31. Earnings in Foreign Currency:
Earnings in Foreign Currency - -

32. Auditors' Remuneration:		
– Fees	0.38	0.35
– Out of pocket expenses	0.03	0.01
	<u>0.41</u>	<u>0.36</u>

33. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation.

34. 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, 2014. 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.

35. 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.

36. Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2014 and recognized in the financial statements in respect on Employee Benefit Schemes.

For the year ended	31.03.2014		31.03.2013	
	Gratuity	Leave	Gratuity	Leave
	Funded	Encashment Un-funded	Funded	Encashment Un-funded
I. Components of Employer Expense				
1. Current Service Cost	0.25	0.67	0.32	0.78
2. Interest Cost	0.65	1.14	0.76	1.49
3. Expected Return on Plan Asset	0.82	-	0.83	-
4. Curtailment Cost/(Credit)	-	-	-	-
5. Settlement Cost/(Credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial (gain)/loss recognized	(1.46)	(2.54)	(1.06)	(3.27)
8. Expense Recognized in Statement of Profit/Loss	1.54	0.73	0.81	1.00
II. Actual Returns for the year	0.82	-	0.87	-
III. Net (Asset)/Liability recognized in Balance Sheet				
1. Present Value of Defined Benefit Obligation	10.11	11.98	8.10	14.31
2. Fair Value on Plan Assets	9.85	-	9.26	-
3. Status (Surplus/Deficit)	(0.27)	11.98	1.16	14.31
4. Unrecognised Past Service Cost	-	-	-	-
5. Net (Asset)/Liability recognized in Balance Sheet	(0.27)	11.98	1.16	14.31
IV. Change in Defined Benefit Obligations (DBOs)				
1. Present Value of Obligation at the beginning of the year	8.10	14.32	9.47	18.69
2. Current Service Cost	0.25	0.67	0.32	0.78
3. Interest Cost	0.65	1.14	0.76	1.49
4. Curtailment cost	-	-	-	-
5. Settlement Cost	-	-	-	-
6. Plan Amendments	-	-	-	-
7. Acquisitions	-	-	-	-
8. Actuarial (gain)/loss on Obligations	1.46	(2.54)	(1.06)	(3.27)
9. Benefits Paid	(0.34)	(1.61)	(1.40)	(3.38)
10. Present Value of Obligation at the end of the Year	10.11	11.98	8.10	14.31
V. Change in Fair Value of Assets during the year				
1. Fair Value of Plan Asset at the beginning of the year	9.26*	-	8.74*	-
2. Acquisition Adjustment	-	-	-	-
3. Expected Return on Plan Asset	0.81	-	0.83	-
4. Actuarial (gain)/loss on Plan Asset	-	-	-	-
5. Contributions	0.11	-	1.09	-
6. Benefits Paid	(0.34)	-	(1.40)	-
7. Fair Value of Plan Asset at the end of year	9.85	-	9.26	-
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%	5.00%	5.00%
5. Return on Asset	8.54%		8.96%	
VII. Major Category of Plan Assets as a % of the Total Plan Assets				
1. Government Securities	-		0.11%	
2. Special Deposit Scheme				
3. High Quality Corporate Bonds				
4. Insurance Companies	99.99%		99.84%	
5. Cash & Cash Equivalents	0.01%		0.05%	

* excluding Government Securities, bank balances and interest thereon

37. 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.

38. 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
Subsidiary	IFCI Financial Services Ltd
	IFCI Venture Capital Funds Ltd
	IFCI Infrastructure Development Ltd
	IFCI Factors Ltd
	MPCON Ltd
	IFIN Commodities Ltd. (indirect control through IFIN)
	IFIN Credit Ltd (indirect control through IFIN)
	IFIN Securities Finance Ltd (indirect control through IFIN)
	IIDL Realtors Pvt. Ltd (indirect control through IIDL)
	Stock Holding Corporation of India Ltd (w.e.f. 29.03.2014)
SHCIL Services Ltd (indirect control through SHCIL)	
SHCIL Projects Ltd (indirect control through SHCIL)	
Associates	Assets Care & Reconstruction Enterprise Ltd
	Tourism Finance Corporation of India Ltd
	HIMCON Ltd
	NITCON Ltd
Joint Ventures	HARDICON Ltd
	IFCI Sycamore Capital Advisors Pvt. Ltd
Key Managerial Personnel	Mr Malay Mukherjee (CEO & MD) - w.e.f. 12.12.2013
	Mr Achal Kumar Gupta (WTD designated as Deputy Managing Director) -w.e.f. 12.12.2013
	Mr Santosh B. Nayar (CEO & MD) - from 15.07.2013 to 11.12.2013
	Mr Anurag Jain (CEO & MD) from 01.06.2013 to 14.07.2013
	Mr Atul Kumar Rai (CEO & MD) - Relieved from services on 31.05.2013

2. Transaction with the related party during the period:

SUBSIDIARIES:

Nature of Transaction	Year ended	
	31.03.2014	31.03.2013
	(₹ crore)	
IFCI Financial Services Ltd		
Rent & Maintenance received	1.27	2.25
Brokerage/Professional fee paid	0.25	0.51
Salaries/other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.22	0.23
Employees deputed/posted by IFCI (No.)	1	-
IFCI Venture Capital Funds Ltd		
Dividend Received	5.95	5.95
Rent & Maintenance received	0.51	0.79
Professional fee received	0.05	0.05
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.26	0.30
Loans given - outstanding	25.00	-
Maximum amount outstanding (receivable)	25.00	7.50
Interest received/receivable on Loan	0.04	0.08
Bonds issued by IFCI - outstanding	5.00	-
Employees deputed/posted by IFCI (No.)	2	1
IFCI Infrastructure Development Ltd		
Dividend Received	11.93	-
Buy-back of Equity	-	18.13
Rent & Maintenance received	1.79	1.43
Rent & Maintenance paid	0.15	-
Professional fee paid/payable	0.22	0.52
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.01	-
Salaries/Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/payable to them	0.05	0.28
Loans given - outstanding	-	30.00
Maximum amount outstanding (receivable)	30.00	60.00
Interest received/receivable on Loan	0.03	5.28
Bonds/Debtenture subscribed - outstanding	75.00	75.00
Interest received/receivable on Bonds	7.27	7.27
Bonds issued by IFCI - outstanding	90.00	75.00
Interest paid/payable by IFCI	7.27	7.26
Inter corporate deposits	-	36.00
Interest paid/payable by IFCI	3.40	0.04
Employees deputed by IFCI (No.)	1	-
Employees deputed in IFCI (No.)	1	2

Nature of Transaction	Year ended	
	31.03.2014	31.03.2013

IFCI Factors Ltd			
Dividend Received	-	5.54	
Rent & Maintenance received	3.43	3.28	
Professional fee received	0.06	0.06	
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	0.12	0.25	
Loans given - outstanding	175.00	275.00	
Maximum amount outstanding (receivable)	275.00	365.00	
Interest received/receivable on Loan	20.89	30.80	
Bonds/Debtenture subscribed - outstanding	25.00	25.00	
Interest received/receivable on Bonds	3.12	2.55	
Employees deputed/posted by IFCI (No.)	1	-	
Stock Holding Corporation of India Ltd			
Bonds issued by IFCI - outstanding	25.00	-	
Dividend Received	2.50	4.64	
Brokerage/Professional fee paid	0.20	0.22	
IIDL Realtors Pvt Ltd			
Rent & Maintenance paid	2.08	6.30	
Security Deposit paid - outstanding	0.93	0.93	
ASSOCIATES:			
Assets Care & Reconstruction Enterprise Ltd			
Rent & Maintenance received by IFCI	1.10	0.87	
Loan given - outstanding	42.05	68.72	
Interest received/receivable on Loan	6.72	8.46	
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	-	0.15	
Professional fee received	0.06	0.06	
Tourism Finance Corporation of India Ltd.			
Bonds issued by IFCI - outstanding	50.00	-	
Rent & Maintenance received by IFCI	3.64	3.03	
Dividend Received	4.12	4.12	
Dividend Paid on Preference Shares	₹20,000	₹20,000	
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.19	0.24	
Salaries/Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/payable to them	0.06	-	
Employees deputed/posted by IFCI (No.)	-	4	
HIMCON			
Dividend Received	0.04	0.01	
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.07	0.24	
Employees deputed/posted by IFCI (No.)	-	1	
HARDICON			
Dividend Received	0.01	0.06	
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.14	0.11	
Employees deputed/posted by IFCI (No.)	1	-	
NITCON			
Dividend Received	0.03	0.01	
Brokerage/Professional fee paid	-	0.02	
JOINT VENTURES:			
IFCI Sycamore Capital Advisors Pvt Ltd			
Rent & Maintenance received by IFCI	0.07	0.54	
KEY MANAGEMENT PERSONNEL & RELATIVES OF KEY MANAGEMENT PERSONNEL:			
(₹ crore)			
Name and Designation	Nature of Transaction	Year ended 31.03.2014	Year ended 31.03.2013
Mr. Malay Mukherjee - Chief Executive Officer and Managing Director	Managerial Remuneration	0.07	-
Mr. Santosh B. Nayar - Chief Executive Officer and Managing Director	Managerial Remuneration	0.10	-
Mr. Atul Kumar Rai - Chief Executive Officer and Managing Director	Dividend Payment	-	0.01
	Interest on IFCI Bonds	-	0.03
	Managerial Remuneration	0.32	1.84 *
Mr. Achal Kumar Gupta - WTD designated as Deputy Managing Director	Managerial Remuneration	0.07	-
Mr. Sujit K. Mandal - Whole Time Director	Managerial Remuneration	-	0.71
	Salary of Relative of Key Management Personnel	-	0.01

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

39. Earnings per share:		(₹ crore)	
For the Year ended		31.03.2014	31.03.2013
I. (a) Profit Computation for Equity shareholders			
Net profit as per Statement of Profit & Loss	508.10	450.87	
Less: Preference Dividend	(0.31)	(0.31)	
Net profit for Equity Shareholders	507.79	450.56	
(b) Weighted Average Number of Equity Shares outstanding	1,66,20,37,235	1,08,74,01,715	
II. (a) Profit Computation for Equity shareholders (including potential shareholders)			
Net profit as per Statement of Profit & Loss	508.10	450.87	
Less: Preference dividend	(0.31)	(0.31)	
Add: Interest on Convertible Debentures (net of Tax)	-	-	
Net profit for equity shareholders (including potential shareholders)	507.79	450.56	
(b) Weighted Average Number of Equity Shares outstanding	1,66,27,05,271	1,08,93,52,574	
III. Earnings Per Share (Weighted Average)			
Basic (₹)	3.05	4.14	
Diluted (₹)	3.05	4.14	

40. 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 the Statement of Profit & Loss.
- (b) The year wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	(₹ crore)	
	Year ended 31.03.2014	Year ended 31.03.2013
Minimum Lease payments:		
(a) Not later than one year	0.16	6.45
(b) Later than one year but not later than five years	0.04	11.15
(c) Later than five years	-	-
Rentals charged during the Period	2.57	6.64

41. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) 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. ISCAPL's Board has approved the winding up of the company and the financials of ISCAPL for the year ended 31.03.2014 are under finalization. A firm of Chartered Accountants has certified that ISCAPL have adequate liquidity in the form of fixed deposits to honour the investment and accordingly, the Debentures are carried at cost.
42. 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, 2014, there were no events or changes in circumstances which indicate any impairment in the assets.

43. Movement in Provisions, in terms of Accounting Standard-29 - 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI, is given as under:

Particulars	(₹ crore)			
	Opening Balance	Addition/Transfer	Deduction/Transfer	Closing Balance
Leave Encashment	14.32	-	2.12	12.20
Gratuity	(1.16)	1.43	-	0.27
Income Tax	522.77	90.47	-	613.24
Fringe Benefit Tax	6.34	-	-	6.34
Assets	2,271.93	583.85	750.20	2,105.58

44. The following additional information is disclosed in terms of RBI Circulars applicable to Non-Banking Financial Companies:

- (a) Loans and advances availed, inclusive of interest accrued thereon but not paid:

Particulars	As on 31.03.2014		As on 31.03.2013	
	Outstanding	Overdue	Outstanding	Overdue
(a) Debentures:				
(i) Secured	-	-	-	-
(ii) Unsecured	818.19	-	818.19	-
(b) Deferred Credits				
(c) Term Loans	9,240.33	-	6,245.17	-
(d) Inter Corporate loans & borrowing	30.85	-	66.85	-
(e) CBLO/ Commercial Paper	48.05	-	14.67	-
(f) Other Loans (incl. FC Loan)	599.72	-	528.61	-
(g) Funds placed with IFCI	46.70	-	50.03	-
(h) Bonds	9,831.65	-	10,234.73	-

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	(₹ crore)	
	31.03.2014	31.03.2013
(i) Lease assets including lease rentals		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire incl. 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	(₹ crore)	
	31.03.2014	31.03.2013
1. Related Parties		
(a) Subsidiaries	200.00	305.00
(b) Companies in same group	-	-
(c) Other Related Parties	42.05	68.72
2. Other than Related Parties		
TOTAL	18,393.07	13,906.21
TOTAL	18,635.12	14,279.93

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	31.03.2014		31.03.2013	
	Market/ Break-up/Fair Value/NAV	Book Value	Market/ Break-up/Fair Value/NAV	Book Value
1. Related Parties				
(a) Subsidiaries	1,465.94	1,703.24	1,203.55	1,089.93
(b) Companies in same Group	99.50	93.94	245.44	391.16
(c) Joint Venture	2.65	2.65	2.64	2.65
2. Other than Related Parties				
TOTAL	5,695.94	6,445.47	6,623.42	7,776.14
TOTAL	7,262.93	8,245.30	8,075.05	9,259.88

- (e) Other Information:

Particulars	(₹ crore)	
	31.03.2014	31.03.2013
1. Gross Non-Performing Assets (excluding technical write-off)		
(a) Related Parties	-	-
(b) Other than Related Parties	3,451.36	3,063.07
2. Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than Related Parties	2,122.77	1,453.65
3. Assets acquired in satisfaction of debt		
	-	-

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

Particulars	31.03.2014		31.03.2013	
	Capital	Risk Assets	Capital	Risk Assets
A. Capital				
(a) Capital to Risk Assets Ratio (CRAR)	21.34%	23.88%		
(i) Core CRAR	13.89%	15.31%		
(ii) Supplementary CRAR	7.45%	8.57%		
(b) Subordinated Debt raised, outstanding as Tier II Capital (₹ crore)	1,258.51	1,322.97		
(c) Risk-weighted Assets (₹ crore)				
(i) On-Balance Sheet Items	25,772.04	21,861.87		
(ii) Off-Balance Sheet Items	1,195.48	1,954.68		

- (g) Exposure to Real Estate Sector:

Category	(₹ crore)	
	31.03.2014	31.03.2013
(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)	-	-

Category	(₹ Crore)	
	31.03.2014	31.03.2013
(ii) Commercial Real Estate— Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	2,457.31	481.04
(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:

Particulars	(₹ crore)									Total
	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 to 3 Years	3 to 5 Years	Over 5 Years		
LIABILITIES										
Borrowing from Banks	205.00	25.00	639.19	461.17	1,247.32	4,295.19	2,171.89	853.62		9,898.38
Market Borrowings	36.58	53.45	37.94	22.49	430.47	790.34	811.24	8,497.45		10,679.96
TOTAL	241.58	78.45	677.13	483.66	1,677.79	5,085.53	2,983.13	9,351.07		20,578.34
ASSETS										
Advances	165.04	60.03	357.91	771.83	1,103.38	6,848.97	4,764.25	4,562.94		18,634.35
Investments	266.45	98.34	146.83	-	24.71	175.67	279.67	6,521.85		7,513.52
TOTAL	431.49	158.37	504.74	771.83	1,128.09	7,024.64	5,043.92	11,084.79		26,147.87

47. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.50 million (Previous Year - USD 0.016 million) and EUR 0.38 million (Previous Year - EUR 0.041 million), equivalent to ₹ 6.15 crore (Previous Year - ₹ 0.37 crore).

48. Disclosure of Restructured Accounts:

Sl. No.	Type of Restructuring	Under CDR Mechanism										Under SME Debt Restructuring					Others					Total				
		Asset Classification Details	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total				
1.	Restructured Accounts as on April, 1 of the FY (opening figures)*	No. of Borrowers	-	-	-	-	-	-	-	-	-	3	-	-	-	3	3	-	-	-	-	3				
		Amount Outstanding	-	-	-	-	-	-	-	-	954.29	-	-	-	954.29	954.29	-	-	-	-	954.29					
		Provision thereon	-	-	-	-	-	-	-	-	26.24	-	-	-	26.24	26.24	-	-	-	-	26.24					
2.	Fresh restructuring during the year	No. of Borrowers	1	3	-	-	4	-	-	-	4	-	1	-	5	5	3	1	-	-	9					
		Amount Outstanding	125.00	193.74	-	-	318.74	-	-	-	714.55	-	43.56	-	758.11	839.55	193.74	43.56	-	-	1,076.85					
		Provision thereon	29.90	45.02	-	-	74.92	-	-	-	20.44	-	8.71	-	29.15	50.34	45.02	8.71	-	-	104.07					
3.	Upgradations to restructured standard category during the FY	No. of Borrowers																								
		Amount Outstanding																								
		Provision thereon																								
4.	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers																								
		Amount Outstanding																								
		Provision thereon																								

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

Particulars	31.03.2014	31.03.2013
1. Number of Accounts	2	-
2. Aggregate outstanding of accounts sold to SC/RC(₹ crore)	1.45	-
3. Aggregate consideration (₹ crore)	1.16	-
4. Additional consideration realized in respect of accounts transferred in earlier years	-	-
5. Aggregate gain/(loss) over net book value	-	-

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

Particulars	31.03.2014	31.03.2013
1. (a) Number of accounts purchased during the period	1	8
(b) Aggregate Outstanding (₹ crore)	0.99	36.63
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	31.03.2014	31.03.2013
Number of accounts sold during the period	-	1
Aggregate outstanding (₹ crore)	-	1.00
Aggregate consideration received (₹ crore)	-	0.35

45. Total value of outstanding Currency Swaps was USD 87.65 million against INR & EURO 69.39 million against USD (Previous Year - USD 87.13 million against INR, EURO 72.58 million against USD respectively) equivalent to ₹ 1,132.09 crore (Previous Year - ₹ 1,002.34 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous year - Nil).

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

Long Position (as at 31.03.2014)

Particulars	Series of Future	Exchange	Number of Contracts	No. of Units Involved (USD)
1. USD/INR	June 26, 2014	NSE	1,920	1,920,000.00
2. USD/INR	April 28, 2014	MCX-SX	723	723,000.00
3. USD/INR	May 28, 2014	MCX-SX	2,812	2,812,000.00
4. USD/INR	June 26, 2014	MCX-SX	365	365,000.00

Note 48 (Contd..)

Sl. No.	Type of Restructuring	Asset Classification	Under CDR Mechanism					Under SME Debt Restructuring					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
5.	Downgradations of restructured accounts during the FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	-1	1	-	-	-	-1	1	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-689.97	689.97	-	-	-	-689.97	-689.97	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-	-18.97	69.00	-	-	50.03	-18.97	69.00	-	-	50.03		
6.	Write-offs of restructured accounts during the FY	No. of Borrowers																				
		Amount Outstanding																				
		Provision thereon																				
7.	Restructured Accounts as on March, 31 of the FY (closing figures)*	No. of Borrowers	1	3	-	-	4	-	-	-	6	1	1	-	8	7	4	1	-	12		
		Amount Outstanding	125	193.74	-	-	318.74	-	-	-	978.87	689.97	43.56	-	1,712.40	1,103.87	883.71	43.56	-	2,031.14		
		Provision thereon	29.9	45.02	-	-	74.92	-	-	-	27.71	69	8.71	-	105.42	57.61	114.02	8.71	-	180.34		

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

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

(₹ crore)

	Minimum Outstanding during the Period	Maximum Outstanding during the Period	Daily Average Outstanding during the Period	Outstanding as on 31.03.2014
Securities sold under Repo:				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	199.90	199.90	13.69	199.90
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 figures have been re-grouped/re-arranged wherever necessary, to conform to current period's presentation.

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

S P ARORA
Executive Director

B N NAYAK
Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 08976N

V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

**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	Stock Holding Corporation of India Ltd	IFN Commodities Ltd (subsidiary of IFCI Financial Services Ltd)	IFN Credit Ltd (subsidiary of IFCI Financial Services Ltd)	IFN Securities Finance Ltd (Eiswithe Narayan Sfram Investments Private Ltd) - subsidiary of IFCI Financial Services Ltd)	IDL Realtors Pvt.Ltd (subsidiary of IFCI Infrastructure Development Ltd)	SHCIL Services Ltd (subsidiary of Stock Holding Corporation of India Ltd)	SHCIL Projects Ltd (subsidiary of Stock Holding Corporation of India Ltd)
	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
1. Financial Year of the Subsidiary company ended on												
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	2,10,54,400 Equity Shares of ₹10/- 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	57,70,000 Equity Shares of ₹10/- each	3,70,00,000 Equity 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%)	1,11,30,000 Equity Shares of ₹10/- each (52.66%)	5,00,000 Equity Shares of ₹100/- each (100%)	25,00,000 Equity Shares of ₹10/- each (100%)	30,01,000 Equity Shares of ₹100/- each (100%)	73,700 1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹10/- each	18,86,250 7% Non-Cumulative Convertible Preference Shares of ₹10/- each	3,70,00,000 Equity 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	13.13	(6.42)	30.69	(36.33)	0.49	25.53	0.05	0.04	0.15	0.60	2.08	1.68
(a) The Financial Year ended March 31, 2014 (₹ crore)		(9.84)	27.67	80.82	2.54	174.99	0.21	(0.45)	2.97	14.86	6.35	0.85
(b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)	38.84											
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	5.95	Nil	13.95	Nil	Nil	2.49	Nil	Nil	Nil	Nil	Nil	Nil
(a) The Financial Year ended March 31, 2014 (₹ crore)		2.72	13.95	11.08	0.03	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)	18.75											

S V Ranganath
Chairman of the Board

Malay Mukherjee
Chief Executive Officer & Managing Director

Achal Kumar Gupta
Deputy Managing Director

Sudhir Garg
Executive Director

S P Arora
Executive Director

B N Nayak
Chief Financial Officer

Rupa Sarkar
Company Secretary

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF IFCI LIMITED

1. We have audited the attached Consolidated Balance Sheet of IFCI Limited ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared on the basis of separate Financial Statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and the disclosures in the Financial Statements. An audit also includes assessing the auditing principles used and the significant estimates made by the Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries viz., IFCI Infrastructure Development Limited, IIDL Realtors Private Limited, IFCI Venture Capital Funds Limited, IFCI Factors Limited, MPCON Limited, IFCI Financial Services Limited, IFIN Securities Finance Limited, IFIN Commodities Limited, IFIN Credit Limited, Stock Holding Corporation of India Limited, SHCIL Services Limited and SHCIL Projects Limited whose financial statements reflect total assets and liabilities and reserves of ₹3,352.19 crore and ₹2,634.19 crore respectively, as at March 31, 2014, total net revenues of ₹78.38 crore and net cash inflows amounting to

₹ 567.57 crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS)-21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual Financial Statements of the Company and the aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014
 - (ii) In the case of the Consolidated Statement of Profit or Loss, of the Profit of the Group for the year ended on that date; and
 - (iii) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
FRN: 000038N

V Rajaraman
Partner
M. No. 2705

Place: New Delhi
Date : April 29, 2014

For **ANDROS & CO.**
Chartered Accountants
FRN: 08976N

Brij Bhushan Garg
Partner
M. No. 84865

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at March 31, 2014	(₹ crore) As at March 31, 2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,924.96	1,924.68
(b) Reserves and Surplus	2	5,404.15	5,116.70
(2) Minority Interest			
(a) Share Capital		13.35	3.43
(a) Reserves and Surplus		253.51	4.18
(3) Non-current Liabilities			
(a) Long-term Borrowings	3	17,585.43	14,448.57
(b) Other Long-term Liabilities	4	111.05	80.62
(c) Long-term Provisions	5	122.22	53.59
(4) Current Liabilities			
(a) Short-term Borrowings	6	620.08	710.07
(b) Trade Payables	7	368.65	461.52
(c) Other Current Liabilities	8	4,404.34	4,595.07
(d) Short-term Provisions	5	205.11	210.16
TOTAL		31,012.85	27,608.59
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	1,485.00	1,371.34
(ii) Intangible Assets	10	3.58	1.93
(iii) Capital work-in-progress		8.61	19.29
(b) Goodwill on consolidation		445.80	99.92
(c) Non-current Investments	11	4,583.01	5,400.48
(d) Deferred Tax Assets (Net)	12	713.56	732.22
(e) Long-term Loans & Advances			
(i) Loans	13	16,590.47	10,634.77
(ii) Others	14	284.47	227.11
(f) Other Non-current Assets	15	6.36	7.33
(2) Current Assets			
(a) Current Investments	16	1,818.47	2,614.93
(b) Inventories		233.32	293.01
(c) Trade Receivables	17	984.79	1,411.00
(d) Cash and Cash Equivalents	18	1,095.62	597.84
(e) Short-term Loans and Advances			
(i) Loans (Current Maturity of Long Term Loans)	13	2,394.16	3,880.59
(ii) Others	14	45.64	112.41
(f) Other Current Assets	15	319.99	204.42
TOTAL		31,012.85	27,608.59

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

For and on behalf of Board

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

S P ARORA
Executive Director

B N NAYAK
Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 08976N

V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
(₹ crore)			
I. Revenue from Operations	19	3,592.79	3,147.59
II. Other Income	20	46.85	41.08
III. Total Revenue		3,639.64	3,188.67
IV. Expenses			
Finance Cost	21	1,761.96	1,918.69
Employee Benefits Expenses	22	173.40	90.13
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		50.96	24.72
Cost of Stock in trade		88.34	144.73
Other Expenses	23	180.90	81.24
Total Expenses		2,255.56	2,259.51
V. Profit before Provisions/Write-off		1,384.08	929.16
VI. Less: Provision for Bad & Doubtful Assets and others (Net of Write-off)	24	622.48	192.01
VII. Profit before Tax		761.60	737.15
VIII. Tax Expense			
– Current Tax		169.55	131.32
– Deferred Tax (Net)		25.95	108.47
IX. Profit for the period		566.10	497.36
X. Basic Earnings per share of ₹ 10.00 each (₹)		3.40	4.57
Diluted Earnings per share of ₹ 10.00 each (₹)		3.40	4.56

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

For and on behalf of Board

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Chairman of the Board

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Managing Director

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Date : April 29, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	For the year ended March 31, 2014	(₹ crore) For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	761.60	737.15
Adjustments for:		
Depreciation	50.96	24.72
Provision/write offs	622.48	192.01
Bond Issue Expenses charged to Share Premium Account	(6.46)	(17.59)
(Profit)/Loss on Sale of Assets	(0.03)	0.04
Employee Stock Option Compensation Cost	0.44	0.91
Lease Equalisation	-	12.23
Pre-acquisition profits	(54.19)	-
Operating Profit before Working Capital Changes & Operating Activities	<u>1,374.80</u>	<u>949.47</u>
Adjustments for Operating Activities:		
(Increase)/decrease in Investments (<i>incl. Current Investments</i>)	1,409.91	(791.44)
(Increase)/decrease in Loans & Advances (<i>incl. current maturities of long-term loans & advances</i>)	(4,978.73)	2,260.91
Increase/(decrease) in Borrowings (<i>incl. current maturities of long-term liabilities</i>)	2,694.53	(3,409.80)
Operating Profit before Working Capital Changes	<u>500.51</u>	<u>(990.86)</u>
Adjustments for:		
(Increase)/decrease in Current Assets	385.13	599.33
Increase/(decrease) in Current Liabilities	162.76	(175.22)
Cash Flow before taxation	<u>1,048.40</u>	<u>(566.75)</u>
Income Tax (paid)/refund - Net	(173.98)	(84.61)
Net cash flow from Operating Activities	<u>874.42</u>	<u>(651.36)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(177.22)	(57.41)
Sale proceed of Fixed Assets	1.60	0.14
Net cash flow from Investing Activities	<u>(175.62)</u>	<u>(57.27)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
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	0.28	1.20
Share Premium (net of expenses)	0.23	1.04
Benevolent Reserve Fund	-	0.25
Dividend paid	(201.52)	(87.14)
Net cash flow from Financing Activities	<u>(201.01)</u>	<u>838.35</u>
Net Change in Cash and Cash Equivalent (A+B+C)	<u>497.78</u>	<u>129.72</u>
Opening Cash and Cash Equivalent	597.84	468.12
Closing Cash and Cash Equivalent	<u>1,095.62</u>	<u>597.84</u>

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

* Includes ₹ 10.37 crore (Previous Year - ₹ 7.96 crore) in Unclaimed Dividend Account

Accounting Policies and Notes (1 to 52) form an integral part of financial statements

For and on behalf of Board

S V RANGANATH
Chairman of the Board

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Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
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V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

A. SIGNIFICANT ACCOUNTING POLICIES

1. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures" notified under Rule 3 of the Companies (Accounting Standards) Rules, 2006.

1.1 Principles of consolidation

The consolidated financial statements relate to IFCI Ltd. ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The excess of cost to the Company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognized in the financial statements as goodwill.

- 1.2 The subsidiaries considered in the preparation of these consolidated financial statements are given in the notes on accounts [no. 25(a)].

2. Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a going concern basis, on 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. Actual results may differ from these estimates and assumptions.

3. Revenue Recognition

- (a) Interest and other dues and Income from factoring services are recognized on accrual basis except in the case of income on Non-Performing Assets (NPAs) and commission income on IPO and FPO where income is accounted on realisation basis, as per the prudential norms prescribed by the RBI.
- (b) Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) 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 cash basis.
- (d) Income from Merchant Banking/Loan Syndication Fees, Depository Services and Dividends are accounted for as income, once the right to receive is established.
- (e) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.
- (f) The front-end fees/underwriting commission/commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.
- (g) Interim returns by promoter/promoter group companies at a pre-agreed rate of return, as per buy-back agreements, on certain equity investments are taken to income on receipt basis.
- (h) Surplus/gains on sale of investments is net of losses thereon.
- (i) Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.
- (j) 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.
- (k) 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.
- (l) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.
- (m) 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.
- (n) 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.
- (o) 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.
- (p) Revenue from sale of property held as stock-in-trade is recognised upon transfer of possession or execution of sale deed, whichever is earlier.
- (q) 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 as per approved accounting policy of the company in accordance with AS-9 "Revenue Recognition" of ICAI.
- (r) Custodial fees are accrued monthly on the basis of daily/weekly average holdings in custody or the net asset value of holdings/assets under management in the electronic segment.

Service charges received are recognised as income on completion of post trading operations. A post trading operation is treated as complete on settlement under the electronic segment and on lodgement/delivery of securities under the paper segment.

Annual maintenance charges received from beneficiary account holders/clearing members for depository services are amortised on time proportion basis over the period of contract.

Charges collected on cheques dishonored/bounced are recognised on actual basis.

Income from digitisation and software services is recognised on percentage completion method. Income from software products is recognised on either delivery or installation of product.

4. Stock - in - Trade

- (a) Inventory comprises of lands (with or without removable structure) incl. existing/added boundary walls, Land and Building/Residential Complex, Built-up floor space acquired/purchased for development and/or sale, other removable/disposable assets existing thereon. These are valued at lower of Cost or net realizable value. Costs are determined by adding all considerations/costs which are attributable to purchase/acquisition, and other expenses incurred specifically thereto.
- (b) Inventory of hospitality business comprises of closing balance of consumables purchased. FIFO method is followed for ascertaining the cost price considered for valuation. Closing inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.
- (c) Securities held for trade and those devolved on SHCIL in the process of settlement are held as stock-in trade and are valued at lower of cost or net realisable value.
- (d) Securities on Deposit receipts received as collateral or directly deposited by clients with stock exchanges are not recorded in the accompanying financial statements.

5. Investments

- (a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs).
 - (i) 'Long term Investments' are carried at acquisition cost. The RBI Guidelines prescribe Accounting Standard 13 on 'Accounting for Investments' for valuation of long-term investments. Accordingly, provision is made for diminution other than temporary on an individual basis. However, long term investment in equity shares with firm buy-back commitment are assessed for diminution other than temporary only when there is a default in buy-back commitment by the promoter/promoter group and provision is made accordingly on individual basis.
 - (ii) 'Current Investments' 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.
 - (iii) In case of IFCI Venture Capital Funds Ltd., short term investments are valued on the aggregate value of each category of investment.
- (b) On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- (c) 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.
- (d) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

6. Derivatives

- (a) Equity Index/Stock Futures/Commodity/Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/Stock Options are recognized in the books to the extent of premium paid.
- (b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
 - The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the statement of profit and loss.
 - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the statement of profit and loss.
 - Equity Index/Stock Options are carried at cost where they are used as an instrument for hedging.
- (c) On final settlement or squaring-up of contracts for Equity Index/Stock Futures/Commodity/Currency Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract

in respect of the relevant series of Equity Index/Stock Futures/Commodity/Currency Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.

- (d) Initial and additional margin paid 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.

7. Foreign Exchange Transactions

- (a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/at the forward rate, if booked, for such transaction. Gains/losses arising out of fluctuation in exchange rates on settlement other than those relating to fixed assets are recognised in the Statement of Profit & Loss.
- (b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss. Premium/discount on hedging transactions is spread over the period to which it relates.
- (c) Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

8. Tangible Fixed Assets and Depreciation

- (a) Fixed Assets are carried at historical cost (including capitalized interest) less accumulated depreciation and impairment loss, if any.
- (b) Cost includes purchase price and all other directly attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.
- (c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) over the useful life of the asset as 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 the value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset. An equal amount is withdrawn from the revaluation reserve and adjusted against the depreciation on revalued value of assets.
- (f) Leasehold Improvements are amortized over the remaining lease period.
- (g) Mobile phones are fully depreciated in the year of acquisition itself.
- (h) In the case of IFCI Factors Ltd and SHCIL Services Ltd, and SHCIL Projects only for its plant and machinery, depreciation has been provided on the basis of straight line method, as per Schedule XIV of 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 which is provided on SLM.
- (j) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/disposal. Assets having individual value of less than ₹ 5,000/- are charged to the Statement of Profit & Loss in the year of purchase.
- (k) In case of SHCIL, computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Following assets are depreciated over estimated useful life as under:

Computer Hardware	4 years
Computer Software	3 years
Vehicles	3 years

- (l) In case of SHCIL Services, depreciation on motor cars has been changed from 9.50% to 33.33% from 01.04.2013. Further, the following depreciation rates have been used for fixed assets:

Particulars	Rate
Furniture & Fixtures	6.33%
Office equipment	4.75%
Plant & Machinery	4.75%
Motor Car	33.33%
Computer Hardware	33.33%
Computer Software	33.33%

9. Intangible assets and amortization

- (a) In case of IFCI Financial Services Ltd, intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit & Loss.
- (b) 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) method under Schedule XIV of the Companies Act, 1956. However, in the case of intangible assets consisting of Computer software with indefinite period utility/user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/period utility i.e. requiring annual revision is charged to the Statement of Profit and Loss in the year of purchase.
- (c) 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.

- (d) In case of SHCIL, computer software which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortised over their estimated useful life namely three years. Costs related to development, upgradation and maintenance of software are charged to revenue.
- (e) In case of SHCIL projects, software both bought out and internally developed is amortised on straight line method at lower of the estimated useful life or ten years.

10. Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts, and is charged to Statement of Profit & Loss in the period/years in which the assets is identified as impaired. 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 based on appropriate discount rate 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.

11. Provisions/Write off against Loans and Other Credit Facilities

- (a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary. IFCI factors is making provisions for standard assets @ 0.50%.
- (b) For restructured/rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.
- (c) Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable in terms of RBI Guidelines.
- (d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

12. 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, 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.

13. 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.

14. Leases

Lease arrangements where the risks and rewards incidental to the ownership of an asset vest substantially with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the Profit & Loss Statement with reference to the lease terms.

In case of SHCIL and IFCI Factors, payments made under operating leases are charged to Statement of Profit & Loss on a straight line basis over the period of lease.

In case of SHCIL Projects, where lease rentals are so structured that the rental is higher in the later years, lease rentals have been recognized as an expense in the statement of Profit and Loss in straight line basis over the term of the lease. The difference between the equated rent and the rent as per the agreement is transferred to Provision of Lease Equalization Account to be adjusted over the period of the lease.

In case of SHCIL Services, leasehold improvements are amortized on straight line basis over the period of lease i.e. 3 years.

15. Miscellaneous Expenditure

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

16. Employee Benefits

- (a) Monthly contributions to the Provident Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrators.
- (b) Prior to 01.04.2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme for employees existing on 01.04.2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.
- (c) IFCI, IVCF and IFIN have a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

In case of IFIN, the liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of Employee benefit entitlement. The gratuity Scheme is operated through Group Gratuity Scheme of LIC. Gratuity liabilities are provided based on Actuarial Valuation certified by LIC. Actuarial gains and losses are charged to Statement of Profit & Loss.

- (d) Provision for leave encashment/long term compensated absences is being made on actuarial valuation basis.
In case of IFIN and IFIN Commodities, employees are 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 is paid as leave salary in the next calendar year. The expenses on account thus arising are recognised in the Statement of Profit & Loss.
- (e) IFCI has a post retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. The amount is charged to the Staff Welfare Fund as and when incurred.
- (f) In case of IFIN, all short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

17. 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.

18. Taxation

Tax Expense comprises of current income tax & deferred income tax charge or credit. 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.

Deferred tax charge or credit and the corresponding deferred tax liability/assets are recognized applying the tax rates and laws that have been enacted or substantively enacted by the balance sheet. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize such assets.

19. 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.

B. NOTES ON ACCOUNTS

1 SHARE CAPITAL

1.1 Share Capital Authorised, Issued, Subscribed and Paid up:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
AUTHORISED				
Equity Shares of ₹ 10/- each	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Cumulative Redeemable Preference Shares of ₹ 10/- each	1,00,00,00,000	1,000.00	1,00,00,00,000	1,000.00
	3,00,00,00,000	3,000.00	3,00,00,00,000	3,000.00
ISSUED				
Equity Shares of ₹ 10/- each	1,72,92,84,689	1,729.28	1,72,92,84,689	1,729.28
Cumulative Redeemable Preference Shares of ₹ 10/- each	26,38,43,100	263.84	26,38,43,100	263.84
	1,99,31,27,789	1,993.12	1,99,31,27,789	1,993.12
SUBSCRIBED				
Equity Shares of ₹ 10/- each	1,66,33,53,935	1,663.36	1,66,33,53,935	1,663.36
Cumulative Redeemable Preference Shares of ₹ 10/- each	26,38,43,100	263.84	26,38,43,100	263.84
	1,92,71,97,035.00	1,927.20	1,92,71,97,035.00	1,927.20
PAID UP				
(A) EQUITY				
Equity Shares of ₹ 10/- each	1,66,20,37,235	1,662.04	1,66,20,37,235	1,662.04
Less: Loan given to ESOP Trust recoverable (outstanding) (shares allotted to Trust)	(9,21,622)	(0.92)	(11,99,904)	(1.20)
TOTAL - EQUITY	1,66,11,15,613	1,661.12	1,66,08,37,331	1,660.84
(B) PREFERENCE				
0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each				
Redeemable at par on 31.03.2021	20,00,000	2.00	20,00,000	2.00
Redeemable at par on 03.03.2021	80,00,000	8.00	80,00,000	8.00
Redeemable at par on 02.03.2021	3,00,00,000	30.00	3,00,00,000	30.00
Redeemable at par on 01.03.2021	1,00,00,000	10.00	1,00,00,000	10.00
Redeemable at par on 31.10.2020	20,00,000	2.00	20,00,000	2.00
Redeemable at par on 31.03.2019	3,00,00,000	30.00	3,00,00,000	30.00
Redeemable at par on 17.09.2018	5,00,00,000	50.00	5,00,00,000	50.00
Redeemable at par on 15.09.2018	9,30,00,000	93.00	9,30,00,000	93.00
Redeemable at par on 02.08.2017	3,88,43,100	38.84	3,88,43,100	38.84
TOTAL - PREFERENCE	26,38,43,100	263.84	26,38,43,100	263.84
TOTAL SHARE CAPITAL		1,924.96		1,924.68

1.2 Reconciliation of the Number of Equity Shares and Share Capital during the year:

There has been no changes in the Authorised, Issued and Subscribed Share Capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Amount (₹ crore)	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	1,66,08,37,331	1,660.84	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 on exercise of employee stock options	2,78,282	0.28	-	-
Outstanding at the end of the period	1,66,11,15,613	1,661.12	1,66,08,37,331	1,660.84

1.3 Terms/rights attached to equity shares:

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

1.4 Shareholders holding more than 5% of Equity Shares as at the end of the year:

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares	Share-holding %	Number of Shares	Share-holding %
Government of India	92,30,00,000	55.53	92,30,00,000	55.53

1.5 Employee Stock Option Scheme:

The Company had, during the financial year 2011-12, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme. During the current year, the Board in its meeting dated November 12, 2013 has withdrawn the scheme, subject to all the regulatory compliances required in this regard and no further vesting under the scheme shall be held. Pending such compliances, the granted options that have not vested under the scheme, have not been cancelled.

	Year ended 31.03.2014		Year ended 31.03.2013	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
ESOP A				
Outstanding at the beginning of the period	38,01,999	17.55	45,54,700	17.55
Add: Granted during the period	-	-	-	-
Less: Cancelled during the period	1,41,558	17.55	7,52,701	17.55
Less: Exercised during the period	2,33,522	17.55	-	-
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period*	34,26,919	17.55	38,01,999	17.55
* incl. shares allotted to Employee Stock Option Trust	7,48,810	17.55	9,82,332	17.55

The charge towards ESOP Compensation included under Salaries is ₹ 0.44 crore (Previous Year - ₹ 0.91 crore).

ESOP B

Outstanding at the beginning of the period	20,24,776	23.40	26,23,681	23.40
Add: Granted during the period	-	-	-	-
Less: Cancelled during the period	1,48,841	23.40	5,98,905	23.40
Less: Exercised during the period	44,760	23.40	-	-
Less: Expired during the period	-	-	-	-
Outstanding at the end of the period*	18,31,175	23.40	20,24,776	23.40
* incl. shares allotted to Employee Stock Option Trust	1,72,812	23.40	2,17,572	23.40

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

	Year ended 31.03.2014		Year ended 31.03.2013	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Series I				
Outstanding at the beginning of the period	22,00,760	16.35	24,85,457	16.35
Granted during the period	-	-	-	-
Cancelled during the period	-	-	2,84,697	16.35
Exercised during the period	-	-	-	-
Expired during the period *	22,00,760	16.35	-	-
Outstanding at the end of the period	-	-	22,00,760	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.

	Year ended 31.03.2014		Year ended 31.03.2013	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Series II				
Outstanding at the beginning of the period	7,71,506	16.35	11,62,008	16.35
Granted during the period	-	-	-	-
Cancelled during the period	-	-	3,90,502	16.35
Exercised during the period	-	-	-	-
Expired during the period *	7,71,506	16.35	-	-
Outstanding at the end of the period	-	-	7,71,506	16.35

* Since IFCI Factors Ltd could not launch its Initial Public Offer (IPO) within the validity period of the SEBI Approval for launching the IPO (which

Note 1.5 (Contd..)

expired on July 31, 2013) and accordingly, on account of non-listing, vested stock options could not be exercised by the optionholders. As the possibility of launching an IPO in near future seemed bleak, the vested as well as unvested/granted stock options stood redundant/unattractive to the optionholders, given that they cannot exercise these stock options and as such no exit route was available to the optionholders on account of non-listing. Accordingly, based on the consent of all the optionholders, Board's approval and subsequent approval from the shareholders, the ESOP 2011 stood scrapped/cancelled/annulled/expired on September 30, 2013 including all the vested, unvested, and lapsed stock options thereunder.

2. RESERVES AND SURPLUS \$	(₹ crore)	
	As at March 31, 2014	As at March 31, 2013
(A) Capital Reserve (foot-note 1)	0.89	0.89
(B) Amalgamation Reserve	1.10	1.10
(C) Capital Redemption Reserve (foot-note 2)		
Opening Balance	211.27	193.14
Additions during the year	-	18.13
Closing Balance	211.27	211.27
(D) Capital Reserve on consolidation		
Opening Balance	9.87	9.87
Additions during the year	-	-
Closing Balance	9.87	9.87
(E) Securities Premium Reserve		
Opening Balance	1,042.95	1,058.93
Additions during the year	5.27	1.61
Deductions/Transfers during the year	(6.46)	(17.59)
Closing Balance	1,041.76	1,042.95
Less: Loan given to ESOP Trust recoverable (outstanding) (shares allotted to Trust)	(0.80)	(1.03)
	1,040.96	1,041.92
(F) Debenture Redemption Reserve		
Opening Balance	-	5.00
Transfer to General Reserve	-	(5.00)
Closing Balance	-	-
(G) Revaluation Reserve (refer foot-notes of note 9)		
Opening Balance	939.25	958.28
Deduction on account of Depreciation	(19.03)	(19.03)
Deduction on account of transfer/sale/disposal	(0.05)	-
Closing Balance	920.17	939.25
(H) Share Options Outstanding A/c		
Employee Stock Options Outstanding	1.57	1.65
Less: Deferred Employee Compensation Outstanding	(0.34)	(0.86)
Employee Compensation Charged	1.23	0.79
(I) Corporate Social Responsibility		
Opening Balance	10.00	10.08
Additions	0.82	0.80
Deductions	(0.80)	(0.88)
Closing Balance	10.02	10.00
(J) Grant received from GoI under KfW Loans (foot-note 3)	184.48	184.48
(K) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (foot-note 4)		
- for the period upto 31.03.1997	1.74	1.74
- after 01.04.1997		
Opening Balance	50.00	35.00
Additions during the year	15.00	15.00
Closing Balance	65.00	50.00
(L) Reserve u/s 45IC of RBI Act (foot-note 5)		
Opening Balance	700.59	592.65
Additions during the year	105.70	107.94
Closing Balance	806.29	700.59
(M) Benevolent Reserve		
Opening Balance	-	4.11
Additions	-	0.25
Transfer to General Reserve	-	(4.36)
Closing Balance	-	-
(N) General Reserve		
Opening Balance	140.90	131.54
Additions	137.00	-
Transfer from Benevolent Reserve	-	4.36
Transfer from Debenture Redemption Reserve	-	5.00
Closing Balance	277.90	140.90

	(₹ crore)	
	As at March 31, 2014	As at March 31, 2013
(O) Profit & Loss Account		
Opening Balance	1,870.28	1,673.49
Add: Profit for the year	566.10	497.36
Accumulate profits of the subsidiaries acquired during the year	343.74	
Share of the profits in Associates	13.19	35.03
Less: Reduction in accumulated profits of the associates on becoming subsidiary	(17.55)	
Less: Appropriations		
Reserve u/s 45IC of RBI Act	(105.70)	(107.94)
Special Reserve u/s 36(1)(viii)	(15.00)	(15.00)
Capital Redemption Reserve	-	(18.13)
General Reserve	(4.83)	-
Dividend		
- Proposed Dividend - Equity @ ₹ 1 per share	(166.20)	(166.20)
- Tax on proposed/distributed dividend - Equity	(28.25)	(26.96)
- Dividend - Preference @ ₹ 0.01 per share	(0.26)	(0.26)
- Tax on Distributed Profits - Preference	(0.05)	(0.05)
- Dividend to minorities by subsidiaries	(2.83)	(0.08)
- Tax on dividend by Subsidiaries	(3.94)	(0.98)
Closing Balance	<u>2,448.70</u>	<u>1,870.28</u>
TOTAL	<u>5,979.62</u>	<u>5,163.08</u>
Less: Minority Interest	253.51	4.18
Less: Share of pre-acquisition reserves in Subsidiary Companies	321.96	42.20
	<u>575.47</u>	<u>46.38</u>
TOTAL RESERVES AND SURPLUS	<u>5,404.15</u>	<u>5,116.70</u>

\$ addition during the year includes accumulated reserve of Stock Holding Corporation of India Ltd. which became subsidiary during the year.

Foot-notes:

- Capital Reserve represents proceeds of forfeited shares.
- Capital Redemption Reserve represents amount transferred from surplus in profit and loss statement towards redemption of shares without fresh issue of capital, as required under section 80 of the Companies Act, 1956.
- Grant received from Government of India under KfW Loans is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development.
- Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term financing to infrastructure facilities, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f. FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability.
- In terms of Section 45IC of RBI Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the statement of profit and loss and before any dividend is declared.

	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
3. LONG - TERM BORROWINGS				
3.1 RUPEE LOANS - UNSECURED				
(a) Optionally Convertible Debentures (OCDs)				
(A) Non-Convertible Debentures (NCDs)				
(i) 6% LIC - Redeemable on 28.12.2021	200.00	-	200.00	-
(ii) 6% SBI - Redeemable on 25.01.2022	200.00	-	200.00	-
(iii) 0% LIC - Redeemable on 01.04.2022	418.19	-	418.19	-
Sub - Total 'A'	<u>818.19</u>	<u>-</u>	<u>818.19</u>	<u>-</u>
(B) Bonds				
(i) Guaranteed by Govt. of India and redeemable at par (refer foot note 1)	-	-	1,643.27	195.50
(ii) Privately Placed Bonds (refer foot note 1)	6,479.60	648.01	4,959.06	955.76
(iii) Privately Placed Zero Coupon Bonds. Unamortised discount - ₹ 895.05 crore (Previous Year - ₹ 907.64 crore)	141.70	-	129.11	-
(iv) Infrastructure Bonds (incl. cumulative interest ₹155.20 crore (Previous Year - ₹ 86.77 crore))	1,097.79	-	1,029.36	-
(v) Subordinate - Tier II Bonds (incl. cumulative interest ₹20.38 crore (Previous Year - ₹ 9.67 crore))	1,333.68	-	1,322.97	-
(vi) Application Money	-	-	4.00	-
Sub-Total 'B' (refer foot note 2)	<u>9,052.77</u>	<u>648.01</u>	<u>9,087.77</u>	<u>1,151.26</u>
(C) Other Long Term Borrowings				
(i) Banks (refer foot note 3)	6,691.87	2548.47	3,706.99	2,438.18
(ii) Financial Institutions (repayable on 01.04.2022)	100.00	-	100.00	-
(iii) Government of India under KfW Loans	3.07	20.06	23.13	-
(iv) Others	-	7.72	7.72	-
Sub-Total 'C'	<u>6,794.94</u>	<u>2,576.25</u>	<u>3,837.84</u>	<u>2,438.18</u>
TOTAL RUPEE LOAN - UNSECURED	<u>16,665.90</u>	<u>3,224.26</u>	<u>13,743.80</u>	<u>3,589.44</u>

Foot-notes :

- Privately placed Bonds of ₹ 6,479.60 crore shown at 3.1(B)(ii) above includes ₹ 1,643.27 crore of bonds which were guaranteed by the Govt. of India at the time of issue. These bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period and accordingly, these bonds were shown under Bonds guaranteed by Govt. of India till March 31, 2013, with suitable disclosure of the fact in Notes to Accounts. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such rolled over erstwhile government guaranteed bonds are clustered under Privately Place Bonds as on March 31, 2014 above.
- Put/Call Option applicable on ₹ 2,237.78 crore (Previous Year - ₹ 2,943.70 crore) of Bonds included in Non-current Bonds of ₹ 9,052.77 crore at 3.1 (B) above.
- Put/Call Option applicable on ₹1,180 crore (Previous Year - ₹315.00 crore) of Bank Borrowings included in Non-current Borrowings of ₹6,691.87 crore at 3.1(C)(b) above.

	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
3.2 RUPEE LOANS - SECURED				
Term Loan				
– From Banks (refer foot note 1)	58.92	74.40	63.31	49.11
– Others	–	–	–	5.30
Bonds (refer foot note 2)	25.10	–	137.40	–
Tax Free Bonds (refer foot note 2)	265.00	–	–	–
TOTAL RUPEE LOAN - SECURED	349.02	74.40	200.71	54.41
Foot-notes:				
1. Loan from Banks of ₹ 133.32 crore are secured by hypothecation of Book Debts of IFCI Venture Capital Funds Ltd (₹ 83.32 crore, Previous Year - ₹ 63.31 crore) and IFCI Factors Ltd. (₹ 50.00 crore, Previous Year - ₹ 49.11 crore) on pari passu basis.				
2. Bonds are secured by pari-passu charge on the receivables of IFCI Venture Capital Fund Ltd, to the extent of 125% of the outstanding bonds at any point of time during the currency of the bonds - bonds outstanding as on March 31, 2014 - ₹ 25.10 crore.				
3. Tax Free Bonds of ₹ 265 crore outstanding as on March 31, 2014 secured against receivables of IFCI Ltd.				
TOTAL (RUPEE)	17,014.92	3,298.66	13,944.51	3,643.85
3.3 FOREIGN CURRENCIES - UNSECURED				
(A) KfW Line - Guaranteed by Government of India	570.51	29.21	504.06	24.55
TOTAL (FOREIGN CURRENCIES)	570.51	29.21	504.06	24.55
TOTAL LONG-TERM BORROWINGS	17,585.43	3,327.87	14,448.57	3,668.40
4. OTHER LONG - TERM LIABILITIES				
(A) Funds placed with the Corporation				
(a) Jute Development Fund (placed by Government of India)	4.58	–	4.32	–
(b) Employees' Provident Fund	46.70	–	39.53	2.72
(c) Staff Welfare Fund	2.90	–	3.46	–
(B) Interest accrued but not due on bonds & borrowings	19.48	458.91	17.83	427.53
(C) Other Liabilities (security deposits)	37.39	1.01	15.48	4.30
TOTAL	111.05	459.92	80.62	434.55
5. PROVISIONS				
(A) Provision for standard and securitised assets	78.67	4.97	41.14	–
(B) Employee Benefits	19.10	3.53	12.45	3.87
(C) Claims & Expenses	24.45	1.65	–	11.33
(D) Proposed Dividend	–	166.20	–	166.20
(E) Corporate Dividend Tax	–	28.76	–	28.76
TOTAL	122.22	205.11	53.59	210.16
6. SHORT-TERM BORROWINGS				
Secured				
(A) Loan from banks repayable on demand (refer footnote 1)	185.00	–	–	249.00
(B) Loans (refer foot note 1)	–	–	–	135.00
– from banks	–	–	–	77.96
– from others	10.00	–	–	25.00
(C) Bonds (refer foot note 2)	–	–	–	–
(D) Collateralised Borrowings Lending Operations (CBLOs) (refer foot note 3)	84.76	–	–	–
(E) Cash Credit - From Banks (refer foot note 4)	70.11	–	–	148.43
(F) Corporate Bond Repo (refer foot note 5)	199.90	–	–	–
Unsecured				
(A) Bank Overdraft	41.33	–	–	0.01
(B) Loans	–	–	–	–
– from Banks	–	–	–	–
– from Others	28.98	–	–	–
(C) Commercial Paper	–	–	–	–
TOTAL	620.08	–	–	74.67
Foot-notes:				
1. Secured by way of pari-passu charge on receivables of IFCI Factors Ltd by way of hypothecation.				
2. Secured by way of charge on the receivables of IFCI Venture Capital Ltd ₹ Nil (Previous Year - ₹ 25 crore).				
3. Secured against Treasury Bills face value amounting to ₹ 93.15 crore (Previous Year - ₹ Nil).				
4. Secured by way of charge on the receivables of IFCI Venture Capital Ltd ₹ 9.79 crore (Previous Year - ₹ 30.22 crore), pledge of bank fixed deposits of Stock Holding Corporation of India Ltd ₹ 29.70 crore (Previous Year - ₹ Nil) and pari-passu charge on receivables of IFCI Factors Ltd by way of hypothecation ₹ 30.62 crore (Previous Year - ₹ 118.21 crore).				
5. Secured against Corporate Bonds of ₹ 271.20 crore.				

	As at March 31, 2014	As at March 31, 2013
7. TRADE PAYABLES		(₹ crore)
(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	135.32	222.52
(B) Contractual Liability against Sundry Debtors Collection @	233.34	239.00
TOTAL	368.65	461.52
@ This represents the margin on debts factored and payable to the clients on collection of total debt. The total factored debts are shown under trade receivables.		
8. OTHER CURRENT LIABILITIES		
(A) Current maturities of Long-term debt		
(i) Rupee (refer notes 3.1, 3.2, 4(A)(b) & 4(C))	3,299.67	3,686.87
(ii) Foreign Currencies (refer note 3.3)	29.21	24.55
Sub - Total 'A'	3,328.88	3,711.42
(B) Others		
(i) Interest accrued but not due on bonds and borrowings (refer note 4 (B))	458.91	428.75
(ii) Interest accrued and due on bonds and borrowings	-	0.23
(iii) Income received in Advance	32.28	93.29
(iv) Unclaimed Dividend*	10.41	7.96
(v) Unpaid Matured Debentures	1.25	2.67
(vi) Other Liabilities (trade deposits and other payables)	572.61	350.75
Sub - Total 'B'	1,075.46	883.65
TOTAL	4,404.34	4,595.07

* will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend.

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at	Additions ^s	Disposals	As at	Revalued	As at	For the	Disposals	As at	As at	As at
	01.04.2013			31.03.2014	Amount	01.04.2013	year ^s		31.03.2014	31.03.2014	31.03.2013
Owned Assets											
Freehold Land	132.39	-	-	132.39	69.91	-	-	-	-	132.39	132.39
Leasehold Land	327.12	3.37	-	330.49	277.36	30.45	9.20	-	39.65	290.84	296.67
Buildings	1,005.74	113.84	0.07	1,119.51	686.64	132.47	46.31	0.01	178.77	940.75	873.27
Leasehold Improvements	3.29	2.03	-	5.32		1.32	2.69	-	4.01	1.31	1.97
Plant & Machinery	32.96	54.47	0.99	86.43		10.83	21.80	0.57	32.06	54.37	22.13
Furniture & Fixtures	37.47	22.77	1.05	59.19		14.69	17.54	0.74	31.49	27.70	22.78
Vehicles	4.04	3.14	1.49	5.69		2.35	2.73	1.06	4.02	1.67	1.69
Office Equipments	18.97	93.74	1.36	111.35		14.26	76.71	1.22	89.75	21.60	4.71
Electrical Installations and Equipments	25.86	0.84	0.33	26.37		10.95	1.97	0.12	12.80	13.57	14.91
Leased Assets											
Plant & Machinery	197.92	-	-	197.92		197.92	-	-	197.92	-	-
TOTAL	1,785.76	294.19	5.29	2,074.66		415.24	178.95	3.72	590.47	1,484.19	1,370.52
Previous Year	1,729.81	56.54	0.59	1,785.76		372.92	42.73	0.41	415.24	1,370.52	

Foot-notes:

\$ addition during the year includes gross block of ₹ 259.46 crore and accumulated depreciation of ₹ 112.85 crore in respect of Stock Holding Corporation of India Ltd which became subsidiary during the year.

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

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at	Additions \$	Disposals	As at	As at	For the	Disposals	As at	As at	As at
	01.04.2013			31.03.2014	01.04.2013	year\$		31.03.2014	31.03.2014	31.03.2013
Computer Software	6.85	33.13	3.69	36.29	4.92	31.48	3.69	32.71	3.58	1.93
Non-compete Fee	0.99	-	-	0.99	0.99	-	-	0.99	-	-
Membership Card	0.32	-	-	0.32	0.32	-	-	0.32	-	-
TOTAL	8.16	33.13	3.69	37.60	6.23	31.48	3.69	34.02	3.58	1.93
Previous Year	7.66	0.50	-	8.16	5.21	1.02	-	6.23	1.93	

\$ addition during the year includes gross block of ₹ 31.63 crore and accumulated depreciation of ₹ 27.58 crore in respect of Stock Holding Corporation of India Ltd which became subsidiary during the year.

	As at March 31, 2014	As at March 31, 2013
11. NON-CURRENT INVESTMENTS		(₹ crore)
A. QUOTED		
1. Equity Shares		
(a) Associates	199.98	188.07
(b) Assistance under financing	391.51	838.40
(c) Others	931.63	1,010.92
	1,523.12	2,037.39
2. Bonds	135.83	230.37
3. Government Securities (refer foot Note 3)	48.87	-
4. Warrants	-	0.03
5. Units	0.01	0.51

IFCI Limited (Consolidated Financial Statements)



Note 11 (Contd..)

	As at March 31, 2014	As at March 31, 2013
(₹ crore)		
B. UNQUOTED		
1. Equity Shares		
(a) Associates	19.51	333.01
(b) Joint-Venture	0.01	0.01
(c) Assistance under financing (refer foot note 4)	2,280.01	2,100.09
(d) Others	85.21	77.77
	2,384.74	2,510.88
2. Preference shares	365.40	381.21
3. Debentures/Bonds		
(a) Joint-Venture	2.64	2.64
4. Security Receipts	51.96	64.07
5. Bonds	19.62	-
6. Government Securities	400.00	400.00
7. Warrants	-	-
8. Units	337.43	340.84
TOTAL	5,269.62	5,967.94
Less: Provision for Diminution in value	686.61	567.46
TOTAL	4,583.01	5,400.48
QUOTED		
(1) Total Book Value	1,707.83	2,268.30
- Equity Shares	1,523.12	2,037.39
- Others	184.71	230.91
(2) Total Market Value	1,123.82	1,507.86
- Equity Shares	938.87	1,275.67
- Others	184.95	232.19
UNQUOTED		
(1) Total Book Value	3,561.79	3,699.64
- Equity Shares	2,384.74	2,510.88
- Preference Shares	365.40	381.21
- Others	811.65	807.55

Note:

- In respect of Investments in shares in certain cases, scrips are yet to be received.
- The diminution in market value of quoted equity is considered temporary; hence not provided for.
- Govt. Securities include security of ₹ 48.08 crore deposited as margin money with CCIL.
- The above balances include:
 - Equity Shares of ₹ 0.03 crore (Previous Year - ₹ 38.18 crore) which are subject to a lock-in period.
 - Equity Shares of ₹ Nil (Previous Year - ₹ 1.20 crore) which are subject to restrictive covenants.
 - Equity Shares of ₹ 8.98 crore (Previous Year - ₹ 15.34 crore) lent under Securities Lending & Borrowing Scheme.
 - within SEBI guidelines as indicated below:

As on March 31, 2014

Name	No. of Shares Lent	Cost (₹ crore)
Bharat Heavy Electricals Ltd	1,99,919.00	7.79
Steel Authority of India Ltd	75,450.00	1.19
		8.98

As on March 31, 2013

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
		15.33

NON-CURRENT INVESTMENTS - DETAILS

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/Units	Amount (₹ crore)	No. of Shares/Units	Amount (₹ crore)
QUOTED				
Equity Shares (Associates)				
(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 : Share of accumulated profits/reserves		113.77		93.81
Add : Other adjustments/distribution of profits		(9.57)		(1.52)
[including share of current year's profit ₹ 21.48 cr. (Previous Year - ₹ 22.91 cr.)]				
		199.98		188.07
UNQUOTED				
Equity Shares (Associates)				
(i) Assets Care & Reconstruction Enterprise Ltd	72,48,334	7.33	72,48,334	7.33
Add : Share of accumulated profits/reserves		8.63		7.86
[including share of current year's profit ₹ 0.77 cr. (Previous Year - ₹ 0.98 cr.)]				
		15.96		15.19

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares/Units	Amount (₹ crore)	No. of Shares/Units	Amount (₹ crore)
ii) HIMCON Ltd	735	0.07	735	0.07
Add : Share of accumulated profits/reserves [including share in current year's profit ₹ 0.26 cr. (Previous Year - ₹ 0.15 cr.)]		0.95		0.71
		1.02		0.78
iii) HARDICON Ltd	4,550	0.28	4,550	0.28
Add : Capital Reserve		0.10		0.10
Add : Share of accumulated profits/reserves [including share in current year's profit ₹ 0.16 cr. (Previous Year - ₹ 0.49 cr.)]		0.99		1.00
		1.37		1.38
iv) NITCON Ltd	9,750	0.13	9,750	0.13
Add : Capital Reserve		0.20		0.20
Add : Share of accumulated profits/reserves [including share in current year's profit ₹ 0.27 cr. (Previous Year - ₹ 0.14 cr.)]		0.83		0.56
		1.16		0.89
v) Stock Holding Corporation of India Ltd (including goodwill ₹ 144.61 crore)			71,40,000	297.22
Add : Share of accumulated profits/reserves [including share in current year's profit ₹ Nil (Previous Year - ₹ 10.36 cr.)]		-		17.55
Equity Shares (Joint Venture)				314.77
(i) IFCI Sycamore Capital Advisors Pvt. Ltd	10,000	0.01	10,000	0.01
Bonds (Joint Venture)				
(i) IFCI Sycamore Capital Advisors Pvt. Ltd	4,50,000.00	2.64	4,50,000	2.64

	(₹ crore)	
	As at March 31, 2014	As at March 31, 2013
12. DEFERRED TAX ASSET (NET)		
(A) Provision against Loans/Advances & other Assets	780.20	754.05
(B) Timing difference in Depreciable Assets	(82.29)	(36.06)
(C) Other Timing Differences	15.65	14.23
TOTAL	713.56	732.22

	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
13. LOANS				
(A) Rupees and Foreign Currencies	15,008.15	1,870.46	9,292.91	3,538.77
(B) Debentures	2,919.62	528.80	2,940.46	316.28
(C) Loan to Associates	15.38	26.67	42.05	26.67
(D) Lease Rental Receivable	2.40	-	2.38	-
	17,945.55	2,425.93	12,277.80	3,881.72
(i) Considered good	16,590.47	2,394.16	10,634.77	3,880.59
(ii) Considered doubtful	1,355.08	31.77	1,643.03	1.13
	17,945.55	2,425.93	12,277.80	3,881.72
Less: Allowance for bad and doubtful assets				
- Loans	1,265.59	31.77	1,485.85	1.13
- Debentures	89.49	-	157.18	-
TOTAL	16,590.47	2,394.16	10,634.77	3,880.59

	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
14. LOANS & ADVANCES - OTHERS				
(A) Capital Advances	5.92	-	0.46	-
(B) Security Deposits	54.10	0.98	9.28	-
(C) Advance Tax paid (net of provisions)	69.39	3.48	54.46	(2.79)
(D) MAT Credit Entitlement	131.89	-	148.67	-
(E) Other Deposits/Loan				
- Considered good	5.00	-	-	-
- Considered doubtful	-	12.12	-	12.12
Less: Allowance for bad and doubtful debts	-	(12.12)	-	(12.12)
(E) Other Loans and advances				
(a) Loans to Staff (Secured - considered good) \$	12.95	1.57	13.34	0.22
(b) Others (Unsecured)				
- Considered good	5.26	39.61	0.90	114.98
- Considered doubtful	0.37	1.00	-	1.48
Less: Allowance for bad and doubtful debts	(0.42)	(1.00)	-	(1.48)
TOTAL	284.47	45.64	227.11	112.41
\$ includes amount receivables from Directors	-		0.19	

IFCI Limited (Consolidated Financial Statements)



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	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current	Non-Current	Current
15. OTHER ASSETS				
(A) Accrued Income				
(i) Interest and commitment charges on Loans	-	83.04	-	64.59
(ii) Interest on Debentures	-	95.33	-	45.77
(iii) Interest on Investments	-	43.34	-	32.51
(iv) Other Income	4.55	26.96	4.57	32.76
(B) Sundry Deposits	-	7.57	0.04	6.63
(C) Due from Gratuity Fund	-	-	-	1.16
(D) Pre-paid Expenses	-	5.02	-	2.18
(E) Advance receivable in cash or in kind	-	58.74	-	17.59
(F) Unamortised Share Issue Expenses/preliminary expenses	1.81	-	2.72	1.23
TOTAL	6.36	319.99	7.33	204.42
16. CURRENT INVESTMENTS				
A. QUOTED				
1. Equity Shares		7.39		5.94
2. Treasury Bills		47.92		-
3. Govt. Securities		0.65		-
4. Units of Mutual Funds		20.00		-
		75.96		5.94
B. UNQUOTED				
1. Bonds		1,269.06		1,255.17
2. Certificate of Deposit		492.04		1186.15
		1,761.10		2,441.32
C. APPLICATION MONEY				
1. Equity shares				
(i) Subsidiaries (IFCI Financial Services Ltd)		0.02		0.02
(ii) Associates (Assets Care & Reconstruction Enterprise Ltd)		-		-
(iii) Others		12.92		205.30
2. Preference Shares		15.57		15.57
		28.51		220.89
TOTAL		1,865.57		2,668.15
Less: Provision for Mark to Market & Application Money		47.10		53.22
TOTAL		1,818.47		2,614.93
QUOTED:				
(1) Total Book Value		75.96		5.94
- Equity Shares		7.39		5.94
- Others		68.57		-
(2) Total Market Value		77.32		13.20
- Equity Shares		7.96		13.20
- Others		69.36		-
UNQUOTED:				
(1) Total Book Value		1,761.10		2,441.32
- Equity Shares		-		-
- Others		1,761.10		2,441.32
Govt. Securities include security of ₹ 0.65 crore deposited as margin money with CCIL				
17. TRADE RECEIVABLES				
(A) Secured				
- More than 6 months		3.96		3.18
- Others		84.11		15.48
(B) Unsecured				
- More than 6 months		240.95		51.25
- Others		737.69		1,364.87
		1,066.70		1,434.78
Less: Allowance for bad and doubtful debts		(81.91)		(23.78)
TOTAL		984.79		1,411.00
Out of the above:				
(i) Considered good		984.79		1,411.00
(ii) Considered doubtful		81.91		23.78
		1,066.70		1,434.78

	As at March 31, 2014	(₹ crore) As at March 31, 2013
18. CASH & CASH EQUIVALENTS		
(A) Balances with Banks		
– Bank balance	538.13	25.66
– Unclaimed dividend Account	10.37	7.96
– Balances with Banks held as margin money/security against guarantees	165.98	36.01
– Bank deposits *	355.29	527.67
(B) Cheques on hand & under collection & remittances in transit	17.12	0.48
(C) Cash in hand (including postage stamps)	8.72	0.06
TOTAL	1,095.62	597.84
* includes deposits with more than 12 months remaining maturity.	132.13	6.37
	For the year ended March 31, 2014	(₹ crore) For the year ended March 31, 2013
19. REVENUE FROM OPERATIONS		
(A) Interest Income		
(i) Loans	1,733.93	1,867.35
(ii) Debentures	441.81	359.77
(iii) Income from deployment of liquid funds	265.54	224.23
(iv) Interest on Bonds/Government Securities/other contractual obligation	174.45	96.52
(v) Lease Rentals etc.	1.52	10.14
(vi) Lease Equalisation Account	–	(12.23)
SUB-TOTAL (A)	2,617.25	2,545.78
(B) Other Financial Services		
(i) Income from Acquired Non-performing Assets	18.11	41.28
(ii) Dividend (Gross)		
– Non-current	52.45	36.84
– Current	1.21	0.14
(iii) Profit on sale of Shares/Debentures (Net)		
– Assistance under financing - Non-current	320.99	210.45
– Investments - Non-current	50.17	29.31
– Investments - current	0.28	2.68
(iv) Business Services Fees and Commission (including guarantee commission)	324.65	72.67
(v) Exchange Fluctuation Gains/(Loss)	(2.03)	(1.43)
(vi) Provision/Liability no longer required written back	34.69	25.59
SUB-TOTAL (B)	800.52	417.53
(C) Sale proceeds of stock in trade	175.02	184.28
TOTAL (A)+(B)+(C)	3,592.79	3,147.59
20. OTHER INCOME		
(a) Interest on staff advances	0.71	0.91
(b) Profit on sale of fixed assets (Net)	0.03	(0.04)
(c) Rental Income	33.33	20.84
(d) Dividend from Associates	4.19	8.84
(e) Miscellaneous Income	8.59	10.53
TOTAL	46.85	41.08
21. FINANCE COST		
(A) Interest on Rupee Bonds and Borrowings *	1,703.43	1,871.75
(B) Interest on Foreign Currency Borrowings	43.87	36.14
(C) Interest on Bank Overdraft	2.96	2.48
(D) Other Interest (Jute Development Fund, Provident Fund & Corporate Social Responsibility)	4.75	4.52
(E) Commitment Charges, Brokerage, Commission and other costs	6.95	3.80
TOTAL	1,761.96	1,918.69
*includes interest of ₹ 1.28 crore pertaining to previous years booked in the current year.		
22. EMPLOYEE BENEFIT EXPENSES		
(A) Salaries and Allowances	135.11	63.06
(B) Contribution to Retirement Funds	28.07	21.98
(C) Staff Welfare Expenses	9.77	4.18
(D) Employee Compensation Expense (ESOP)	0.44	0.91
TOTAL	173.40	90.13

IFCI Limited (Consolidated Financial Statements)



(₹ crore)

23. OTHER EXPENSES

	For the year ended March 31, 2014	For the year ended March 31, 2013
(A) Rent	11.83	2.03
(B) Rates and Taxes	7.71	6.03
(C) Insurance	2.35	0.68
(D) Repairs and Maintenance		
– Buildings	11.21	12.51
– IT	13.95	1.60
– Others	4.08	1.55
(E) Electricity & Water Charges	14.99	7.26
(F) Security	2.02	2.03
(G) Payment to Auditors	1.10	0.45
(H) Directors' Fee & Expenses	1.01	0.95
(I) Publications, Advertisement & Business Development	2.24	5.02
(J) Consultation and Law Charges	13.30	9.41
(K) Commission	11.27	2.65
(L) Travelling & Conveyance	6.05	3.54
(M) Training & Development	17.80	6.70
(N) Postage & Telephone	11.64	2.52
(O) Printing & Stationery	4.60	1.15
(P) Listing/Filing/Custody Fee	5.71	1.54
(Q) Library/Membership Subscription	1.80	1.02
(R) Other Miscellaneous Expenses (refer foot-note 1)	36.25	12.60
TOTAL	180.90	81.24

Foot-notes to Note No. 23

1. includes ₹ 0.99 crore paid to an architect for redevelopment of a property, held under CWIP, now written-off.

24. PROVISION FOR BAD & DOUBTFUL ASSETS (NET OF WRITE OFF)

	For the year ended March 31, 2014	For the year ended March 31, 2013
(A) Loans & Advances		
– Provision Reversal on recovery from NPAs	(31.40)	(152.21)
– Write-off	676.98	462.77
Less transfer from provision held for bad & doubtful debts	(651.20)	(447.44)
– Provision for bad & doubtful assets	512.85	282.11
– Provision u/s 36(1)(vii)(c) of Income Tax Act, 1961	1.47	4.29
(B) Investments	-	
– Provision Reversal	(13.87)	(4.94)
– Write-off	0.03	0.13
– Provision made	106.81	25.95
– Provision Reversal - mark to market	19.02	(0.41)
(C) Debtors	-	
– Write-off	0.18	7.64
– Provision made	1.61	2.00
(D) Other Loans & Advances	-	12.12
TOTAL	622.48	192.01

25(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd and its following subsidiaries as on 31.03.2014 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	79.72
Stock Holding Corporation of India Ltd (SHCIL)	52.66
IFIN Commodities Limited - Wholly owned subsidiary of IFIN	
IFIN Credit Limited - Wholly owned subsidiary of IFIN	
IFIN Securities Finance Limited - Wholly owned subsidiary of IFIN	
IIDL Realtors Pvt. Limited - Wholly owned subsidiary of IIDL	
SHCIL Services Limited - Subsidiary of SHCIL	
SHCIL Projects Limited - Wholly owned subsidiary of SHCIL	
All the subsidiaries are incorporated in India.	

25(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
HARDICON Ltd	45.50
Himachal Consultancy Organisation	49.00
North India Technical Consultancy Organisation Ltd	48.75

Particulars of investments as on March 31, 2014 is as under: (₹ crore)

Name of the Associates	TFCI	ACRE	HARDICON	HIMCON	NITCON
Original Cost of Investments	86.21	7.25	0.28	0.07	0.13
Accumulated share in profit at the beginning of the year	92.29	7.86	1.00	0.71	0.56
Acquired during the year	-	-	-	-	-
Share of profit for the year	11.91	0.77	(0.01)	0.24	0.27
Capital Reserve	9.57	-	0.10	-	0.20
Carrying cost of investments	199.98	15.88	1.37	1.02	1.16

25(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.

25(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.

26. Contingent Liabilities and Commitments (to the extent not provided for)

26.1 Contingent Liabilities: (₹ crore)

As at	31.03.2014	31.03.2013
(i) Bank Guarantees	106.13	42.35
(ii) Performance Guarantees issued	0.02	0.02
(iii) Export obligations under EPCG Licenses	31.25	38.07
(iv) Claims not acknowledged as debts	20.81	184.60
(v) Tax Matters - Income Tax	30.13	29.05
Service Tax	15.24	13.21
In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.		
(vi) Bank guarantees aggregating to ₹ 20 crore (Previous Year - ₹ 24.75 crore) to the Stock/Commodity Exchanges as on 31.03.2013 for meeting margin requirements Fixed deposits aggregating of ₹ 20.48 crore (Previous Year - ₹ 19.62 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI and IFCI Financial Services Ltd. to a bank for issue of bank guarantee to IFIN and its subsidiary company, IFIN Commodities Ltd. respectively ₹ 35 crore (Previous Year - ₹ 35 crore).		

26.2 Commitments: (₹ crore)

As at	31.03.2014	31.03.2013
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	10.99	0.68
(ii) Estimated amount of contract (including lease contract) remaining to be executed on revenue account *	85.88*	108.46
(iii) Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	1,044.69	2,624.64

* It includes ₹ 7 crore for compounding plus additional costs & ₹ 3 crore for purchase of additional FAR subject to approval from Ghaziabad Development Authority on 21st Milestone Project, Ghaziabad. Pending approval from GDA, no adjustment is made in books of accounts.

27. In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide Notification dated February 08 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, which have been fulfilled. The accounts for the year ended March 31, 2014 have been prepared in accordance therewith.

28. 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	IFIN		IVCF		IIDL		IFL		MPCON		SHCIL	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Capital (incl. Appl. Money)	41.53	41.53	60.37	60.37	477.1	477.1	79.36	79.36	1	1	21.05	21.05
Reserves	29.9	36.68	114.19	100.87	58.36	27.67	44.42	80.83	3.8	3.15	504.47	468.48
Total Assets	99.63	103.39	484.25	505.8	677.23	736.04	988.67	1,407.51	13.97	9.44	926.71	852.95
Total Liabilities	28.2	25.18	309.69	344.56	141.77	231.27	864.89	1,247.32	9.17	5.29	401.19	363.42
Investments	40.42	40.66	86.59	94.2	133.97	118.47	4.44	-	0.08	0.08	209.62	135.89
Turnover (incl. Prior Period Income)	19.12	24.13	75.94	78.85	189.87	195.87	142.15	176.6	23.23	12.02	272.1	290.24
Profit before Taxation	-6.28	0.96	30.78	31.16	67.58	13.88	-49.23	28.23	0.90	0.67	65.69	68.5
Provision for Taxation	0.49	-	10.39	10.45	22.94	5.32	-13.69	9	0.28	0.2	17.39	18.42
Profit after Taxation	-6.77	0.96	20.39	20.71	44.64	8.56	-35.54	19.23	0.62	0.47	48.3	50.08
Proposed Dividend (incl. CDT)												

29. SHCIL had during the year 2000-01 undertaken a transaction of ₹24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, has issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Company has disputed the claim of the Bank. The Bank's application to the Debt Recovery Tribunal for recovery of the amount alongwith compound interest from August 01, 2001 at the rate of 19% p.a. with quarterly rests till realization from the Company had been dismissed. The bank and client had filed appeals in the Debt Recovery Appellate Tribunal (DRAT) against the dismissal, which were allowed. DRAT vide Order dated September 23, 2011 held the Corporation and the client jointly and severally liable. The Corporation filed a Revision Application in High Court on

November 30, 2011 which has been admitted, however, no stay on DRAT order was granted. Hence, SHCIL had filed a Special Leave Petition in the Supreme Court for stay of the High Court Order, the Order of the DRAT and the recovery certificate by Presiding Officer and notice of demand by recovery officer of DRAT. The Supreme Court vide its Order dated April 23, 2012 has requested the High Court to dispose off the revision application within a period of four months. In the meanwhile the Corporation has deposited ₹30.00 crore with the Registry of High Court as per the directions of the Supreme Court.

30. Arch Pharamalabs Ltd was sanctioned a Domestic Sales Bill Factoring Facility of ₹10.00 crore and Domestic Purchase Bill Factoring Facility of ₹6.00 crore within the overall prepayment limit of ₹15.00 crore by the Committee of Directors in May, 2011. The said facilities have been restructured under the Corporate Debt Restructuring ("CDR"), the cut-off date being April 01, 2013. The total amount outstanding in the books of the Company as on April 01, 2013 was ₹15.21 crore. As per the terms of the CDR, an amount of ₹13.29 crore has been converted to Working Capital Term Loan (WCTL) which is to be secured by first pari passu charge on the current assets and second pari passu charge on the fixed assets of the Company.

An amount of ₹1.92 crore has been treated as Debenture Application Money towards Optionally Convertible Debentures (OCDs). The OCDs will be allotted post creation of security. Security creation and issuance of debentures is pending due to a court order which restricts the company from further encumbering its assets and change in the shareholding structure. The security creation will be complied with once the orders are vacated.

31. In terms of RBI circular No. DNBS.PD.CC. No. 256/03.10.042/ 2011-12 dated March 02, 2012, IFCI Factors Ltd has identified and reported to Reserve Bank of India four fraud accounts amounting to ₹23.05 crore during the current year (Previous Year - Nil).

32. The Company had obtained valuation of certain long term unquoted investments by an independent valuer and the report of the said expert has been considered for the purpose of assessment of the value of said long term unquoted investments.

33. Hitherto, the interim return received, till the date of actual buy back, in certain cases of equity investment was being considered as "Amount received against unquoted investments". Due to this policy an amount of ₹69.02 crore was accumulated upto 31.03.2013 and was shown under Trade Payables. These equity investments were made at pre-agreed rate of return and with firm buy back commitments from the promoter(s)/ promoter group company(ies). During the year, the company changed this policy to recognise the interim return, so received as income on receipt basis and amount of ₹104.49 crore has been shown as income.

This amount of ₹104.49 crore includes ₹69.02 crore pertaining to previous years' accumulation as stated above. This change in the accounting policy has resulted over statement of profit of the Company by ₹104.49 crore and understatement of Trade Payables by an equivalent amount.

34. During the year, IFCI Factors has been classified as "NBFC-Factor" with Reserve Bank of India, with effect from December 27, 2013. As per the Non-Banking Financial Company-Factors (Reserve Bank) Directions, 2012 read with the Factoring Regulation Act 2011, the Company is required to ensure that its financial assets in the factoring business constitute at least 75% of its total assets and its income derived from factoring business shall not be less than 75% of its gross income. As on March 31, 2014 the factoring assets of the Company stood at 72.10% of its total assets net of "Contractual Liabilities against Collection of Trade Receivables" and income derived from factoring business during the year 2013-14 excluding the "Factoring Bad Debts Recovered" was 71.19% of the gross income.

35. 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 ₹1.98 crore in 2013-14 (Previous Year - ₹2.04 crore).

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

(a) Inventory includes one property acquired during the financial year 2008-09 for ₹15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the Hon'ble High Court of the Chandigarh. The High courts has dismissed the writ petition and refer the case to the officer committee and directed the company not to develop the said property till further order from officer committee and to maintain status quo. Pending final outcome from the Committee, no adjustment has been made in the books.

(b) Inventory include one property against which the Regional Provident Fund Commissioner-II has ordered for the recovery of those defaulted by the earlier company i.e. Haryana Sheet Glass Ltd. A writ petition has been filed by the company before High Court of Punjab and Haryana at Chandigarh against the said order. The Regional Provident Fund Commissioner-II is directed by the High Court not to affect any cohesive process for the recovery of dues against IIDL. Pending final outcome of the case no adjustment has been made in the books.

(c) Inventories includes 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.

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, 2014. 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. Disclosure as per AS-7: Construction Contracts:
IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Distt, West Bengal. The financials relating to the contract are as under:

Contract	Amount	(₹ crore)
Contract revenue recognized during the year	9.99	
Contract expenses recognized during the year	9.20	
Recognized Profits	0.80	
Total Contract Costs (approx.)	90.91	
Amount recoverable from MDI	4.38	

- 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.
41. 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.
42. 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
Associates	Assets Care & Reconstruction Enterprise Ltd (ACRE) Tourism Finance Corporation of India Ltd (TFCI) HIMCON Ltd NITCON Ltd HARDICON Ltd
Joint Ventures	IFCI Sycamore Capital Advisors Pvt Ltd (ISCAPL)

2. Transaction with the related party during the period:

Nature of Transaction	Year ended	
	31.03.2014	31.03.2013
ASSOCIATES		
Assets Care & Reconstruction Enterprise Ltd		
Rent & Maintenance received by IFCI	1.10	0.87
Loan given - outstanding	42.05	68.72
Interest received/receivable on Loan	6.72	8.46
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	-	0.15
Professional fee received	0.06	0.06
Tourism Finance Corporation of India Ltd		
Bonds issued by IFCI - outstanding	50.00	-
Rent & Maintenance received by IFCI	3.64	3.03
Dividend Received	4.12	4.12
Dividend Paid on Preference Shares	₹ 20,000	₹ 20,000
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.19	0.24
Salaries/Other Estt. Exp. paid by IFCI for employees deputed in IFCI, Paid/payable to them	0.06	-
Employees deputed/posted by IFCI (No.)	-	4
HIMCON		
Dividend Received	0.04	0.01
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.07	0.24
Employees deputed/posted by IFCI (No.)	-	1
HARDICON		
Dividend Received	0.01	0.06
Salaries/Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	0.14	0.11
Employees deputed/posted by IFCI (No.)	1	-
NITCON		
Dividend Received	0.03	0.01
Brokerage/Professional fee paid	-	0.02
Joint Ventures		
IFCI Sycamore Capital Advisors Pvt Ltd		
Rent & Maintenance received by IFCI	0.07	0.54

43. **Earnings per share:** (₹ crore)

For the Year ended	31.03.2014	31.03.2013
I. Computation for Basic Earnings per Share		
(a) Profit Computation for Equity shareholders	566.10	497.36
Net profit as per Statement of Profit & Loss		
Less: Preference Dividend	(0.31)	(0.31)
Net profit for Equity Shareholders	565.79	497.05
(b) Weighted Average Number of Equity Shares outstanding	1,66,20,37,235	1,08,74,24,726
II. Computation for Diluted Earnings per Share		
(a) Profit Computation for Equity shareholders (including potential shareholders)	-	-
Net profit as per Statement of Profit & Loss	566.10	497.36
Less: Preference Dividend	(0.31)	(0.31)
Add: Interest on Convertible Debentures (net of Tax)	-	-
Net profit for equity shareholders (including potential shareholders)	565.79	497.05
(b) Weighted Average Number of Equity Shares outstanding	1,66,27,05,271	1,08,88,81,331
III. Earnings Per Share		
(Weighted Average)		
Basic (₹)	3.40	4.57
Diluted (₹)	3.40	4.56

44. 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 Statement of Profit & Loss.
- (b) SHCIL Services Ltd has entered into Operating Lease Agreement for office premises in Mahape, Navi Mumbai and in UTI Building, Fort, Mumbai whereby SHCIL has granted to the company, the liberty to use and occupy the Demised Premises as an office space for a period of two years and two months w.e.f. April 1, 2013 purely as a License-cum-Allottee of office space, without having any right, title or interest upon the demised premises. The period of the agreement has expired on March 1, 2014 and the company is in the process of renewing the said agreement.
- (c) Office premises of IFCI Factors is on operating lease with tenor upto 12 months and renewable on such terms and conditions as may be mutually agreed with the company and the Lessor.
- (d) The year-wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	Year ended	
	31.03.2014	31.03.2013
(₹ crore)		
Minimum Lease payments:		
a) Not later than one year	0.16	6.45
b) Later than one year but not later than five years	0.04	11.15
c) Later than five years	-	-
Rentals charged during the Period	2.57	6.64

45. The Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) 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. ISCAPL's Board has approved the winding up of the company and the financials of ISCAPL for the year ended 31.03.2014 are under finalization. A firm of Chartered Accountants has certified that ISCAPL have adequate liquidity in the form of fixed deposits to honour the investment and accordingly, the Debentures are carried at cost.
46. 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, 2014, there were no events or changes in circumstances which indicate any impairment in the assets.
47. Total value of outstanding Currency Swaps was USD 87.65 million against INR & EURO 69.39 million against USD (Previous Year - USD 87.13 million against INR, EURO 72.58 million against USD respectively) equivalent to ₹ 1,132.09 crore (Previous Year - ₹ 1,002.34 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was Nil (Previous Year - Nil).

48. In case of IFCI Factors Ltd, detail of Bonds (Face Value of 1,000,000 each, redeemable at par):

No. of Bonds	Rate of Interest	Date of Redemption	Put/Call Option	₹ crore	
				As at 31.03.2014	As at 31.03.2013
1000	10.24%	May 17, 2023	No	100.00	-
411	10.20%	April 23, 2023	Yes (April 23, 2020)	41.10	-
170	10.25%	March 28, 2023	Yes (March 28, 2020)	17.00	17.00
214	10.15%	April 23, 2018	Yes (April 23, 2016)	21.40	-
187	10.15%	March 28, 2018	Yes (March 28, 2016)	18.70	18.70
18	10.25%	March 28, 2018	No	1.80	1.80

49. Open interest in the Currency Futures as at Balance Sheet:
Long Position (as at 31.03.2014)

S. No.	Particulars	Series of Future	Exchange	Number of Contracts	Number of Units Involved (USD)
1.	USD/INR	June 26, 2014	NSE	1,920	19,20,000.00
2.	USD/INR	April 28, 2014	MCX-SX	723	7,23,000.00
3.	USD/INR	May 28, 2014	MCX-SX	2,812	28,12,000.00
4.	USD/INR	June 26, 2014	MCX-SX	365	3,65,000.00

- 50.1 Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.50 million (Previous Year - USD 0.016 million) and EUR 0.38 million (Previous Year - EUR 0.041 million), equivalent to ₹ 6.15 crore (Previous Year - ₹ 0.37 crore).

- 50.2 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, 2014	As at March 31, 2013
Cash & Bank Balances		
EURO	50.43	138.43
USD	500.00	-
GBP	-	179.92
Sundry Creditor		
Euro	856.52	2,889.17
USD	20,442.12	8466.52
GBP	198.16	-

51. Details of securities sold and purchased under Repos and Reverse Repos Transactions:
(₹ crore)

	Minimum O/s during the period	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2014
Securities sold under Repo:				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	199.90	199.90	13.69	199.90
Securities purchased under reverse repo:				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-

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

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

S V RANGANATH
Chairman of the Board

MALAY MUKHERJEE
Chief Executive Officer &
Managing Director

ACHAL KUMAR GUPTA
Deputy Managing Director

SUDHIR GARG
Executive Director

S P ARORA
Executive Director

B N NAYAK
Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**
Chartered Accountants
ICAI FRN 000038N

For **ANDROS & CO.**
Chartered Accountants
ICAI FRN 08976N

V RAJARAMAN
M. No. 2705

BRIJ BHUSHAN GARG
M. No. 84865

Place : New Delhi
Date : April 29, 2014



ATTENDANCE SLIP

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
Website : www.ifcilttd.com
CIN : L74899DL1993PLC053677
E-mail : complianceofficer@ifcilttd.com
Tel: 91-(011)-4173 2000 Fax: 91-(011)-2623 0201

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

DP Id. *	
Client Id.	

Folio No. *

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company being held on Wednesday, August 27, 2014 at 10:30 A.M. at FICCI Auditorium, 1 Tansen Marg, New Delhi-110001.

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
Website : www.ifcilttd.com
CIN : L74899DL1993PLC053677
E-mail : complianceofficer@ifcilttd.com
Tel: 91-(011)-4173 2000 Fax: 91-(011)-2623 0201

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No./Client Id:
DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name: Address:

E-mail Id: Signature:, or falling him/her

(2) Name: Address:

E-mail Id: Signature:, or falling him/her

(3) Name: Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held on the 27th day of August, 2014 at 10:30 a.m. at FICCI Auditorium, 1 Tansen Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below :



Resolution No.	Resolutions Matter	For	Against
1.	To Consider and adopt the audited financial statements of the Company including Balance Sheet as at March 31, 2014 and Statement of Profit & Loss Account for the year ended March 31, 2014 and the reports 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 Shri P G Muralidharan (DIN: 00960475) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
5.	To Authorise Board/Audit Committee of Directors to fix remuneration of the Statutory Auditor(s).		
6.	To Appoint Prof Omprakash Mishra (DIN: 03068103) as an Independent Director of the Company for a term upto three consecutive year commencing from April 1, 2014.		
7.	To Appoint Smt Savita Mahajan (DIN: 06492679) as an Independent Director of the Company for a term upto three consecutive years commencing from April 1, 2014.		
8.	To Appoint Shri S V Ranganath (DIN: 00323799) as an Independent Director of the Company for a term upto three consecutive years commencing from April 1, 2014.		
9.	To Appoint Shri K S Sreenivasan (DIN: 05273535) as an Independent Director of the Company for a term upto three consecutive years commencing from April 1, 2014.		
10.	To Appoint Shri Malay Mukherjee (DIN: 02272425) as Chief Executive Officer & Managing Director of the Company for a period of three years w.e.f. December 12, 2013.		
11.	To Appoint Shri Achal Kumar Gupta (DIN: 02192183) as Deputy Managing Director of the Company for a period of three years w.e.f. December 12, 2013.		
12.	To Appoint Ms Kiran Sahdev (DIN: 06718968) as Director liable to retire by rotation.		
13.	To Appoint Prof N Balakrishnan (DIN: 00181842) as Director liable to retire by rotation.		
14.	To Appoint Shri S N Ananthasubramanian (DIN: 00001399) as Director liable to retire by rotation.		
15.	To Approve borrowing limits for the Company.		
16.	To Approve creation of security against borrowings of the Company.		
17.	To Approve private placement of bonds/debentures/commercial paper.		
18.	To Withdraw ESOP 2011 Scheme.		

Affix Revenue Stamp

Signed this day of 2014

Signature

Signature of Shareholder(s)

Signature of proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
- For the resolutions, Explanatory Statements and Notes, please refer to the notice of the 21st Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the box before submission.

OFFICES OF IFCI

Registered Office IFCI LIMITED

IFCI Tower, 61 Nehru Place, New Delhi-110019
Tel: +91-11-4179 2800, 4173 2000, 2648 7444, 2648 7622
Fax No.: +91-11-2648 8471, 2623 0201
Website: www.ifcilt.com
CIN: L74899DL1993PLC053677

REGIONAL OFFICES

AHMEDABAD	701 Satkar Complex Near Lal Bunglow C G Road, Navrangpura PIN-380 006 Tel: +91-79-2640 5984, 2644 5376 Fax: +91-79-2640 4980	HYDERABAD	Taramandal Complex (8th Floor), 5-9-13 Saifabad PIN-500 004 Tel: +91-40-6662 3642-44 Fax: +91-40-2324 1138
BHOPAL	Paryawas Bhawan Block 2 (3rd Floor) Arera Hills PIN-462 011	JAIPUR	Anand Bhawan (1st Floor) Sansar Chandra Road PIN-302 001 Tel: +91-141-236 3448 Fax: +91-141-237 8287
BHUBANESWAR	HIG 4/8, BDA Colony Chandrasekharapur PIN-751 016 Tel: +91-674-230 2266 Fax: +91-674-230 2266	KOCHI	IFCI Bhawan Near Passport Office Panampilly Nagar PIN-682 036 Tel: +91-484-407 0522 Fax: +91-484-407 0522
BANGALORE	IFCI Bhawan (4th Floor) Cubbonpet Main Road, N.R. Square (Hudson Circle) PIN-560 002 Tel: +91-80-2221 0882, 2221 1623 Fax: +91-80-2227 1802	KOLKATA	Chatterjee International Center (3rd Floor) 33-A, Jawaharlal Nehru Road PIN-700 071 Tel: +91-33-2226 2672 Fax: +91-33-2217 1618
CHANDIGARH	IFCI Bhawan 1-C, Sector 27-A, Madhya Marg PIN-160 019 Tel: +91-172-265 6096, 265 0878 Fax: +91-172-265 6734	LUCKNOW	Regency Plaza (4th Floor), 5 Park Road PIN-226 001 Tel: +91-522-223 9057, 401 5868
CHENNAI	Continental Chambers (2nd Floor), 142 M G Road PIN-600 034 Tel: +91-44-2833 4110-12 Fax: +91-44-2833 4109	MUMBAI	Earnest House (9th Floor) NCPA Marg Nariman Point PIN-400 021 Tel: +91-22-6129 3400 Fax: +91-22-6129 3440-41
DELHI	IFCI Tower 61 Nehru Place PIN-110 019 Tel: +91-11-4173 2000 Fax: +91-11-2648 8471	PATNA	Maurya Lok Commercial Complex, Block 'C' (3rd Floor) Dak Bungalow Road PIN-800 001 Tel: +91-9988855844
GUWAHATI	Christian Basti Guwahati Shillong Road PIN-781 005 Tel: +91-361-234 3757 Fax: +91-361-234 0846	PUNE	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

For Equity Shares & Family Bonds: MCS Limited

F-65, Okhla Industrial Area
Phase-I, New Delhi-110 020
Tel: +91-11-4140 6149/51-52
Fax: +91-11-4170 9881
E-mail: adminreply@mcscdel.com
admin@mcscdel.com

For Infrastructure Bonds (Series I & II): Beetal Financial & Computer Services (P) Ltd

Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi -110 062
Tel: +91-11-2996 1281-83
Fax: +91-11-2996 1284
E-mail: ifci@beetalfinancial.com

For Infrastructure Bonds (Series III, IV & V): Karvy Computershare Pvt Ltd

Plot Nos. 17-24
Vittal Rao Nagar, Madhapur
Hyderabad -500 081
Tel: +91-40-4465 5000
Fax: +91-40-4465 5024
E-mail: einward.ris@karvy.com

For Subordinate Bonds (Series I & III): Link Intime India Pvt Ltd

C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W)
Mumbai - 400 078
Tel: +91-22-2594 6970
Fax: +91-22-2594 6969
E-mail: bonds.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE FOR - INFRASTRUCTURE BONDS SERIES I, II, SUBORDINATE BONDS, TAX FREE BONDS, OTHER REGULAR RETURN BONDS

Axis Trustee Services Limited

Regd. Office : 2nd Floor - E, Axis House
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg
Worli, Mumbai - 400 025
Tel: +91-22-2425 5215/16
Fax: +91-22-2425 4200
Website: Axistrustee.com
E-mail: debenturetrustee@axistrustee.com

DEBENTURE TRUSTEE FOR - INFRASTRUCTURE BONDS SERIES III, IV & V

IDBI Trusteeship Services Limited

Regd. Office: Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Tel: +91-22-4080 7000-01
Fax: +91-22-6631 1776
Website: www.idbitrustee.com
E-mail: itsl@idbitrustee.com

DEBENTURE TRUSTEE FOR - REGULAR BONDS SERIES NO. 47, 50 & 51

Centbank Financial Services Limited

15-16, Bajaj Bhavan
1st Floor, Opp. INOX/CR2, Multiplex,
Nariman Point
Mumbai - 400 021
Tel: +91-22-2202 2788/5018
Fax: +91-22-2202 5043
E-mail: query@cfslin

If undelivered, please return to:

MCS LIMITED

F-65, 1st Floor

Okhla Industrial Area


Phase-I

New Delhi - 110 020

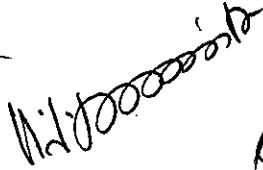
Form A


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

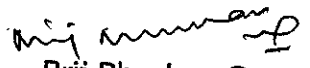
1.	Name of the Company	IFCI Limited
2.	Annual financial statements of the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable


B N Nayak
(Chief Financial
Officer)


Malay Mukherjee
(Chief Executive
Officer &
Managing Director)


K S Sreenivasan
(Chairman –
Audit
Committee of
Directors)


V Rajaraman
(Partner),
Thakur, Vaidyanath
Aiyar & Co.


Brij Bhushan Garg
(Partner),
ANDROS & Co.

FRN: 000038N
M. No. 02705

FRN: 08976N
M. No. 84865