IFCI
LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

No./IFCI/CS/2017- 818 November 7, 2017

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

CODE: IFCI

Dear Sir/Madam,

Re: Annual Report of IFCI Limited for the FY 2016-17.

The 24th Annual General Meeting of IFCI Limited was held on Monday, October 30, 2017 at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi - 110019.

2. Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report of IFCI Limited is enclosed herewith as **Annexure** for your record please.

Kindly acknowledge receipt.

Thanking you

For **IFCI Limited**

(**Rupa Sarkar**)
Company Secretary

Encl: As above.

आई एफ सी आई लिमिटेड
पंजीकृत कार्यालय:
आईएफसीआई टावर, 61 नेहरु प्लेस, नई दिल्ली – 110 019
दूरभाष: +91-11-4173 2000, 4179 2800
फैक्स: +91-11-2623 0201, 2648 8471
वेबसाइट: www.ifciltd.com
सीआईएन: L74899DL1993GOI053677

IFCI Limited
Regd. Office:
IFCI Tower, 61 Nehru Place, New Delhi - 110 019
Phone: +91-4173 2000, 4179 2800
Fax: +91-11-2623 0201, 2648 847
Website: www.ifciltd.com
CIN: L74899DL1993GOI053677



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ANNUAL REPORT 2016-17

TWENTY-FOURTH ANNUAL GENERAL MEETING

DATE	:	October 30, 2017
DAY	:	Monday
TIME	:	10:30 A.M.
PLACE	:	Auditorium, 1st Floor IFCI Tower 61 Nehru Place New Delhi - 110 019

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

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

APPEAL

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

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

   As per Section 124(6) of the Act, all **shares** in respect of which Dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF Authority. All subsequent corporate benefits such as Bonus Shares, Dividend etc. except right issue, if any, that may accrue in relation to the above shares will also be credited to the IEPF Authority. Dividend for 2008-09 has already been transferred to the IEPF Authority.

   We, therefore, advise you to claim the unclaimed dividends for FY 2009-10 onwards, by making an application to the Company so as to reach the Company/ Registrar and Transfer Agent of the Company (R&TA) on or before October 15, 2017, so that your shares are not transferred to IEPF Authority in compliance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Amendment Rules, 2017 (IEPF Rules). Both unclaimed dividend and the shares that might have been transferred to IEPF Authority, may be claimed from the IEPF Authority by following prescribed procedure.

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IFCI LIMITED
आई एफ सी आई लिमिटेड

BOARD OF DIRECTORS

(As on 21.08.2017)

Dr Emandi Sankara Rao	Managing Director & CEO
Shri Sanjeev Kaushik	Deputy Managing Director
Shri R N Dubey	
Shri Anshuman Sharma	
Ms Kiran Sahdev	
Prof Arvind Sahay	

PRINCIPAL OFFICERS

(As on 18.08.2017)

EXECUTIVE DIRECTORS

Shri B N Nayak (CFO) | Shri V Satyavenkata Rao | Shri Biswajit Banerjee

CHIEF GENERAL MANAGERS

Shri Prasoon | Shri Sachikanta Mishra

GENERAL MANAGERS

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

STATUTORY AUDITORS

ASA & ASSOCIATES LLP
Chartered Accountants

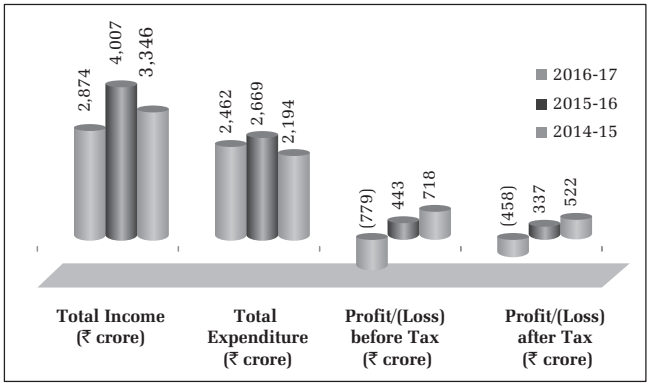
KPMR & ASSOCIATES
Chartered Accountants

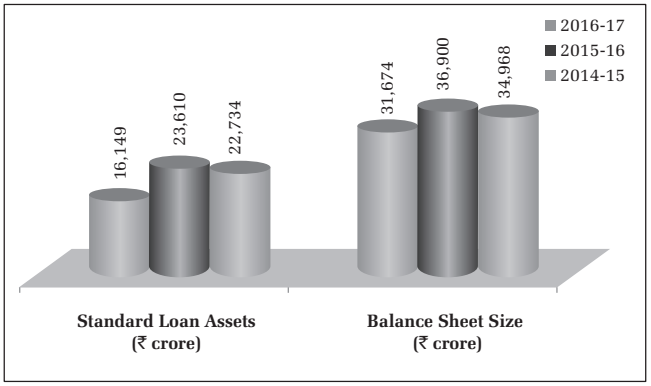
FINANCIAL HIGHLIGHTS

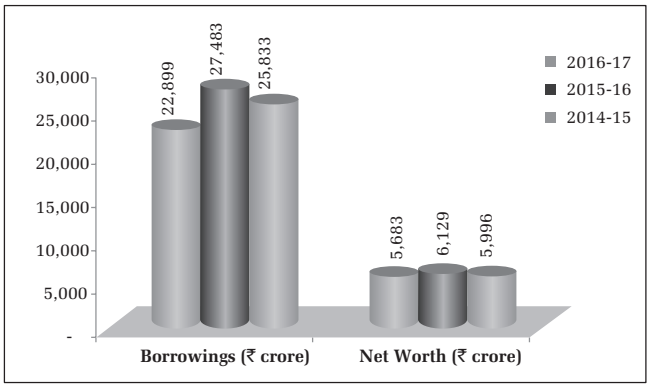
(₹ crore)

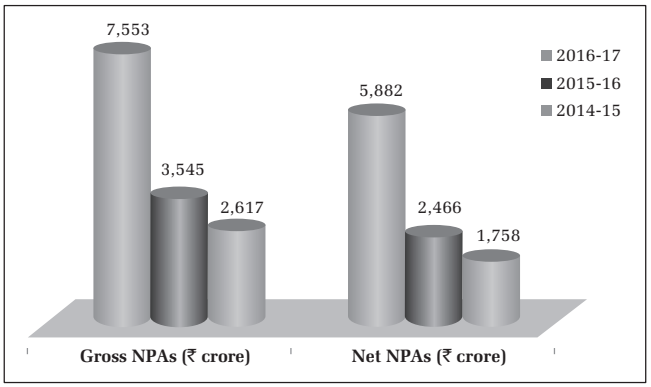
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
EQUITY & LIABILITIES				
Share Capital	**1,925.88**	1,925.43	1,925.37	1,924.96
Reserves and Surplus	**4,804.44**	5,276.90	5,220.28	5,055.64
Non-current Liabilities	**20,170.04**	22,741.00	22,494.23	17,500.56
Current Liabilities	**4,774.08**	6,956.49	5,328.08	4,508.15
	31,674.44	36,899.82	34,967.96	28,989.31
APPLICATION				
Fixed Assets	**995.48**	1,037.21	1,121.50	1,147.12
Deferred Tax Assets	**985.96**	678.70	567.90	682.04
Non-current Assets	**23,803.99**	28,705.81	26,354.89	22,538.57
Current Assets	**5,889.01**	6,478.10	6,923.67	4,621.58
	31,674.44	36,899.82	34,967.96	28,989.31
	2016-2017	2015-2016	2014-2015	2013-2014
EARNINGS				
Total Income (₹ crore)	**2,874.24**	4,006.64	3,346.08	2,953.29
Profit/(Loss) before Tax (₹ crore)	**(779.02)**	443.48	718.02	660.45
Profit/(Loss) after tax (₹ crore)	**(458.49)**	337.45	521.60	508.10
RATIOS				
Capital to Risk Assets Ratio	**16.7%**	16.9%	18.8%	21.3%
Debt-Equity Ratio	**4.0**	4.5	4.3	3.6

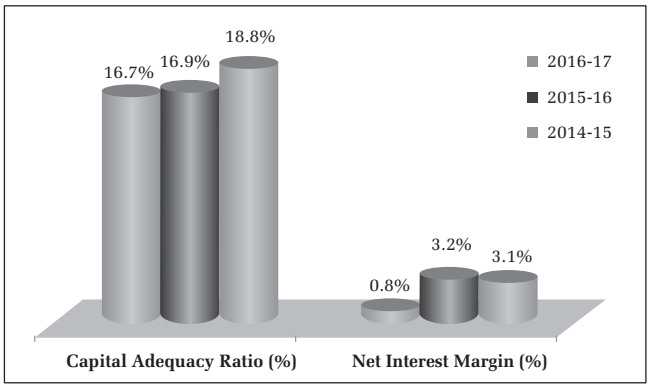
ANNUAL PERFORMANCE TRENDS

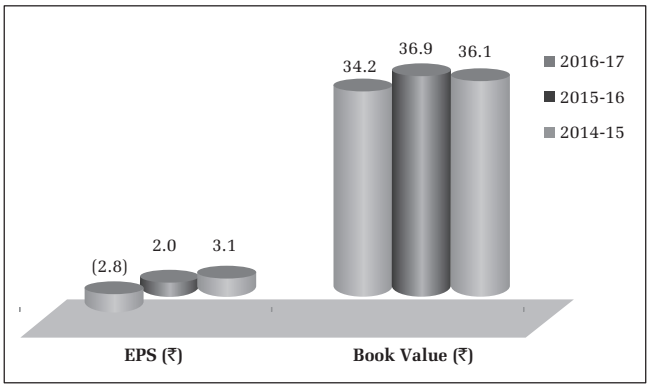


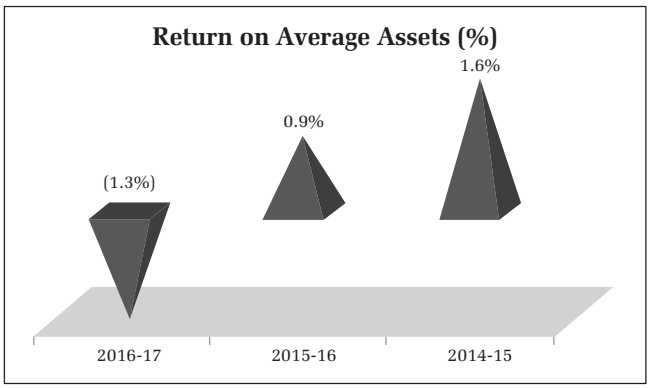


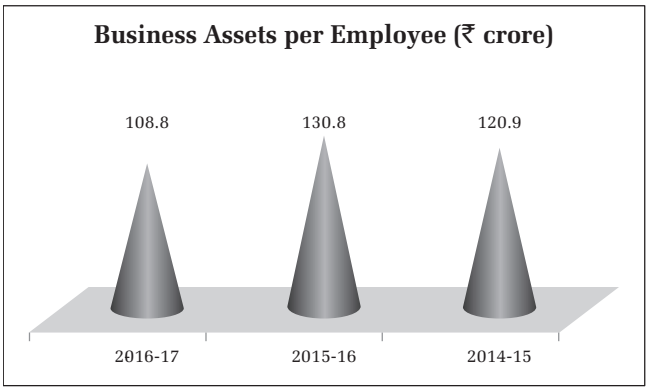












CHAIRMAN'S SPEECH FOR FINANCIAL YEAR 2016-17

Dear Shareholders,

I welcome you to the 24th Annual General Meeting of IFCI Ltd. I thank you for your esteemed presence, continued trust and unwavering support extended to IFCI all these years.

Before coming to IFCI's performance, I would like to dwell on the developments in the Indian economy and the finance sector during the financial year 2016-17.

MACRO-ECONOMIC SCENARIO & DEVELOPMENTS

The year 2016-17 witnessed some major surprises globally which included Brexit, results of the US elections and Demonetization in the largest democracy of the world. Though the Indian economy showed signs of improved industrial climatic conditions in the coming years on the back of some major reform initiatives like Goods & Services Tax (GST), the growth in India's GAP declined to 7.1% year-on-year in FY 2017 from 8.0% in the previous year. The global economic growth also slowed down to 3.1% during calendar year 2016, with both the advanced and emerging economics contributing to the decline.

The fiscal year 2017 also saw some major policy initiatives apart from GST and Demonetization. These included enactment of the Insolvency and Bankruptcy Code, 2016 for speedier resolution or liquidation of stressed assets, merger of Railway Budget with the Union Budget, removal of expenditure categorization into plan and non-plan, constitution of six member Monetary Policy Committee with responsibility of monetary policy decision making and liberalization of foreign investment policies.

BANKING SECTOR

Scheduled Commercial Banks' (SCBs') credit growth declined on year-on-year basis, whereas, deposit growth increased between September 2016 and March 2017.

SCBs' annual profit after tax (PAT) expanded by 48.0% in 2016-17 as against a decline of 61.6% in 2015-16, mainly due to higher increase in Other Operating Income (OOI) and lower risk provisions. However, public sector banks (PSBs) once again recorded negative returns on their assets.

Though India's financial system remained relatively stable during the FY 2016-17, the business growth of SCBs remained subdued with PSBs continuing to lag behind their private sector peers. The stress on banking sector, particularly the PSBs remained significant. The Banking Stability Indicator (BSI) shows that the risks to the banking sector remained elevated due to continuous deterioration in asset quality, low profitability and liquidity. The gross non-performing advances (GNPA) ratio of SCBs increased to 9.2% from 7.8% during the period between March and September 2016, pushing the overall stressed advances ratio to 12.3% from 11.5% in the same period.

NBFC SECTOR

As per the Financial Stability Report by The Reserve Bank of India, as of March 2017, there were 11,517 non-banking financial companies (NBFCs) registered with the Reserve Bank of India, of which 179 were deposit accepting (NBFCs-D). There were 220 Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI). All NBFCs-D and NBFCs-ND-SI are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

The aggregate balance sheet size of the NBFC sector expanded by 14.5% during 2016-17 as compared to 15.5% during 2015-16. Loans and advances increased by 16.4% and investments increased by 11.9% in March 2017. In terms of borrowings, commercial paper outstanding rose by 70.3% and debentures outstanding increased by 28.3% as on March 31, 2017, while, bank borrowings declined by 3.7%. Net profit was down by 2.9% during 2016-17. Net profit as a percentage of total income also came down from 18.3% in 2015-16 to 14.0% in 2016-17. Return on Assets and Return on Equity also declined during the same period.

The NBFCs catering only to corporate sector were badly affected due to increase in NPAs and slowdown in credit offtake, whereas NBFCs financing only retail loans or mix of corporate and retail loans showed growth in their performance.

OPERATIONAL AND FINANCIAL PERFORMANCE of IFCI

After a period of ten years of consistency in profit generation, your Company suffered a loss of ₹ 458 crore during FY 2017, which was the compounding result of decline in operational income by 28.25% to ₹ 2,740 crore from ₹ 3,819 crore for the previous year and increase in provisions against loans & investments to ₹ 1,192 crore from ₹ 895 crore in FY 2016.

The major reason for fall in operational income was increase in fresh NPAs leading to reversal/non-recognition of interest income and low disbursement coupled with prepayments. The increase in provisions was primarily due to above reasons and reduction of default days from 150 to 120 days for classification as NPAs. Failure of sum of the SDR and S4A cases, for implementation in terms of RBI Guidelines, also added to the NPAs, reversal of income and provisioning.

The finance cost also reduced from ₹ 2,517 crore to ₹ 2,289 crore through reduced borrowings at lower cost and prepayments of certain high cost borrowings. Still the impact of large decline in interest income resulted in lower Net Interest Income of ₹ 211 crore as against ₹ 927 crore in previous year. Consequently, the NIM also declined from 3.24% in FY 2016 to 0.80% in FY 2017.

Due to the impact of low credit offtake and prepayments of loans, the balance sheet shrunk from ₹ 36,900 crore to ₹ 31,674 crore during the fiscal 2017. The Networth of your Company also declined to ₹ 5,683 crore from ₹ 6,129 crore a year back.

However, the Capital Adequacy Ratio was maintained at 16.7% on March 31, 2017, against regulatory requirement of minimum 15%, with the Tier I capital being 11.2% as against regulatory norm of 10% to be achieved by March 31, 2018. The debt to equity ratio was 4.03,

improved from 4.54 at the beginning of the year and the leverage ratio was 5.31, below the regulatory cap of 7 times.

The cost of borrowings also reduced from 9.4% for FY 2016 to 9.3% for FY 2017. The proportion of employee cost, however, increased from 2.5% in the previous year to 3.3% in FY 2017, despite decline in absolute amount, due to larger decline in income.

In view of the loss and in order to preserve capital and cash for future growth, your Company skipped declaration of any dividend on equity shares after consistent dividend payment for 8 years.

Your Company reduced its lending benchmark rate, IFCI Benchmark Rate (IBR) from 11.70% at the beginning of the year to 10.75% by March 2017. The Short Term IBR introduced in April 30, 2016 at 9.40% was also reduced to 8.35% by the end of FY 2017.

RECENT DEVELOPMENTS, NEW BUSINESS INITIATIVE AND PROSPECTS

Your Company took some major initiatives during FY 2016-17 with primary objective of growth in business, cost cutting and employee empowerment and satisfaction. Organizational restructuring was one such major initiative. With a view to optimizing the cost and maximum utilization of existing resource pool, your Company decided to merge the Guwahati office with Kolkata Regional Office and to close seven small offices at Patna, Bhubaneswar, Lucknow, Kochi, Vijayawada, Raipur and Bhopal. Though some of these offices were newly opened in the past two to three years, they could not achieve the business growth potential as envisaged at the time of opening, due to various factors.

Also, the functions of Credit Departments were restructured with focus on improvement in appraisal standard with separate groups for infrastructure and non-infrastructure appraisal. Some lateral recruitments were made by bringing professionals with requisite experience to strengthen operational processes especially in appraisal, monitoring, risk management and internal audit.

Apart from the above, the employees' grievances were quickly addressed in order to boost their morale and improve productivity.

Further, Information & Technology being the backbone of financial process and data infrastructure, major upgradations in business applications were carried out and various new applications were implemented during the year.

Your Company has been a great supporter of digitization drive. It ensured that the entire receipt and payment transactions were undertaken through digital modes like RTGS/NEFT/NECS. Your Company also discourages and avoids cash transactions.

With the steps taken by the Government in major reforms like GST, relaxation in FDI and prediction of good monsoon in the current year, there is hope for capex and credit offtake picking up in the second half of the year which would provide the required boost to the financial sector including your Company. The introduction of Insolvency and Bankruptcy Code has generated optimism in quick resolution/redressal of stressed assets. Your Company has set up a strong recovery mechanism for fast recovery from the NPAs through a dedicated team with expertise.

Apart from emphasis from recovery from NPAs, your Company has also taken other major steps like reduction in single borrower and group exposure to below RBI prescribed levels to avoid concentration risks, reduction in its lending benchmark rate to improve portfolio quality.

ADHERENCE TO THE CORPORATE GOVERNANCE

The Report on Corporate Governance for the Financial Year 2016-17 forms separate part of the Annual Report. During the year under report, your Company has made all out efforts for compliance of the conditions of Corporate Governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

CONCLUDING REMARKS & ACKNOWLEDGEMENT

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

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

Thank you.

Sanjeev Kaushik
Chairman
DIN: 02842527

Date : June 29, 2017

NOTICE

NOTICE is hereby given that the Twenty-Fourth (24th) Annual General Meeting of the Members of IFCI Limited will be held on Monday, October 30, 2017 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019, to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2017 and the reports of the Auditors' and Boards' thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final dividend.
3. To appoint a Director in place of Ms Kiran Sahdev (DIN: 06718968), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
4. To fix remuneration of the Statutory Auditor 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 Sections 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor of the Company appointed by Comptroller and Auditor General of India (CAG) for the Financial Year 2017-18, as may be deemed fit."

Special Business

5. To consider and if thought fit, to pass, with or without modifications, the following resolutions, as Special Resolutions:

   "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 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment(s) to any of the foregoing and other applicable rules / regulations / guidelines and subject to the provisions of the Articles of Association of the Company, consent of the members 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 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) 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 aforesaid resolution".

6. To consider and if thought fit, to pass, with or without modifications, the following resolutions, as Special Resolutions:

   "RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time), the approval of the Members of the Company be and is hereby accorded for effecting the insertion of Article 79A with marginal notes, in the existing Articles of Association of the Company:-

   Following new Article 79A be inserted, after Article 79 of Articles of Association:

   "Article 79A - Consolidation & Re-issuance of Debt Securities

   Notwithstanding anything contained in Articles 77 to 79, the Board of Directors shall have power for consolidation and reissuance, switches and conversion of debt securities issued at any time by the Company, including conformity with norms for International Securities Identification Number, as may be specified by regulations/guidelines issued by the Securities and Exchange Board of India, from time to time."

   RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board", which includes any of duly constituted Committee of one or more Directors) be and is hereby authorised to take all such actions as may be deemed necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution."

IFCI Limited **By order of the Board of Directors**
Registered Office:
IFCI Tower
61 Nehru Place
New Delhi-110 019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

Rupa Sarkar
Dated : August 10, 2017 Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING, DULY COMPLETED AND SIGNED. A PERSON CAN ACT AS PROXY ON BEHALF

OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of Notice in writing is given to the Company.

3. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Special business under item no(s) 5 and 6 are annexed hereto.

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

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

6. Register of Members and Share Transfer Books for equity shares will remain closed from Tuesday, October 24, 2017 to Monday, October 30, 2017 (both days inclusive).

7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Company is providing facility of voting through electronic means to its Members in respect of the business to be transacted at the 24th Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the Annual General Meeting (remote e-voting) will be provided by CDSL.

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

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

(ii) Click on Shareholders / Members

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

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

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

assent to the Resolution and option NO implies that you dissent to the Resolution.

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

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

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

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

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

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

(xviii) Note for Non – Individual Shareholders and Custodians

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

(xix) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, October 23, 2017 may follow the same instructions as mentioned above for e-Voting.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Details of the person who can be contacted for any grievances connected with the facility for voting by electronic means :
  Shri Rakesh Dalvi
  Deputy Manager
  16th Floor, Phiroze Jeejeebhoy Towers
  Dalal Street, Fort, Mumbai-400001
  Email id: helpdesk.evoting@cdslindia.com
  Toll free number: 1800 200 5533

- **Other Information:**

  (A) The voting period begins on Friday, October 27, 2017 at 9:00 A.M. and ends on Sunday, October 29, 2017 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Monday, October 23, 2017), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

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

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

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

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

11. Members seeking any information with regard to accounts or operations are requested to write to the Company at an early

date, preferably at least seven days prior to the date of Meeting, so as to enable the management to keep the information ready.

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

13. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared upto the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules 1978. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund. The Company had not declared any dividend for the financial years 1999-2000 to 2007-08. The unclaimed dividend for the year 2008-09, has already been transferred to IEPF in the year 2016, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with other applicable Law / Rules / Regulation in this regard.

14. The dividend for the financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 (interim & final) and 2015-16 (interim) that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Accounts [2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 (interim & final), and 2015-16 (Interim), respectively] of IFCI Ltd. **The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned accounts, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for these years are:**

Year	Due Date
2009-10	16.10.2017
2010-11	18.10.2018
2011-12	17.08.2019
2012-13	12.12.2020
2013-14	29.09.2021
2014-15 (interim)	30.03.2022
2014-15 (final)	27.10.2022
2015-16 (interim)	16.03.2023

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. **For the dividend declared for the year 2009-10, Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants for the year 2009-10 are requested to contact the Company/RTA well before time i.e. well before the due date of transferring the amount to IEPF as stated above.**

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 DPs / RTA. Also the Annual Report has been uploaded on the website of the Company.

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

Item No. 5

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share capital and Debentures) Rules, 2014 and the other applicable rules made thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of special resolution can be obtained once a year for all the offers and invitations made for such NCDs during the year. At the last Annual General Meeting held on September 28, 2016, shareholders of the Company had given their consent for issue of securities by private placement for an amount not exceeding ₹ 5,000 crore in the year commencing from September 28, 2016 i.e. the date of approval by shareholders. However, the above approval of the shareholders is valid only upto September 27, 2017. In order to facilitate the raising of funds thereafter and in line with the aforesaid statutory provisions, it is necessary to pass a Special Resolution at this Annual General Meeting for raising of funds through private placement of secured/ unsecured non convertible bonds/ debentures during a period of one year from the date of passing of this resolution.

Therefore, the approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, 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 the Resolution at Item No.5, within the overall borrowing limits of the Company, as approved by the Members from time to time.

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

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

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

Item No. 6

Securities and Exchange Board of India (SEBI) vide circular no. CIR/ IMD/DF-1/ 67 /2017 dated June 30, 2017 on "Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008" had specified the maximum number of ISINs that will be allowed, maturing in any financial year. In the circular SEBI has also directed that in order to comply with the provisions of Clause (a) of Regulation 20A of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the issuer shall have a time period of 6 months from the date of this circular, to make an enabling provision in its Articles of Association (AOA) to carry out consolidation and re-issuance of debt securities. Accordingly, it is proposed to alter the AOA, as IFCI has various privately placed bonds and in future too may raise its resources through privately placed bonds.

The alteration of AOA requires the approval of the Shareholders by means of a Special Resolution pursuant to Section 14 of the Companies Act, 2013 and accordingly the approval of the Shareholders is being sought.

The Board of Directors in its Meeting held on August 10, 2017 has accorded its approval for insertion of new Article 79A in the AOA.

All documents referred to in the accompanying Notice and its Explanatory Statement as well as the other documents as required under the provision 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. upto the date of this Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 6 of the Notice.

Your Directors recommend the same for approval of the Shareholders to be passed as Special Resolution.

IFCI Limited **By order of the Board of Directors**
Registered Office:
IFCI Tower
61 Nehru Place
New Delhi - 110 019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

Rupa Sarkar
Company Secretary

Dated: August 10, 2017

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

Ms Kiran Sahdev

Ms Kiran Sahdev aged 57 years is Executive Director LIC. She had joined LIC in the year 1984 as a Direct Recruit Officer of the 13th Batch. In a career spanning over three decades, she has handled many challenging assignments such as Secretary (Per.Admn/ER) at Central Office, Regional Manager (Personnel & IR) of Central and North Zones and Regional Manager (Estates / OS) of Northern Zone. 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.

Ms Sahdev was appointed on the Board of Directors of the Company on October 24, 2013. She has attended ten Board Meetings out of twelve during the FY 2016-17.

She does not hold any shares in IFCI Ltd.

IFCI LIMITED
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LISTING AT STOCK EXCHANGES

The Company's Equity Shares are listed at following three Stock Exchanges. However, delisting application is pending with the Stock Exchange at Sl. 3. The Bonds of the Company are listed on Stock Exchange at Sl. No. 1. Also the public issue of non-convertible debentures are listed on Stock Exchanges at Sl. No. 1 & 2.

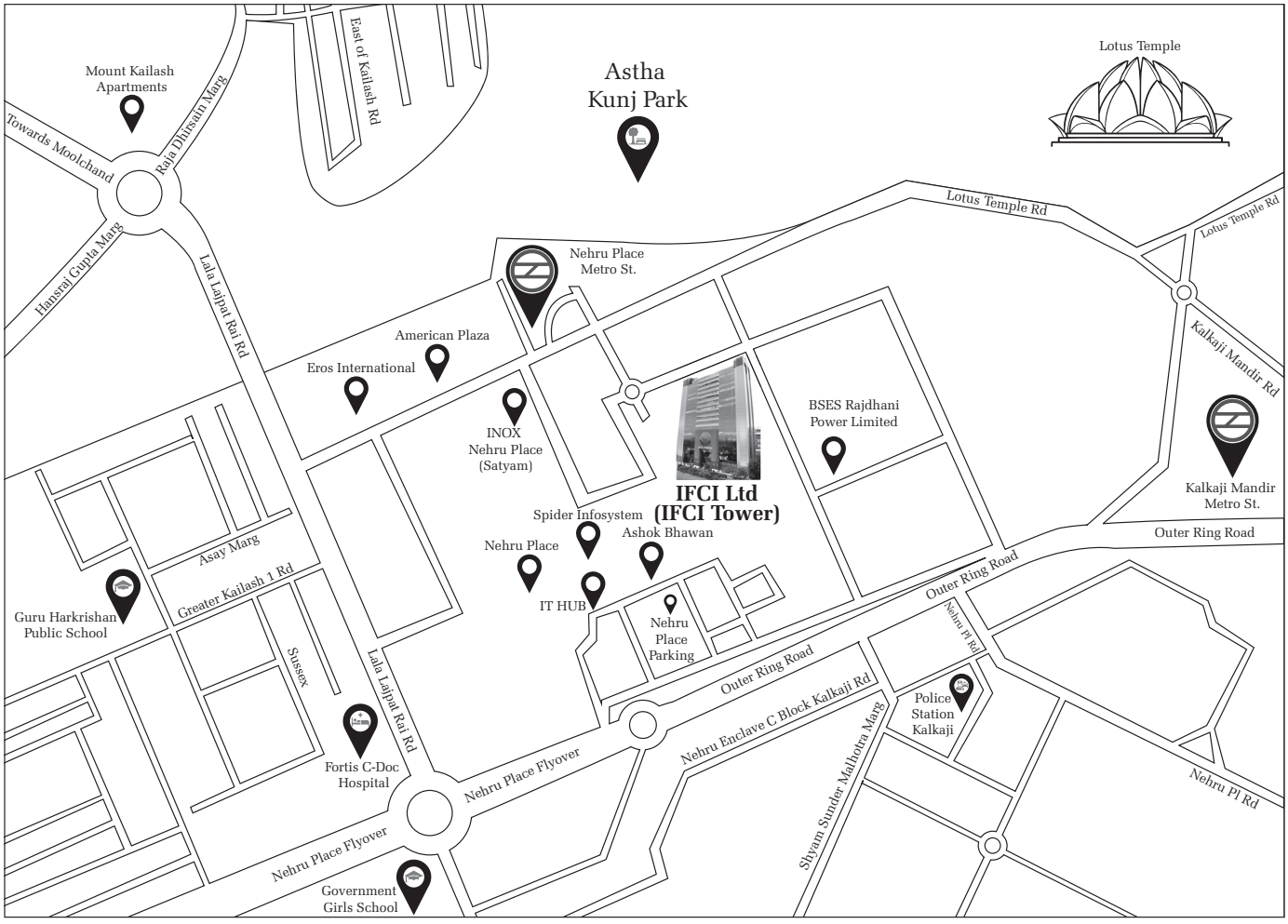
1. BSE Ltd
   Phiroze Jeejeebhoy Towers
   Dalal Street, Fort
   MUMBAI - 400 001

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

3. The Ahmedabad Stock Exchange Limited
   Kamdhenu Complex, 1st Floor
   Opp. Sahajanand college, Panjrapole
   Ambawadi, AHMEDABAD-380 015

The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2017-18, except to the Ahmedabad Stock Exchange 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.

Route Map of AGM Venue



BOARD'S REPORT

To the Members

The Board of Directors of your Company presents the Twenty Fourth Annual Report of IFCI Limited together with the Audited Financial Statements for the year ended March 31, 2017.

FINANCIAL SUMMARY AND STATE OF COMPANY'S AFFAIRS

(₹ crore)

Sl. No.	PARTICULARS	FY 2016-17	FY 2015-16 (Regrouped)
1.	Operational Income	**2,740**	3,819
2.	Total Income	**2,874**	4,007
3.	Cost of Borrowings	**2,289**	2,517
4.	Staff Cost /Other Expenditure	**138**	137
5.	Depreciation	**34**	14
6.	Total Expenditure	**2,462**	2,669
7.	Profit Before Provisions /Write-off	**413**	1,338
8.	Provision for Bad & Doubtful Assets and Others (Net of Write off)	**1,192**	895
9.	Profit/(Loss) Before Tax	**(779)**	443
10.	Tax Expense	**(321)**	106
11.	Profit/(Loss) After Tax	**(458)**	337
12.	Surplus Brought forward from Previous year	**1,924**	1,923
13.	Appropriations :		
	Reserve u/s 45IC of RBI Act	**–**	–
	Special Reserve u/s 36(1)(viii) of the Income Tax Act	**–**	55
	Debenture Redemption Reserve	**76**	76
	Expenditure on Corporate Social Responsibility Activities	**–**	7
	Dividend on Equity Shares (incl. tax)	**–**	198
	Dividend on Preference Shares (excl. Tax)	**0***	0*
14.	Balance carried to Balance Sheet	**1,389**	1,924

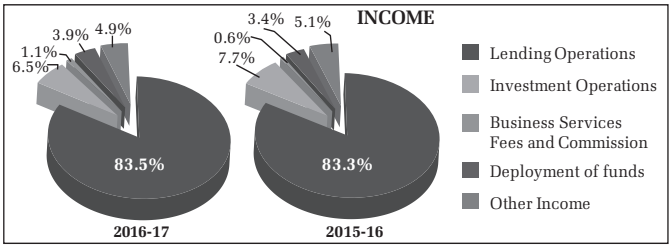
*0.26 crore.

The financial statements of your Company have been prepared in accordance with the applicable Accounting Standards, RBI Guidelines, Schedule III of the Companies Act, 2013 and other applicable laws/ regulations.

Reduction in operational income was the result of decline in loan assets due to low credit offtake coupled with prepayment of certain loans, reversal of unrealised interest pertaining to previous year in respect of new NPAs, increase in proportion of non-recognition of interest income on accrual basis, due to increase in NPAs, failure in implementation of certain SDR and S4A cases under consortium lending, stricter RBI norms with regard to slippage of standard assets to NPAs and further downgradation within NPAs, as compared to norms in the previous year.

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

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



DIVIDEND

Your Company paid dividend of ₹ 0.26 crore on preference shares. However, in view of the loss incurred during the year and with a view to preserving capital and cash for future growth, no dividend has been recommended on equity shares. Also, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which is enclosed at **Annexure–I**. The Dividend Distribution Policy is also available on the website of the Company at www.ifciltd.com

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

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

OWNERSHIP / CAPITAL STRUCTURE / CHANGE IN SECURITIES

There was no change in the ownership of the Government of India in your Company during FY 2016-17 and it continued to hold 51.04% in the paid-up share capital in IFCI as on March 31, 2017. There has also been no change in the capital structure of the Company.

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

Total Number of Securities at the beginning of the year	Issued during the year	Redemption made during the year	Total Number of Securities at the end of the year
4,22,12,61,443	5,750	2,18,718	4,22,10,48,475

Details of Debenture Trustee

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

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

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

Since the last Board Report, there have been some changes in the composition of the Board of Directors. During the year 2016-17, Ministry of Finance had vide its Order dated July 6, 2016, appointed Shri R N Dubey (DIN: 07561054) on the Board of the Company vice Shri Alok Tandon (DIN: 01841717). Also, during the year, Prof N Balakrishnan (DIN: 00181842), upon his retirement as Non-Executive Director, ceased to be on the Board of the Company. Shri Malay Mukherjee (DIN: 02272425) and Shri Achal Kumar Gupta (DIN: 02192183) ceased to be on the Board upon completion of their tenure as CEO and Managing Director and Deputy Managing Director respectively. Also, Shri S V Ranganath (DIN: 00323799), Smt. Savita Mahajan (DIN: 06492679) and Shri K S Sreenivasan (DIN: 05273535) ceased to be on the Board of the Company upon completion of their tenure as Independent Directors. Further, Ministry of Finance vide its Order dated December 9, 2016 appointed Shri Sanjeev Kaushik (DIN: 02842527) as Deputy Managing Director, in additional charge.

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

DIRECTOR LIABLE TO RETIRE BY ROTATION

Ms Kiran Sahdev (DIN: 06718968) will retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible has offered herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

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

COMPOSITION OF AUDIT COMMITTEE

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

DISCLOSURE OF NOMINATION AND REMUNERATION POLICY

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

DISCLOSURE ON RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions during FY 2016-17 in the prescribed Form AOC-2 is provided in **Annexure II**.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

I. Approval by Audit Committee

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

The Conditions for granting Omnibus approval are as under:

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

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

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

II. Approval by Board of Directors

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

(a) Sale, purchase or supply of any goods or materials;

(b) Selling or otherwise disposing of, or buying, property of any kind;

(c) Leasing of property of any kind;

(d) Availing or rendering of any services;

(e) Appointment of any agent for purchase or sale of goods, materials, services or property;

(f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) Underwriting the subscription of any securities or derivatives thereof, of the company:

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

Explanation:

The expression **"office or place of profit"** means any office or place:

Where such office or place is held by a director, if the director holding it receives from IFCI anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

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

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

III. Approval by Shareholders

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

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

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

   Proviso:

   The above clauses II and III, with respect to the Approval of Board and Shareholder's, respectively will not be applicable in the following cases:
   1. Transactions entered into between 2 Government Companies.
   2. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

EXTRACT OF ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY

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

PARTICULARS OF EMPLOYEES AND REMUNERATION – PURSUANT TO RULE V OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014.

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

EMPLOYEE STOCK OPTION DETAILS

The requisite details, pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and pursuant to the provisions of Rule 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014, are at **Annexure – VI**. Though the ESOP Scheme has been discontinued, the disclosures are made in term of the above Guidelines.

PERFORMANCE EVALUATION

The performance evaluation of the Board, its Committees and individual Directors was conducted by the Nomination and Remuneration Committee and the Board.

Since, there is only 1 Independent Director on the Board of the Company, hence, no Meeting of the Independent Directors could be held. As directed by the Nomination and Remuneration Committee of Directors a communication requesting appointment of requisite number of Independent Directors has been sent to the Administrative Ministry.

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

An Internal Complaints Committee has been formed and the details of the Members of the said Committee at IFCI are as under:

1. Ms. Parul Khosla – External Member
2. Ms. Pooja Mahajan – General Manager (HR)
3. Ms. Rupa Deb – General Manager
4. Ms. Pooja Tiku – Deputy General Manager (Legal)
5. Mr. Ravish Jain – Assistant General Manager

In the absence of any of the aforesaid members, Ms. Sara Najmi, Assistant General Manager (Legal) would be the alternate Member.

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

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

RISK MANAGEMENT POLICY

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

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 as on March 31, 2017.

DISCLOSURE ON RECEIPT OF COMMISSION BY A DIRECTOR FROM SUBSIDIARY COMPANY

No Director of the Company, including the CEO & MD and DMD, was paid any commission during the FY 2016-17 from any of the subsidiary of your Company, on whose Boards they were Directors as nominees of your Company.

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

The Supreme Court in W.P. (Civil) No.355 of 2011 filed by Centre for Public Litigation Vs. Union of India & Others, vide its Order dated 23-09-2016 has directed that a scrutiny be conducted by Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) & Serious Frauds Investigation Office, taking into consideration the various allegations of administrative and financial irregularities during the period 2008-2012 in IFCI, and report be submitted to Union Government for taking further action in the matter. The scrutiny was conducted by the respective authorities. However, the order at present has no impact on the operations as a going concern.

VIGILANCE

During 2016-17, IFCI reviewed and modified its Vigilance Policy & Manual on the lines of CVC directives with the approval of the Board of Directors. The modifications have further streamlined vigilance activities in IFCI and provided clarity on several issues for smooth conduct of inquiries and disciplinary proceedings.

During the year, Vigilance Department has organised following training/ workshop programmes:

(a) CVC Guidelines on complaints.

(b) Lodgment of complaint under Whistle-blower Portal of IFCI.

(c) Compilation of FFO Reports

(d) Preventive Vigilance & Staff Accountability

(e) A lecture by senior official from CVC on "Preventive Vigilance in Loans".

(f) Workshop on preventive vigilance in credit appraisal.

The Vigilance Department has also undertaken following initiatives for improvement in system and procedures at IFCI:

(i) For sale of fixed assets, e-auction route has been made compulsory.

(ii) E-Procurement has been made mandatory.

(iii) Preventive vigilance in lending practices.

PERFORMANCE OF SUBSIDIARIES AND ASSOCIATES PROMOTED BY IFCI

Subsidiaries

Stock Holding Corporation of India Ltd (SHCIL)

Stock Holding Corporation of India Ltd (SHCIL), a subsidiary of IFCI Limited, was promoted by the public financial institutions and incorporated as a public limited company on July 28, 1986. SHCIL, one of the largest Depository Participants, besides being the country's largest premier Custodian in terms of assets under custody, provides post trading and custodial services to institutional investors, mutual funds, banks, insurance companies, etc. SHCIL acts as a Central Record Keeping Agency (CRA) for collection of stamp duty in 19 States and Union Territories on pan India basis. SHCIL is one of the largest Professional Clearing Member of the country. SHCIL distributes GOI Bonds, Sovereign Gold Bonds, Fixed Deposits, Corporate Bonds and NCDs of reputed Institutes & Corporates, Mutual Fund Schemes, Initial Public Offerings (IPOs) and National Pension System (NPS) etc. SHCIL operates through its 186 retail branches all over India. SHCIL has been profit making and dividend paying company right from its inception. As on date, IFCI holds 52.86% shareholding in SHCIL, making it a subsidiary Company of IFCI.

SHCIL bagged the prestigious NSDL Star performer award continuously for 2014, 2015 and 2016 for top performer in highest asset value and top performer in active accounts. SHCIL has bagged BSE's Skoch Award for Best Custodian- Business Excellence in 2016. SHCIL has been rated by the internationally circulated and reputed Global Custodian magazine in the year 2016. SHCIL was awarded prizes in Best Point of Presence (PoP) – All Citizen award, Best PoP NPS Corporate and Best PoP NPS Private Sector in 2016.

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

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

IFCI Infrastructure Development Ltd (IIDL)

IFCI Infrastructure Development Ltd (IIDL) was set up by IFCI Limited in the year 2007 to venture into the real estate and infrastructure sector as a wholly owned subsidiary of IFCI Ltd. IIDL has ventured into the Infrastructure Sector as an institutional player. The company, since its inception, has developed projects all over India focusing on construction that is driven by the overall infrastructure development of the country.

Besides re-development, modernization, ownership and management of properties owned by IFCI, IIDL strategically develops properties acquired through NPA resolution from various Banks and FIs or directly obtained from the Development Authorities.

IIDL has been appointed as the Project Management Consultants for developing "Management Development Institute", Murshidabad, West Bengal, a sprawling residential campus spreading over 10 Acres of land on Turnkey basis. The Project was inaugurated on August 24, 2014 by Hon'ble President of India Shri Pranab Mukherjee along with Finance Minister, Shri Arun Jaitley.

This apart, IIDL is also getting into Engineering Consultancy/PMC to increase its Return on Equity (RoE).

IFCI Venture Capital Funds Ltd (IFCI Venture)

IFCI Venture was set-up in 1975 by your Company with the objective to broaden entrepreneurship base in India by providing risk capital mainly to first generation entrepreneurs under "Risk Capital Scheme". In 1988, IFCI Venture launched "Technology Finance & Development Scheme", to provide financial assistance for setting up projects aimed at commercialization of indigenous technologies. In 1991, IFCI Venture took up management of a Venture Capital Fund named VECAUS-III, floated by SUUTI and IFCI to promote varied projects across industrial sectors of Indian geography. VECAUS-III was closed in the year 2007 and outstanding portfolio companies were transferred to SUUTI. The Fund was officially closed through sale of portfolio in FY 2011-12.

In the year 2014-15, IFCI Venture initiated setting-up of three funds viz.

(a) Venture Capital Fund for Scheduled Castes (VCF-SC) –As on March 31, 2017, 65 proposals aggregating to ₹ 236.66 crore have been sanctioned and ₹ 115.27 crore have been disbursed to 34 beneficiaries.

(b) Green India Venture Fund – II (GIVF-II)

(c) Small and Medium Enterprises Advantage Fund (SMEAF)

For both the above two funds viz. GIVF-II & SMEAF, SEBI approval has been received and IFCI Limited has committed ₹ 50 crore in each Fund. IFCI Venture is raising the corpus of the funds from the domestic market to start operations during FY 2017-18.

IFCI Venture is also registered with RBI as an NBFC and provides secured Corporate Loans to small and mid-size companies. The Company has a well-defined credit policy for its credit business.

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

IFCI Financial Services Ltd (IFIN)

IFIN was set up in 1995, by your Company, 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, Depository Participant Services, Merchant and Investment Banking, Insurance (Corporate agent for both life and General Insurance), Mutual Fund Products Distribution and Corporate Advisory Services.

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

IFIN Securities Finance Ltd, an NBFC is primarily engaged in the business of margin funding, providing loan against shares & property, promoter funding etc. to various clients. Being an NBFC, it is registered with RBI. IFIN Commodities Ltd, a registered member of the Multi Commodity Exchange of India Ltd (MCX), NCDEX and National Spot Exchange Limited (NSEL), is primarily engaged in the business of providing commodity market related transaction services. IFIN Credit Ltd is not engaged in any major business activity. As on date, IFCI holds 94.78% shareholding in IFIN, making it a subsidiary Company of IFCI.

IFCI Factors Ltd (IFL)

IFL is a major provider of factoring services in India. The Company also offers Corporate Loan for a tenor of upto five years. The FY 2016-17 has been a tough year for the Company, witnessing a reduction in income coupled with fresh slippages, culminating in net losses. Overall, the Banking and Financial sector has been badly hit amidst the challenging macro-economic environment.

The Government of India has notified a total of 196 systemically important NBFCs (including IFL), as 'secured lenders' under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). Therefore, the Company can now enforce the security interest on assets charged to it, without having to resort to either judicial or arbitral proceedings.

The Company is now focussing upon standard factoring deals with quality debtors and has done away with risker variants. At the same time the Company is also targeting MSME customers having acceptable risk profile. In view of Insolvency and Bankruptcy Code, 2016 being enacted, the Company foresees strengthening of recovery mechanism and reduction in NPAs. As on date, IFCI Ltd holds 99.89% shareholding in the IFL, making it a subsidiary Company of IFCI.

MPCON Ltd (MPCON)

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. The Company consolidated its project consultancy business and also enhanced its presence in the training and capacity building spheres. It has bagged skilling projects in 13 states of the country including Madhya Pradesh and Chhattisgarh from various Central Government undertaking and the Ministry of Rural Development, Government of India. It is working with National Safai Karamcharis Finance & Development Corporation (A Government of India Undertaking, under the Ministry of Social Justice and Empowerment), National Handicapped Finance and Development Corporation (Department of Empowerment of Persons with Disabilities, Ministry of Social Justice and Empowerment, Government of India), Department of Science & Technology, Ministry of Science and Technology, Government of India, etc. for Skilling Division. Apart from Training and Skill Development, the financial inclusion project has been expanded further to cover more areas in Madhya Pradesh. MPCON has also proved its worth in the other spheres of consultancy services such as Document Management System, Solid & Liquid Waste Management, Solar Energy, Impact Assessment Studies etc. As on date, IFCI holds 79.72% shareholding in MPCON, making it a subsidiary Company of IFCI.

Associates

Tourism Finance Corporation of India Ltd (TFCI)

Tourism Finance Corporation of India Ltd (TFCI), a Public Financial Institution was incorporated in 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 hotels, resorts, amusement parks and tourism-related projects, facilities and services. It undertakes appraisal of individual projects, project studies, and surveys for various State Government agencies/ individual clients. As on date, IFCI holds 26.09% shareholding in TFCI, making it an Associate Company of IFCI.

Himachal Consultancy Organisation Ltd (HIMCON)

HIMCON was promoted in 1977 by your Company as the lead institution, along with other FIs such as IDBI, ICICI 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 include Evaluation Studies, Project Appraisals, Compilation of Project Reports, Compilation of Pre-Feasibility /Feasibility Reports, TEVs, Services under SARFAESI

Act 2002, Preparations of comprehensive development plans of the area, act as Project Monitoring Consultants and Conducting EDPs & Skill Development Training Programmes and Awareness Programmes. HIMCON diversified its activities by undertaking new projects. These new projects include Construction of godowns for Himachal Pradesh State Civil Supplies Corporation Ltd (HPSCSC Ltd), Supply of IT Hardware etc.

As on March 31, 2017, IFCI held 49% shareholding in HIMCON, making it an Associate Company of IFCI and the entire investment has since been divested.

North India Technical Consultancy Organisation Ltd (NITCON)

NITCON, setup in 1984, by your Company as the lead institution, jointly with IDBI, ICICI, State Level Corporations 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 detailed Techno-Economic Appraisals/ TEFRs of investment proposals envisaging green field projects as also of expansion, modernization, diversification proposals. NITCON also takes up TEVs of existing industrial units for revival/ rehabilitation involving BIFR/ CDR cases, Energy Audits, Advisory Assignments and preparation of inventory and valuation of assets to help the institutions/ banks in valuation of securities, sale of assets and One Time Settlement (OTS).

NITCON has over 3 decades of experience in promoting self-employment and wage employment, through Entrepreneurship Development Programmes (EDPs) as well as Skill Development Programmes (SDPs), having trained over 1 lakh beneficiaries.

As on March 31, 2017, IFCI held 48.75% shareholding in NITCON, making it an Associate Company of IFCI, and the entire investment has since been divested.

KITCO Ltd (KITCO)

KITCO witnessed a growth in all its verticals in the FY 2016-17. KITCO, bagged handful of assignments from leading public sector institutions such as Airports Authority of India (AAI), Air India, NHAI, HPCL, BPCL, Mumbai Port, Maharashtra Maritime Board, Indian Maritime Board etc. in the last Financial Year.

The year witnessed successful completion of CIAL's new international terminal. The project activities at Kannur International Airport Ltd (KIAL) and the MRO facility at Nagpur for Air India are fast progressing and the excellent performance of the company in the aviation sector enabled it to get empanelled as consultant to AERA (Airport Economic Regulatory Authority). KITCO was also awarded with the Feasibility study for new airports at Meerut and Faizabad for Airport Authority of India.

The company had been appointed as engineering and procurement management consultant by HPCL for refurbishment of the tank farm and pipe-lines at Butcher Island in Mumbai. KITCO has developed an innovative, cost effective, fully automated and safe system for filling, handling, stacking and truck loading of bitumen drums for BPCL.

KITCO had bagged few studies leading to DPR from Ministry of Road Transport and Highways.

A "Study on Conservation/ Development of Paddy/ Wetland area in the Kochi City Region" was successfully completed in the last financial year which is one of the pioneer attempt in the country to assess the environmental significance of wetlands and paddy fields in urban setting towards integration as a decision making tool in futuristic planning of Kochi City.

In its commitment to partner with the MSME sector for its progress, KITCO had initiated MSME-Nurture Programme. The programme envisages selection of promising units and handholding to success. KITCO's incubation activities through KITCO-TBI has started bringing noticeable achievements.

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

Joint Venture

IFCI Sycamore Capital Advisors Pvt. Ltd

The Company has 50% interest in IFCI Sycamore Capital Advisors Pvt Ltd (ISCAPL) incorporated in November 2011 which is under voluntary liquidation and Official Liquidator has been appointed. The liquidator of ISCAPL repaid the amount of ₹ 2.64 crores towards Fully Convertible Debentures in the year 2016-17. The Company has made adequate provision towards equity investment considering the probability and quantum of share in distribution upon liquidation of the Company. Therefore, the same has not been considered for the purpose of consolidation of financial statements.

Societies

INSTITUTE OF LEADERSHIP DEVELOPMENT (ILD)

Institute of Leadership Development (ILD) – erstwhile Institute of Labour Development was established in 1992, by your Company. ILD is working towards its mission to build capacities, hone up and infuse leadership skills among all levels of human resources in all types of organizations i.e., business and corporate entities, Banks, SMEs, NGOs, social action groups, key developmental sectors like education, health, energy and environment and in the wide sweep of the government sector.

ILD is also engaged in imparting skill development programmes for the unemployed youths of the state of Rajasthan and giving them job placements with the CSR fund support from different organizations. ILD is also an empanelled agency with Rajasthan Skill and Livelihoods Development Corporation (RSLDC), Jaipur, to carry out skill development programmes in the areas of Textile technology, Fashion technology, Hospitality etc.

A Memorandum of Understanding (MOU) was signed amongst the Government of Rajasthan (GoR), IFCI Limited (IFCI) and the Institute of Leadership Development (ILD) for developing ILD as a Centre of Eminence' for skill development with the ultimate aim of developing a Skills University. The Honourable Governor of Rajasthan had notified the establishment of The Rajasthan ILD Skills University, Jaipur. The Legislative Assembly of the Government of Rajasthan has passed the Bill related to the formation of Rajasthan ILD Skill University (RISU) in ILD campus in its budget session on March 07, 2017 and "The Rajasthan ILD Skills University (RISU), Jaipur, Act 2017" Act No.6 of 2017, has been enacted. Accordingly, ILD has taken steps for the setting of the Skills University in ILD campus, the first Skill University in the Public Sector.

MANAGEMENT DEVELOPMENT INSTITUTE (MDI)

MDI, Gurugram one of the leading Business Schools in India is consistently ranked among the top B Schools of the country by reputed agencies and publications. MDI has the distinction of being the first internationally accredited Indian Business School having received international accreditation by Association of MBAs (AMBA) London in 2006. MDI is a flourishing cauldron of excellence in management education, high quality research, executive development and value added consultancy. Having established its footprint worldwide, MDI's vision is to become one of the top business schools in the world by incorporating world's best academic practices in all its programmes, namely management and executive programmes, and training programs for the top management of the corporate world. MDI's offerings are continuously updated in keeping with the ever changing global business environment, social responsibilities, while setting high standards for all our stakeholders.

RASHTRIYA GRAMIN VIKAS NIDHI (RGVN)

Rashtriya Gramin Vikas Nidhi (RGVN) having its headquarters in Guwahati, Assam was established in 1990, as an autonomous, non-profit organization registered under the Society's Registration

Act 1860. Your Company, being the founding promoter of RGVN, provided the initial set-up support and with time, IDBI, National Bank for Agriculture and Rural Development (NABARD) and 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 and Bihar, poverty stricken pockets of Eastern Uttar Pradesh, coastal Andhra Pradesh and Chhattisgarh. RGVN's core strength comes from its network of NGOs and Self Help Groups, which are capable of handling large development projects. One of its programmes has been hived-off into an NBFC called RGVN (North East) Microfinance Ltd which has also been given small finance bank license by the RBI. Over the years, RGVN has been able to groom and support small Community-based Organizations involved in a variety of livelihood enhancement programmes. Of late, RGVN has been involved in implementing projects directly with funding support from Central & State Governments, Corporate Houses under their CSR Programmes, as well as national and international development organizations, in verticals such as Food Security & Livelihood Enhancement, Financial Literacy and Inclusion, Enhancement of Quality of Life in Rural Areas, and Analytical & Studies.

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

Consequent upon transfer of IFCI's entire stake in HARDICON Ltd (HARDICON), it has ceased to be an Associate Company of IFCI. Further, subsequent to the year under report, HIMCON and NITCON have also ceased to be Associate companies of IFCI consequent to transfer of IFCI's entire stake in these companies.

Details on performance and financial position of subsidiaries, associates and joint venture(s), during FY 2016-17 are provided in **Annexure - VII**.

COMPLIANCE

During the Financial Year 2016-17, all returns / data / statements submitted by concerned departments as advised by RBI, SEBI and other Regulatory Authorities have been submitted.

DOCUMENTS PLACED ON THE WEBSITE

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

CORPORATE GOVERNANCE

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

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

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

Technology Absorption – In constant endeavour to drive competitive advantage through Operational Excellence, your Company is taking proactive steps towards Business Continuity planning. With regard to the same, the Data Centre and Disaster Recovery site has been upgraded as well as a near site has been established. Information Technology (IT) of your Company enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the intermediaries to reach geographical distant and diversified markets. While Enterprise portals promise to deliver a more coherent information management platform, and a more seamless user experience, various online portals namely - Online Grievance, Recruitment and IT Applications were launched by your Company. These portals provide 'dynamic' environment that makes them well-suited to delivering more interactive capabilities.

Foreign Exchange Earnings

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

(₹ crore)

Particulars	**Year ended 31.03.2017**	Year ended 31.03.2016
Expenditure in Foreign Currencies:		
Interest on borrowings	**3.69**	3.82
Other matters	**0.21**	0.23
TOTAL	**3.90**	4.05
Earnings in Foreign Currencies:		
Earnings in Foreign Currency	Nil	Nil

QUALIFICATIONS, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITORS

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

Emphasis of Matter on Standalone financial statements:

We draw attention to note no. 27 of the standalone financial statements related to litigation with the borrower. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts. Our report is not modified in respect of this matter.

Emphasis of Matter on Consolidated financial statements:

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

(b) We draw attention to note nos. 35 and 36 of the consolidated financial statements related to litigation with the borrowers of the holding company and subsidiary company, respectively. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts of the holding and subsidiary company. Our report is not modified in respect of this matter.

QUALIFICATIONS, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE SECRETARIAL AUDITOR

M/s Navneet K. Arora & Co LLP Company Secretaries was appointed as Secretarial Auditor of the Company for the Financial Year 2016-17. The Secretarial Auditor has reported that the Company has, in their opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder as notified by Ministry of Corporate Affairs, and related matters. The Secretarial Auditor also reported that during the period under review, the Company has complied with the provisions of the Reserve Bank of India Act read with applicable Non-Banking Financial Companies (Reserve Bank) Directions, as applicable, except delay in filing of e-returns in Form No(s) NBS-7 for the quarter ended 30th June, 2016 and 31st December 2016.

In this regard, it is stated that the e-return NBS-7 was filed only after Board approval of final accounts for the period. The Reserve Bank of India was informed of the same, who had not objected to the request of the company considering the facts. It was also explained to the Secretarial Auditor that the company being a listed entity, the results, which was part of NBS-7 Return, could not be disclosed prior to the same was provided to Stock Exchanges, where the shares of the company were listed.

The Secretarial Audit Report for FY 2016-17 in the Form MR-3 is annexed at **Annexure – VIII**.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, your Company has obtained Declaration of Independence from the Independent Director under Section 149 of the Companies Act, 2013.

INTERNAL FINANCIAL CONTROL

Your Company has in place an Internal Financial Control driven by the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Internal Financial Control was evaluated by the Audit Committee of Directors during the year under report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(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 and 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';

(v) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

M/s ASA & Associates, LLP (DE1187) (Firm Reg. No. 009571N) and M/s KPMR & Associates (DE0637) (Firm Reg. No. 02504N) were appointed by the Comptroller & Auditor General of India (C&AG) as Joint Statutory Auditors of your Company for FY 2016-17. C&AG shall appoint Statutory Auditors for the Financial Year 2017-18.

DEPARTMENTS AT IFCI

(A) Credit Departments

During the year under report, the Credit Department functioned under two divisions, Credit – I and Credit – II, based on the geographical distribution and the NPA Resolution & Litigation Group managed the NPAs. This has been later reorganised by setting up Appraisal Department and Monitoring Department in order to strengthen the appraisal and post sanction monitoring respectively. In view of the emphasis on infrastructure development in the country and the contribution of your Company in this direction, there is a specialised Infrastructure Division in the Appraisal Department while the non-infra sectors are considered by another division. These departments are actively engaged in formulation of Policy, refinement of processes and improvement in practices of credit appraisal and are effectively and efficiently monitoring the standard assets of IFCI.

(B) Management of Non-Performing Assets (NPA Management)

The FY 2016-17 witnessed large increase in NPAs in the financial sector, especially in infrastructure and metal sectors. This along with unsuccessful attempts for implementation of SDR & S4A schemes of RBI in certain companies resulted in substantial rise in NPAs in your Company. The Gross NPAs and Net NPAs increased to ₹ 7,553 crore and ₹ 5,882 crore respectively by March 31, 2017 from ₹ 3,545 crore and ₹ 2,466 crore respectively at the beginning of the year. In the percentage terms, the GNPA and NNPA stood at 31.86% and 27.03% respectively at the end of the year. This has necessitated focussed, expeditious recovery from NPAs.

Your Company amplified its endeavours for recovery of overdues by leaps and bounds and overturned every stone to ensure early detection and resolution of non-performing cases. In this sequel, your Company vigorously exploited all the available recovery modes including, One Time Settlement / Negotiated Settlement, restructuring, sale of assets under SARFAESI, assignment of dues, sale of listed / unlisted pledged shares, sale of investment in unlisted equity, redemption of Security Receipts, filing winding up applications against defaulting borrowers, filing of recovery applications before DRTs, action u/s 138 of Negotiable Instruments Act, declaration of defaulting borrowers as wilful defaulters, non-cooperative borrower etc.

The concentrated efforts made during FY 2016-17 resulted in highest ever recovery of ₹ 1,016.38 crore done by IFCI in last 10 years as tabulated below:-

(₹ crore)

Sl. No.	Resolution Strategy	Amount
1.	Assignment of debt	417.88
2.	OTS / Legal route / sale of pledged shares/ general recovery	394.63
3.	Sale of unquoted equity / redemption of SRs	203.87
	Total	1,016.38

The Insolvency and Bankruptcy Code, introduced in December, 2016, has provided for a comprehensive framework of timely restructuring of liabilities of companies or liquidation. Your Company is fully committed to make an effective and efficient use of this code for augmenting its recoveries in the ensuing year. Your Company, apart from continuing to recover through the existing means, like SARFAESI, OTS, Legal route etc., shall take advantage of this code and strive to achieve the objects of the code by resolution of its impaired assets under the provision of the code.

(C) Sugar Development Fund

Your Company has been acting as the "Nodal Agency" of the Government of India since inception of the Sugar Development Fund (SDF) for the purpose of disbursement, follow up and recovery of SDF loans sanctioned for modernisation / expansion of sugar factories, setting up of bagasse based cogeneration power projects, anhydrous alcohol or ethanol projects, zero-liquid discharge (ZLD) distillery projects and cane development scheme. Cumulative sanctions and disbursements under SDF up to March 31, 2017 stood at ₹ 6,436 crore and ₹ 5,028 crore respectively. The Agency Commission booked in

FY 2016-17 is ₹ 13.95 crore (excluding Service Tax). In addition, your Company carries out financial appraisal of projects for availing SDF loans by sugar mills. Your Company has developed a SDF Portal for being utilised by SDF, Government of India and the beneficiary companies and is in the process of making the portal fully functional which will make SDF operations efficient and transparent.

(D) Credit Enhancement Guarantee Scheme for Scheduled Castes

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

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

The Scheme has since taken off from the FY 2015-16 with registration of 31 MLIs under it. In the FY 2016-17, loans aggregating to ₹ 21.27 crore have been sanctioned by some of the MLIs against which the total guarantee cover of ₹ 14.40 crore has been provided by IFCI. Your Company is making all out efforts to promote this Scheme through wide publicity by conducting seminars, conferences and awareness programmes in co-ordination with various Chapters of Dalit Indian Chambers of Commerce and Industry (DICCI) and attending State Level Bankers Committee (SLBC) meetings. During the FY 2016-17, the Corpus of the fund has increased to ₹ 232 crore.

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

(E) Human Resources

Your Company has continued to lay focus on enhancement in productivity of employees and their skill upgradation. Training was imparted to employees through 250 nominations, by way of in-house training workshops and external nominations, thereby covering 140 employees and 4 employees were sent on foreign trainings. The manpower has been strengthened by conducting recruitment at various levels viz. General Manager, Deputy General Manager, Assistant General Manager, Manager and Assistant Manager. The scheme of Special Hardship Leave was introduced for female employees. The level of satisfaction among employees has improved which resulted into lower attrition rate as compared to previous year.

(F) Information Technology

Information Technology (IT) enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the intermediaries to reach geographical distant and diversified markets. In that direction, your Company has achieved many noteworthy developments related to IT sector during FY 2016-17. IT has emerged as an important medium for delivery of financial products and services.

While Enterprise portals promise to deliver a more coherent information management platform, and a more seamless user experience, various online portals namely - Online Grievance, Recruitment and IT Applications were launched by your Company. These portals provide dynamic environment that makes them well-suited to delivering more interactive capabilities.

Further your Company also launched, Credit Enhancement Guarantee Scheme for Scheduled Castes, an initiative of Ministry of Social Justice and Empowerment. MPLS-VPN connectivity was also established across all Regional Offices, which was followed by implementation of Bio-Metric Attendance System. At present your Company is in the process of implementing Integrated Treasury product as well development of another Online Portal for Sugar Development Fund for transparent flow of operations and information.

(G) Legal

On the legal front, your Company has a full-fledged qualified and experienced legal team who carry out the legal functions for facilitation of sanctions and disbursements and has ensured compliance with statutory requirements during the year. Further, your Company initiated prompt legal measures for recovery against the borrowers and was able to defend successfully before various judicial forums in India in the suits filed against it, during the year 2016-17.

(H) Right to Information

Your Company has implemented the Right to Information Act, 2005 from 2013 onwards following the applicability of the RTI Act to IFCI and it has been providing information to the applicants as per the provisions of the RTI Act. The relevant information as per the RTI Act has been posted on IFCI's website (www.ifciltd.com).

IFCI has appointed Central Public Information Officer (CPIO) & First Appellate Authority at its Head Office at New Delhi and Central Assistant Public Information Officers (CAPIO) at its Regional Offices in other parts of the country for providing information to the applicants under the RTI Act.

During the year, your Company received 142 applications and 16 appeals seeking information under RTI Act, which were replied to as per the provisions of the RTI Act within the stipulated time.

(I) Promotion of Rajbhasha

During the year, your Company continued its efforts to promote the use of Hindi in its official work. With a view to motivate and encourage the officers to use Hindi in official work, Hindi workshops and competitions were organized at Head Office as well as at other offices across the country. IFCI's officers bagged prizes in various Hindi Competitions organized by Town Official Language Implementation Committee.

The Official Language Committee at Corporate Office monitored the use of Hindi in all offices and provided necessary guidance. All the computers available have been upgraded with Unicode facility and the website of your Company has also been made bilingual for the benefit of the shareholders and other stakeholders.

(J) Nominee Directors

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

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Environment and Economic Scenario

1.1 Macro Economic Scenario & Developments

The year 2016-17 witnessed some major surprises globally which included Brexit, results of the US elections and Demonetization in the largest democracy of the world. Though the Indian economy showed signs of improved industrial climatic conditions in the coming years on the back of some major reform initiatives like Goods & Services Tax (GST), the growth in India's GAP declined to 7.1% year-on-year in FY 2017 from 8.0% in the previous year. The global economic growth also slowed down to 3.1% during calendar year 2016, with both the advanced and emerging economies contributing to the decline.

The fiscal year 2017 also saw some major policy initiatives apart from GST and Demonetization. These included enactment of the Insolvency and Bankruptcy Code, 2016 for speedier resolution or liquidation of stressed assets, merger of Railway Budget with the Union Budget, removal of expenditure categorisation into plan and non-plan, constitution of six member Monetary Policy Committee with responsibility of monetary policy decision making and liberalisation of foreign investment policies.

During the year, the consumer price inflation (CPI) reached a three year low of 3.8% in March 2017 as against 4.8% in March 2016, but the core consumer inflation remained sticky. During the same period, the Wholesale Price Index (WPI) under the revised base year 2011-12, increased from 4.7% in March 2016 to 4.9% in March 2017.

1.2 Banking Sector

Scheduled Commercial Banks' (SCBs') credit growth declined on y-o-y basis, whereas, deposit growth increased between September 2016 and March 2017. SCBs' capital to risk-weighted assets ratio (CRAR) improved from 13.4% to 13.6% between September 2016 and March 2017. However, the Tier-I leverage ratio at the system level declined marginally during the same period.

SCBs' annual profit after tax (PAT) expanded by 48.0% in 2016-17 as against a decline of 61.6% in 2015-16, mainly due to higher increase in other operating income (OOI) and lower risk provisions. The share of OOI in total operating income increased sharply from 30.7% in 2015-16 to 36.2% in 2016-17, mostly contributed by profit on securities trading. However, public sector banks (PSBs) once again recorded negative returns on their assets. Continuing deceleration in the growth of assets of SCBs along with deterioration in their asset quality resulted in a secular decline in the share of net interest income (NII) in total operating income.

Though India's financial system remained relatively stable during the FY 2016-17, the business growth of SCBs remained subdued with PSBs continuing to lag behind their private sector peers. The stress on banking sector, particularly the PSBs remained significant. The banking stability indicator (BSI) shows that the risks to the banking sector remained elevated due to continuous deterioration in asset quality, low profitability and liquidity. The gross non-performing advances (GNPA) ratio of SCBs increased to 9.2% from 7.8% during the period between March and September 2016, pushing the overall stressed advances ratio to 12.3% from 11.5% in the same period. Large lenders registered significant deterioration in their asset quality.

In the second half of the year, GNPA ratio of SCBs further rose to 9.6% in March 2017. The net non-performing advances (NNPA) ratio of SCBs increased marginally from 5.4% in September 2016 to 5.5% in March 2017. The stressed advances ratio declined from 12.3% to 12.0%. While there was a fall in stressed advances ratio in agriculture, services and retail sectors, the stressed advances ratio in industry sector, however, rose from 22.3% to 23.0% mainly on account of subsectors such as cement, vehicle, mining & quarrying and basic metals. Accretion of new NPAs from restructured standard advances declined in 2016-17.

1.3 NBFC Sector

As per the Financial Stability Report by The Reserve Bank of India, as of March 2017, there were 11,517 non-banking financial companies (NBFCs) registered with the Reserve Bank of India, of which 179 were deposit accepting (NBFCs-D). There were 220 Systemically Important Non-Deposit accepting NBFCs (NBFCs-ND-SI). All NBFC-D and NBFCs-ND-SI are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

The aggregate balance sheet size of the NBFC sector expanded by 14.5% during 2016-17 as compared to 15.5% during 2015-16. Loans and advances increased by 16.4% and investments increased by 11.9% in March 2017. In terms of borrowings, commercial paper outstanding rose by 70.3% and debentures outstanding increased by 28.3% as on March 31, 2017, while, bank borrowings declined by 3.7%. Net profit was down by 2.9% during 2016-17. Net profit as a percentage of total income also came down from 18.3% in 2015-16 to 14.0% in 2016-17. RoA and RoE also declined during the same period.

Gross NPAs of the NBFC sector as a percentage of total advances declined from 4.9% to 4.4% between September 2016 and March 2017. Net NPAs also declined from 2.7% to 2.3%.

While the NBFCs catering only to corporate sector were badly affected due to increase in NPAs and slowdown in credit offtake, NBFCs financing only retail loans or mix of corporate and retail loans showed growth in their performance.

1.4 Initiatives and Developments at IFCI

Your Company took some major initiatives during the year under report with primary objective of growth in business, cost cutting and employee empowerment and satisfaction. Organisational restructuring was one such major initiative. With a view to optimising the cost and maximum utilisation of existing resource pool, your Company decided to merge the Guwahati office with Kolkata Regional office and to close seven small offices at Patna, Bhubaneswar, Lucknow, Kochi, Vijayawada, Raipur and Bhopal. Though some of these offices were newly opened in the past two to three years, they could not achieve the business growth potential as envisaged at the time of opening, due to various factors.

For focussed attention, the geographical spread of your Company was segregated into four Zones – West, East, North & South having Zonal Offices at Mumbai, Kolkata, Delhi and Hyderabad respectively. The remaining six regional offices would function under the administrative and operational guidance of the respective zonal offices.

The functions of Credit Departments were restructured with focus on improvement in appraisal standard with separate groups for infrastructure and non-infrastructure appraisal. Some lateral recruitments were made by bringing professionals with requisite experience to strengthen operational processes especially in appraisal, monitoring, risk management and internal audit. The employees' grievances were quickly addressed in order to boost their morale and improve productivity.

Information & Technology being the backbone of financial process and data infrastructure, major upgradations in business applications were carried out and various new applications like "Customer Relationship Management", "Transfer Pricing", "Whistle Blower Mechanism", "Payment Requests", "CSR Accounting Package", "Employee Clearance Slip", "Employee Asset & Liability under Lokpal", "SEBI Insider Trading Regulation Submitted by Employee" were implemented during the year.

Apart from internal IT upgradation and automation, your Company also launched the following online portals during the year:

- Grievance Redressal Portal for stakeholders
- Recruitment Portal
- Credit Enhancement Guarantee Scheme for Scheduled Castes Portal
- IT Application Portal to streamline accessibility of various applications

Your Company has been a great supporter of digitisation drive. It ensured that the entire receipt and payment transactions were undertaken through digital modes like RTGS/NEFT/NECS. There were only few exceptions where payments were received through cheques like in the cases of Post Dated Cheques of borrower entities/guarantors/ promoters and where payments were made by cheques/DDs the recipients not having provided required information for digital transfer. Your Company discourages and avoids cash transactions.

2. Strengths, Weakness, Opportunities & Challenges

With existence for seven decades, passing through various challenges on the way, your Company is a historical institution, with major contributions to the industrialisation in the country and in the course, your Company has developed core competence in financing infrastructure and core sector industries. Being the only sector-agnostic NBFC in the corporate lending arena, with geographical presence across the country through relatively small staff strength of about 260, mostly professionals, your Company has the potential to rise above the occasion through concerted and planned effort. Its weakness, however, lies in its large proportion of non-performing assets, resulted primarily due to problems in power and iron & steel sectors and in certain other large value borrower companies.

The major challenge, your Company faces, is in the form of borrowing cost, which though reasonable, is higher compared to banks and its peer NBFCs. The consequent down-gradation of credit rating due to stressed portfolio has aggravated the situation. Amongst these concerns, the introduction of Insolvency and Bankruptcy Code has generated optimism in quick resolution/ redressal of stressed assets. Your Company has set up a strong recovery mechanism for fast recovery from the NPAs through a dedicated team with expertise. With the steps taken by the government in major reforms like GST, relaxation in FDI and prediction of good monsoon in the current year, there is hope for capex and credit offtake picking up in the second half of the year which would provide the required boost to the financial sector including your Company.

Apart from emphasis from recovery from NPAs, your Company has also taken other major steps like reduction in single borrower and group exposure to below RBI prescribed levels to avoid concentration risks, reduction in its lending benchmark rate to improve portfolio quality.

3. Segment-wise or Product-wise Performance

During the FY 2016-17, your Company strived to perform, despite facing challenging macro-economic and industrial atmosphere. Your Company sanctioned project finance, general corporate loans of various maturities to meet financing requirements of its clients with good track records and credit worthiness, refinancing of high cost debt and capital expenditure for ongoing projects against adequate tangible security. During the year, your Company also launched a new product of Short Term Loans and sanctioned and disbursed short term loans of approximately ₹ 605 crore and ₹ 330 crore, respectively, which constituted 7.64% and 10.81% of the aggregate sanctions and disbursements of ₹ 7,923 crore and ₹ 3,053 crore respectively.

4. Outlook

4.1 Global Developments and Outlook

After years of lacklustre growth, the global economy seems headed for a turnaround as can be seen in the improvements in industrial production and the purchasing managers' index (PMI), and financial conditions of advanced economies (AE) approaching a neutral condition. Notwithstanding concerns over rising protectionism, populism and emerging geopolitical conflicts, the world economic outlook for the Year 2017 looks brighter as compared to the Year 2016. Several factors seem to be contributing to this positive outlook; the end of a big decline in resource sector investment spending, moderation of fiscal austerity in Europe with the Eurozone achieving faster growth than the US in 2016 and inflation just under the European Central Banks' target of 2%, stimulus in China, moderating US dollar strength, prospects of an inflation uptick in Japan, partial reversal of commodity prices and market expectations of a somewhat moderated monetary accommodation withdrawal path in the US.

While there are uncertainties, the underlying feeling of a stable transition from a global accommodative monetary policy regime to a normal rate cycle is evident in equity and fixed income markets. However, unlike past business cycles wherein credit growth acceleration preceded an uptick in GDP growth, growth in private credit to non-financial corporations is muted. While global trade has picked up, US dollar has recently weakened vis-à-vis other global currencies. The divergence in 'rate outlook' between the Fed and the other advanced economies (AEs), and soft commodity prices may impact AE currencies. Geopolitical risks are elevated and a real concern is the perceived weakening of international institutional mechanisms to deal with them. At the same time, one has to await the on-going churning in political processes across the world to assess how much of the rhetoric on protectionism and populism will ultimately materialise.

4.2 Domestic Development and Outlook

During the FY 2016-17, Indian economy though emerged as the fastest growing economy in the world with 7.1% growth surpassing China's growth of 6.9% for the year 2016, however, this growth was lower than last year's growth of 8.0% (revised due to change in base year from 2004-05 to 2011-12 for calculation of Index of Industrial Production) on account of dip registered in the growth of Q4 of FY 2016-17, as the economy grew by 6.1% as compared to growth registered in previous 3 quarters at 7.9%, 7.5% and 7.0% respectively. The growth was dragged to the minimum in last quarter of FY 2016-17 partially, on account of demonetisation. As per RBI, GVA growth for 2016-17 is pegged at 6.7%, which is about 30 bps lower than what was estimated earlier.

During the year, the demonetisation drive was started with the aim to wipe out a measure of corruption and tax evasion mainly in India's real estate market. Though, it has impacted the growth in cash-intensive sectors such as real estate, construction and FMCG for a short term as consumers

deferred purchases, over the medium term, there would be benefits through higher government spending and greater tax compliance. Also, it has converted the household savings from physical to financial instruments, which has provided enough liquidity to the banks for lowering the lending rates, much needed for the growth.

As per the latest figures released by CSO, the growth rate of the industrial sector showed a declining trend over the last 5 years since adoption of base year 2011-12, with the Index of Industrial Production reaching low of 2.70% in March 2017 from 6.50% in April 2016 after touching high of 8.90% in June 2016.

The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity registered a cumulative growth of 4.5% during FY 2016-17 as compared to 4.0% during the previous year. The production of steel and refinery products grew substantially during the FY 2016-17, while the production of crude oil, cement and natural gas fell. Production of electricity, coal and fertilizers registered decelerated growth during the same period.

The macro-economic parameters like inflation, fiscal deficit and current account deficit exhibited distinct signs of improvement and stayed within the target. The monetary conditions remained consistent with achieving the target of retail inflation under 5%. The depreciation in rupee against US dollar like most other currencies in the world had a lesser impact on the growth of the country.

As per the recent World Economic Outlook brought out by IMF, the growth projections for Indian Economy have been trimmed down to 7.2% in CY 2017 from 7.6% primarily because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the recent demonetisation drive. Medium-term growth prospects are favourable, with growth forecast to rise to about 8% over the medium-term due to the implementation of key reforms like GST, loosening of supply-side bottlenecks and appropriate fiscal and monetary policies.

As per the Economic Survey of 2016-17, keeping in view the prevalent overall macroeconomic scenario, and as per normal rainfall predictions in 2017-18 by IMD, India's economic growth for the FY 2017-18 has been pegged in the range of 6.75% - 7.5% in 2017-18. As per projections of ADB, the Indian Economy is expected to grow at a quicker pace by 7.4% in 2017-18 as compared to 7.1% in FY 2016-17 and maintain the fastest growing economy tag on the back of various reforms initiated by the Government especially in the banking sector.

5. Risks and Concerns

Risk is an inherent part of business of any financial institution, including IFCI, which makes it susceptible to credit risks that arise when a borrower is expecting future cash flows to pay a current debt. Effective management of credit risk is a critical component of comprehensive risk management and necessary for long term success of a financial institution and hence, it is essential that credit risk management system should be sensitive enough and responsive to credit risks emanating from its business operations, so as to maintain a sound and well-diversified credit portfolio. The goal of credit risk management is to maximize a FI's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

To address these risks, your Company has put in place a comprehensive credit risk management framework which is integrated with its business model. In pursuance of RBI guidelines, necessary role centres have been created in the organisational structure to facilitate discharge of risk management functions, which include the Board of Directors, the Risk Management Committee of Directors (RMCD), the Risk Management Committee of Executives (RMCE) and the Risk Management Department.

Risk Management Department carries out risk assessment of all new credit proposals, finalizing internal credit rating, annual rating migration analysis highlighting the portfolio quality and compliance with pre-disbursement terms and conditions of sanction pertaining to disbursements of loans. Market and Liquidity risks are monitored by Asset Liability Committee of Executives (ALCO), through analysis of dynamic liquidity position, structural liquidity gaps and interest rate sensitivity positions. Besides mechanism for stress testing of the credit portfolio is also being put in place.

The General Lending policy, Credit Risk Management Policy, Market Risk Management Policy and Operational Risk Management Policy of your Company are reviewed periodically, keeping in view the changing economic and business environment. 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 of insurable assets of your Company, as well as of the assets mortgaged to your Company.

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

In future, risk management is expected to play a more prominent role because of ongoing liberalisation, deregulation and global integration of financial markets, which would add newer dimensions to risks faced by the Banks and NBFCs. Inter-relationships and associations amongst various risk categories and mushrooming of newer risks, will require more proactive and efficient management of risks which will determine the strength and resilience of financial institutions.

Your Company would continue to work on various initiatives aimed at strengthening credit risk standards, post sanction monitoring of the portfolio to migrate any adverse impact on the loan portfolio of your Company. Your Company would also strive to develop a strong culture for risk management and awareness within the organisation.

6. Internal Control Systems and their adequacy

Your Company has Internal Control Systems commensurate with the size, scale and complexity of its business and allied operations. The verification of effectiveness of these controls are made by the Internal Auditors through the process of "Risk based Internal Audit". The internal audits are carried out by the Internal Audit Department through external practicing Chartered Accountant Firms and also directly through snap audits. The periodicity of such audits varied from quarterly to yearly depending upon the substance and materiality of transactions after the scope was approved by the Audit Committee of Directors. Based on the observations of Internal Auditors, the process owners undertake corrective actions in their respective areas and thereby strengthen the control systems.

In association with an external consultant of repute, the framework of Internal Financial Control was designed and implemented. The operative effectiveness of the controls were tested by the Internal Auditors and Statutory Auditors during the year and found to be satisfactory. The areas of controls with gaps were identified and bridged or decided for closure within finite period. The Board believes, based on the above, adequate internal financial controls exist.

7. Discussion on Financial and Operational Performance

7.1 Financial Performance

After a period of ten years of consistency in profit generation, your Company suffered a loss of ₹ 458 crore during the year under report, which was the compounding result of decline in operational income by 28.25% to ₹ 2,740 crore from ₹ 3,819 crore for the previous year and increase in provisions against loans & investments to ₹ 1,192 crore from ₹ 895 crore in FY 2016.

The major reason for fall in operational income was increase in fresh NPAs leading to reversal/non-recognition of interest income and low disbursement coupled with prepayments. The increase in provisions was primarily due to above reasons and reduction of default days from 150 to 120 days for classification as NPAs. Failure of sum of the SDR and S4A cases, for implementation in terms of RBI Guidelines, also added to the NPAs, reversal of income and provisioning.

The finance cost also reduced from ₹ 2,517 crore to ₹ 2,289 crore through reduced borrowings at lower cost and prepayments of certain high cost borrowing. Still the impact of large decline in interest income resulted in lower Net Interest Income of ₹ 211 crore as against ₹ 927 crore in previous year. Consequently, the NIM also declined from 3.24% in FY 2016 to 0.80% in FY 2016-17.

The operating expenses, excluding depreciation remained almost stagnant at ₹ 138 crore backed by reduction in employee benefit expenses from ₹ 100 crore in previous year to ₹ 95 crore in FY 2016-17.

The provisions of ₹ 1,192 crore was primarily because of high provisions of ₹ 922 crore against loans, the remaining ₹ 270 crore being against the investments. In respect of investments, your Company has been making required provisions in terms of RBI guidelines and relevant Accounting Standards. In addition, your Company has also been prudently making provisions on quarterly basis in respect of diminutions in investments showing signs of stress, though not other than temporary diminutions.

The income tax expense was negative due to deferred tax impact arisen primarily on account of high provisions.

Due to the impact of low credit offtake and prepayments of loans, the balance sheet shrunk from ₹ 36,900 crore to ₹ 31,674 crore during the fiscal 2017. The Networth of your Company also declined to ₹ 5,683 crore from ₹ 6,129 crore a year back.

However, the Capital Adequacy Ratio was maintained at 16.7% on March 31, 2017, against regulatory requirement of minimum 15%, with the Tier I capital being 11.2% as against regulatory norm of 10%. The debt to equity ratio was 4.03, improved from 4.54 at the beginning of the year and the leverage ratio was 5.31, below the regulatory cap of 7 times.

The cost of borrowings reduced from 9.4% for FY 2016 to 9.3% for FY 2017. The proportion of employee cost, however, increased from 2.5% in the previous year to 3.3% in FY 2017, despite decline in absolute amount, due to larger decline in income.

In view of the loss and in order to preserve capital and cash for future growth, your Company skipped declaration of any dividend on equity shares after consistent dividend payment for 8 years.

Your Company reduced its lending benchmark rate, IFCI Benchmark Rate (IBR) from 11.70% at the beginning of the year to 10.75% by March 2017. The Short Term IBR introduced in April 30, 2016 at 9.40% was also reduced to 8.35% by the end of FY 2017.

7.2 Sanction and Disbursements

During the year under consideration, your Company made sanctions and disbursements for various proposals aggregating to ₹ 7,923 crore and ₹ 3,053 crore, lower than ₹ 10,895 crore and ₹ 7,488 crore respectively in the previous year, on account of subdued credit demand and uneven economic growth and dip in manufacturing activity.

7.3 Treasury, Investment and Forex Operations

In FY 2016-17, global landscape witnessed key developments like Brexit and presidential elections in United States resulting in volatile markets. International financial markets have been impacted by policy announcements in major advanced economies, geo-political events and country-specific factors. On domestic front too, major policy initiatives were seen like introduction of Insolvency and Bankruptcy Code, demonetization which has boosted digital payments and led to sharp increase in financial savings, NPA ordinance and enactment of GST legislation. In India, both domestic factors and global spill-overs have conditioned movements in financial markets, though increasingly domestic factors appear to have played a more prominent role. Domestic equity markets had a mixed performance, reflecting domestic factors amidst a cautious return of investor appetite and capital flows.

In RBI's first bi-annual monetary policy, the policy rate was kept unchanged with a neutral stance considering the fact that inflation could undershoot RBI's target of 5% for FY 2016-17. Excess liquidity resulting post demonetization was drained by RBI through the large quantum of variable rate reverse repos which softened the short term money market rates to an extent. 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 operation, the objective was to manage the surplus fund effectively with minimum risk and deploying it to get optimum return with availability of funds for business requirement. The underlying investment principle is safety, liquidity and risk containment and your Company invested in Treasury Bills, Government Securities, Certificate of Deposit, Commercial Papers, Inter-Corporate Deposit / Short Term Deposit (STD) and Mutual Fund Schemes. Average Deployment during the year was ₹ 1,393.31 crore against ₹ 940.86 crore in FY 2015-16 and annualised return on fund deployed was 7.82%. Your Company had consistently generated return higher than the average 91 day T-bill yield during FY 2016-17 from Treasury operations. During the year under report, your Company registered an income of ₹ 112 crore from Fixed Income Money Market operations as against ₹ 135 crore during the previous year. The lower income was on account of planned reduction of average surplus funds available with Treasury vis-à-vis last year to minimize negative carrying cost as well as lower yields on money market instruments post demonetization led by RBI action to drain excess liquidity from Banks.

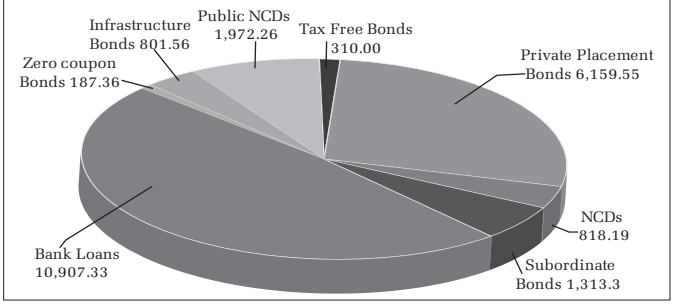
During the year, your Company continued with the strategy of selective disinvestment of slow moving/illiquid stocks and strengthening the portfolio through investment in blue chip stocks. Net investment portfolio of your Company as on March 31, 2017 stood at ₹ 6,394 crore as against ₹ 8,188 crore as on March 31, 2016.

The foreign currency operations were confined to servicing of FC liabilities and containing the exchange risk arising due to mismatch in the outstanding amount of FC assets and liabilities. The mismatches were covered through forward contracts, currency future and principal only swap. The net mismatch position was restricted to much below the limit of USD 3 million approved by RBI by maintaining almost square position.

7.4 Resource Mobilization

Keeping in line with the sanctions and disbursements during the year under report, an amount of ₹ 5,397 crore was mobilized comprising of Term loans of ₹ 2,750 crore, NCD issue through Private Placement ₹ 575 crore and Commercial Papers of ₹ 2,072 crore at the competitive rates. The focus of your Company has been to arrange funds at the lowest possible cost. Consistent efforts are being made by your Company to explore new avenues of fund raising. The total borrowings of your Company were ₹ 22,899 crore as on March 31, 2017 comprising of Rupee borrowing of ₹ 22,470 crore and foreign currency loan of ₹ 429 crore. The broad instrument wise break-up of rupee borrowing outstanding as at March 31, 2017 is as indicated below.

Summary of Borrowing as on 31st March 2017 (₹ in crore)



Investor service has been the top priority for your Company with responsive handling and timely processing of investor grievances, received in physical or electronic form, continued to be of extreme importance.

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

Your Company has continued to lay focus on enhancement in productivity of employees and their skill upgradation. Training was imparted to employees through 250 nominations, by way of in-house training workshops and external nominations, thereby covering 140 employees and 4 employees were sent on foreign trainings. Various allowances have been linked with the RBI. The manpower has been strengthen by conducting recruitment at various levels viz. General Manager, Deputy General Manager, Assistant General Manager, Manager and Assistant Manager. The scheme of Special Hardship Leave was introduced for female employees. The level of satisfaction among employees has improved which resulted into lower attrition rate as compared to previous year. As on March 31, 2017, the number of people employed was 262.

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

During the year under report, your Company made constant endeavour for technological absorption. With regard to the same, the Data Centre and Disaster Recovery site have been upgraded as well as a near site has been established. Your Company has also adopted industry standard Network security policies and standards. IFCI has also made sincere efforts for conservation of foreign exchange. During the year under report, the amount of foreign exchange outgo was only to the tune of ₹ 3.90 crore on account of interest payment and incurring other expenses. Your Company had also put in sincere efforts to protect and conserve the environment. Through its CSR initiatives, IFCI made contribution to Patiala Foundation for construction of sewer treatment plant for irrigation and development of horticulture etc. Besides, IFCI has financial products like term loan, Corporate Loan, Short term Loan etc. for financing of renewable energy projects which are sustainable and environmentally benign.

10. Corporate Social Responsibility

The Corporate Social Responsibility Committee of Directors formulates the CSR Policy and recommends to the Board of Directors on activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013 and Companies (CSR Policy) Rules, 2014. The CSR Committee recommended the amount to be incurred on the activities and earmarked funds for the envisaged priority areas, as per vision of the Company for a particular financial year. To associate with the CSR Activities of IFCI and its Subsidiaries and Associates, a Trust, by the name of "IFCI Social Foundation" has also been established. The investment in CSR activities is project based and for every project, time frame and periodic milestones are set at the outset. Some of the CSR Activities undertaken includes contribution to expression children homes organization for acquisition of mobile classroom van; contribution to Institute of Leadership Development for conducting employment oriented skill training programme for 400 unemployed youth of Rajasthan; contribution to Arogya Sandhan Charitable Trust for construction of residential home for mentally challenged person etc.

Cautionary Statement

Certain statements in Management Discussion and Analysis describing the Company's objectives, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

Comments of Comptroller & Auditor General of India

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

Appreciation

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

Sanjeev Kaushik
Deputy Managing Director
DIN: 02842527
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Date : June 29, 2017

ANNEXURE - I

IFCI LIMITED - EQUITY DIVIDEND DISTRIBUTION POLICY

1. Introduction:

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

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

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

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

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

2. Effective Date:

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

3. Manner and Timelines for Dividend Payout:

3.1 Interim dividend(s)

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

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

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

3.2 Final dividend

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

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

4. Factors Considered while declaring dividend:

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

4.1 External Factors

4.1.1 Economic Environment

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

4.1.2 Statutory and Regulatory Norms

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

4.1.3 Capital Markets

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

4.2 Internal Factors

4.2.1 Profit earned during the year

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

4.2.2 Capital to Risk-weighted Ratio (CRAR)

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

4.2.3 Investment need in Subsidiaries / Joint Ventures

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

4.2.4 Liquidity Position and Future Cash Flow Requirements

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

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

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

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

6. Retained Earnings Utilization:

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

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

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

(i) Earnings per share of the Company
(ii) Need for debt reduction for having optimum debt: equity ratio
(iii) Liquidity position of the Company and expected cash flow in next six months
(iv) Dividend pay-out history
(v) Future expansion plans and the capital expenditure requirement including acquisition or diversification to be made by the Company from time to time
(vi) Need for ploughing back of profits into Business
(vii) Other reasons, which in the view of the Board of Directors of the Company or as per applicable regulations may be required to be considered from time to time before declaration of dividend
(viii) Companies Act, 2013 & applicable Rules thereof
(ix) SEBI Regulations / Guidelines

8. Parameters with regard to various classes of shares:

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

9. Amendments:

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

10. Disclosure:

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

ANNEXURE - II

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

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

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

Mr Sanjeev Kaushik
Deputy Managing Director
DIN: 02842527
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Date : June 29, 2017

ANNEXURE - III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

(i) **CIN:** - L74899DL1993GOI053677

(ii) **Registration Date**: May 21, 1993

(iii) **Name of the Company**: IFCI Limited

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

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

(vi) **Whether Listed Company**: Yes/~~No~~

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main Products/Services	NIC Code of the Product/Services	% to Total Turnover of the Company
1.	Other Credit Granting Services	64920	94.20*

*Net Income from Operations has been considered.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

Sl. No.	Name and Address of the Company	CIN/GLN (as on Board's Report)	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
10.	IFIN Securities Finance Ltd (ISFL) Continental Chambers (3rd Floor) 142, Mahatma Gandhi Road Nungambakkam, Chennai - 600 034	U65991TN1989GOI017792	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
11.	SHCIL Services Ltd (SSL) SHCIL House, P-51, T.T.C. Industrial Area MIDC, Mahape Navi Mumbai- 400 710	U65990MH1995GOI085602	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
12.	StockHolding Document Management Services Ltd (SDMSL) Plot No. P-51, T.T.C. Industrial Area, MIDC Mahape, Navi Mumbai- 400 701	U74140MH2006GOI163728	Step-down Subsidiary	–	2(87) of the Companies Act, 2013
13.	Tourism Finance Corporation of India Ltd (TFCI) 4th Floor, Tower 1, NBCC Plaza Pushp Vihar, Sector-5, Saket New Delhi - 110017	L65910DL1989PLC034812	Associate	29.03	2(6) of the Companies Act, 2013
14.	Himachal Consultancy Organisation Ltd (HIMCON) 1st Floor, Shree Niketan Mehli-Shoghi Road, Lower Panthaghati Shimla-171 013	U74140HP1977PLC003721	Associate	49.00	2(6) of the Companies Act, 2013
15.	North India Technical Consultancy Organisation Ltd (NITCON) Plot No. 1-C, Sector 27A Chandigarh- 160 026	U74140CH1984PLC005796	Associate	48.75	2(6) of the Companies Act, 2013
16.	KITCO Ltd (KITCO) No.33/1676H, Femith's Puthiya Road N H Bypass, Vennala, Cochin-682 028	U74140KL1972PLC002425	Associate	20.26	2(6) of the Companies Act, 2013

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

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the Beginning of the Year (As on 01.04.2016)				No. of Shares held at the End of the Year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter									
1. Indian									
(a) Individual/HUF	–	–	–	–	–	–	–	–	
(b) Central Govt	923000000	–	923000000	55.53	923000000	–	923000000	55.53	0.00
(c) State Govt(s)	–	–	–	–	–	–	–	–	
(d) Bodies Corp.	–	–	–	–	–	–	–	–	
(e) Banks/FIs	–	–	–	–	–	–	–	–	
(f) Any Other…..	–	–	–	–	–	–	–	–	
Sub–total (A) (1):	923000000	–	923000000	55.53	923000000	–	923000000	55.53	0.00
2. Foreign									
(a) NRI's- Individuals	–	–	–	–	–	–	–	–	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corp.	–	–	–	–	–	–	–	–	–
(d) Banks/FIs	–	–	–	–	–	–	–	–	–
(e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Shareholding of Promoter (A)= (A)(1)+(A)(2)	923000000	–	923000000	55.53	923000000	–	923000000	55.53	0.00
(B) Public Shareholding									
1. Institutions									
(a) Mutual Funds	20918151	13500	20931651	1.26	14915574	13500	14929074	0.90	(0.36)
(b) Banks/FIs	96521976	3077500	99599476	5.99	104700888	2760500	107461388	6.47	0.48
(c) Central Govt	–	–	–	–	–	–	–	–	–
(d) State Govt(s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	106685458	13300	106698758	6.42	106685458	13300	106698758	6.42	0.00

Category of Shareholders	No. of Shares held at the Beginning of the Year (As on 01.04.2016)				No. of Shares held at the End of the Year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g) FIIs	142425230	21800	142447030	8.57	160976092	21800	160997892	9.69	1.12
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Other (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):	366550815	3126100	369676915	22.24	387278012	2809100	390087112	23.47	1.23
2. Non Institutions									
(a) Bodies Corporate									
(i) Indian	53775232	234302	54009534	3.25	39630451	233302	39863753	2.39	(0.86)
(ii) Overseas	3000	0	3000	0.00	3000	0	3000	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding Nominal share capital upto ₹ 1 Lakh	207825501	19913761	227739262	13.70	199073243	19573847	218647090	13.16	(0.54)
(ii) Individual shareholders holding Nominal share capital in excess of ₹ 1 Lakh	77307461	172100	77479561	4.66	81456972	172100	81629072	4.91	0.25
(c) Other (specify)									
(i) Trust & Foundations	725471	900	726371	0.04	186880	900	187780	0.01	(0.03)
(ii) Non-Resident Individuals	9021992	380600	9402592	0.57	8238928	380500	8619428	0.52	(0.05)
Sub- total (B) (2)	348658657	20701663	369360320	22.22	328589474	20360649	348950123	20.99	(1.23)
Total Public Shareholding (B)= (B)(1) + (B) (2)	715209472	23827763	739037235	44.47	715867486	23169749	739037235	44.47	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A+B+C)	**1638209472**	**23827763**	**1662037235**	**100**	**1638867486**	**23169749**	**1662037235**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year (As on 01.04.2016)			Shareholding at the end of the Year (As on 31.03.2017)			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1.	President of India	923000000	55.53	Nil	923000000	55.53	Nil	0.00

(iii) Change in Promoter's Shareholding (please specify, if there is no change) : NO CHANGE

(iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017:

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	**Life Insurance Corporation of India**				
	At the Beginning of the Year	**61944644**	**3.73**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	61944644	3.73
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**61944644**	**3.73**
2.	**General Insurance Corporation of India**				
	At the Beginning of the Year	**16502700**	**0.99**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	16502700	0.99
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**16502700**	**0.99**

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3.	**Government Pension Fund Global**				
	At the Beginning of the Year	**25437454**	**1.53**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	06.05.2016 – 577699 (S)	(0.03)	24859755	1.50
		13.05.2016 – 4682895 (S)	(0.28)	20176860	1.21
		24.06.2016 – 589494 (S)	(0.04)	19587366	1.18
		30.06.2016 – 4613594 (S)	(0.28)	14973772	0.90
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**14973772**	**0.90**
4.	**Canara Bank**				
	At the Beginning of the Year	**14756946**	**0.89**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	02.12.2016 – 200(P)	–	14757146	0.89
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**14757146**	**0.89**
5.	**Central Bank of India**				
	At the Beginning of the Year	**11149326**	**0.67**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	11149326	0.67
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**11149326**	**0.67**
6.	**Dimensional Emerging Markets Value Fund**				
	At the Beginning of the Year	**8684990**	**0.52**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	22.04.2016 – 633443 (P)	0.04	9318433	0.56
		10.06.2016 – 705080 (P)	0.04	10023513	0.60
		16.09.2016 – 259861 (P)	0.02	10283374	0.62
		16.12.2016 – 45305 (P)	–	10328679	0.62
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**10328679**	**0.62**
7.	**The Oriental Insurance Company Limited**				
	At the Beginning of the Year	**10245438**	**0.62**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	10245438	0.62
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**10245438**	**0.62**
8.	**Societe Generale**				
	At the Beginning of the Year	**2588000**	**0.16**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	15.04.2016 – 120000 (P)	0.01	2708000	0.16
		22.04.2016 – 280000 (P)	0.02	2988000	0.18
		29.04.2016 – 700000 (S)	(0.04)	2288000	0.14
		13.05.2016 – 120000 (P)	0.01	2408000	0.14
		17.06.2016 – 1140000 (P)	0.07	3548000	0.21
		24.06.2016 – 40000 (P)	–	3588000	0.22
		30.06.2016 – 460000 (P)	0.03	4048000	0.24
		08.07.2016 – 44000 (P)	–	4092000	0.25

Sl. No.		Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		22.07.2016 – 132000 (P)	0.01	4224000	0.25
		29.07.2016 – 374000 (S)	(0.02)	3850000	0.23
		12.08.2016 – 132000 (P)	0.01	3982000	0.24
		26.08.2016 – 110000 (S)	(0.01)	3872000	0.23
		28.10.2016 – 154000 (S)	(0.01)	3718000	0.22
		25.11.2016 – 300000 (S)	(0.02)	3418000	0.21
		02.12.2016 – 278000 (P)	0.02	3696000	0.22
		03.02.2017 – 5368000 (P)	0.32	9064000	0.55
		03.03.2017 – 22000 (S)	–	9042000	0.54
		17.03.2017 – 286000 (P)	0.02	9328000	0.56
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**9328000**	**0.56**
9.	**Emerging Markets Core Equity Portfolio**				
	At the Beginning of the Year	**8870893**	**0.53**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	06.05.2016 – 266423 (P)	0.02	9137316	0.55
		10.06.2016 – 298192 (P)	0.02	9435508	0.57
		17.06.2016 – 406376 (P)	0.02	9841884	0.59
		24.06.2016 – 99679 (P)	0.01	9941563	0.60
		10.03.2017 – 169197 (S)	(0.01)	9772366	0.59
		17.03.2017 – 159984 (S)	(0.01)	9612382	0.58
		24.03.2017 – 427924 (S)	(0.03)	9184458	0.55
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**9184458**	**0.55**
10.	**Punjab National Bank**				
	At the Beginning of the Year	**9152100**	**0.55**	**–**	**–**
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	9152100	0.55
	At the End of the Year (or on the date of separation, if separated during the year)	**–**	**–**	**9152100**	**0.55**

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

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

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors hold any shares in the Company:

Shareholding of the Chief Financial Officer and Company Secretary is as under:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	**Shri B N Nayak, CFO**				
	At the Beginning of the Year	14716	–	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	14716	–
	At the End of the year	**–**	**–**	**14716**	**–**
2.	**Smt. Rupa Sarkar, Company Secretary**				
	At the Beginning of the Year	8657	–	–	–
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	–	–	8657	–
	At the End of the Year	**–**	**–**	**8657**	**–**

V INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2,282.26	23,637.08	0.00	25,919.34
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest Accrued but not due	357.09	470.76	0.00	827.85
Total (i+ii+iii)	**2,639.35**	**24,107.84**	**0.00**	**26,747.19**
Change in indebtedness during the financial year*				
Addition	575.00	4,866.64	0.00	5,441.64
Reduction	0.00	8,891.43	0.00	8,891.43
Net Change	**575.00**	**(4,024.79)**	**0.00**	**(3,449.79)**
Indebtedness at the end of the financial year				
(i) Principal Amount	2,857.26	19,612.29	0.00	22,469.55
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest Accrued but not due	454.30	447.91	0.00	902.21
Total (i+ii+iii)	**3,311.56**	**20,060.20**	**0.00**	**23,371.76**

* The change in indebtedness does not include the interest amount

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Amount (₹)

Sl. No.	Particulars of Remuneration	Shri Malay Mukherjee (CEO & Managing Director)#	Shri Achal Kumar Gupta (Whole-Time Director)#	Total Amount
1.	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	23,49,120.00	21,05,849.00	44,54,969.00
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	1,17,315.00	38,800.00	1,56,115.00
	(c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	1,45,148.00	1,44,369.00	2,89,517.00
2.	Stock Options	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	- As % of profit			
	- Others, specify	–	–	–
5.	Others, please specify			
	- Tax Borne by IFCI	35,155.00	27,040.00	62,195.00
	- PF Contribution	66,839.00	65,168.00	1,32,007.00
	TOTAL (A)	**27,13,577.00**	**23,81,226.00**	**50,94,803.00**
	Ceiling as per the Act	**10% of net profit of the Company as computed under Section 198 of the Companies Act, 2013 for the FY 2016-17.**		

 # Shri Malay Mukherjee and Shri Achal Kumar Gupta ceased to be on the Board of the Company w.e.f. December 12, 2016, upon completion of their tenure as CEO & Managing Director and Deputy Managing Director respectively. Further, Shri Sanjeev Kaushik was appointed as Deputy Managing Director w.e.f. December 12, 2016 and was not paid any remuneration during the FY 2016-17.

B. Remuneration to Other Directors: Amount (₹)

Sl. No.	Particulars of Remuneration	Name of Directors				
1	**Independent Directors**	**Shri S V Ranganath**	**Smt. Savita Mahajan**	**Shri K S Sreenivasan**	**Prof Arvind Sahay**	**Total Amount**
	Fees for attending Board / Committee Meetings	4,80,000	4,00,000	2,00,000	3,70,000	14,50,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (1)					**14,50,000**
2	**Other Non-Executive Directors**	**Ms. Kiran Sahdev**	**Shri R N Dubey**	**Shri Anshuman Sharma**	**Prof N Balakrishnan#**	**Total Amount**
	Fees for attending Board / Committee Meetings	–	–	–	2,00,000	2,00,000
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (2)					**2,00,000**
	TOTAL (B) = (1+2)					**16,50,000**
	Total Managerial Remuneration					**–**
	Overall Ceiling as per the Act	1% of net profit of the Company, if there is a Managing or Whole-time Director. The aforesaid 1% does not include sitting fees paid to directors. The amount of sitting fees shall not exceed ₹ 1,00,000/- per Board or Committee Meeting.				

Note: Sitting Fee for Board Meeting is ₹ 20,000/- and for Committee Meeting is ₹ 10,000/-. The sitting fee of only those Directors has been considered who were Directors as on March 31, 2017.

 # Prof N Balakrishnan ceased to be on the Board of the Company w.e.f. September 28, 2016.

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

Sl. No.	Particulars of Remuneration	Details of CFO	Details of CS	Total Amount
1.	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	29,33,375.00	29,84,771.00	59,18,146.00
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	7,86,997.00	6,35,231.00	14,22,228.00
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	1,50,159.00	22,478.00	1,72,637.00
2.	Stock Options	–	–	–
3.	Sweat equity	–	–	–
4.	Commission			
	- As % of profit	–	–	–
	- Others, specify	–	–	–
5.	Others, please specify			
	- Tax Borne by IFCI	38,861.00	5,543.00	44,404.00
	- PF Contribution	94,920.00	79,000.00	1,73,920.00
	TOTAL	**40,04,312.00**	**37,27,023.00**	**77,31,335.00**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Mr Sanjeev Kaushik
Deputy Managing Director
DIN: 02842527
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Ms Kiran Sahdev
Non-Executive Director
DIN: 06718968
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

Date : June 29, 2017

ANNEXURE - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

(i) IFCI Ltd. (IFCI) since its inception in 1948 had a vision to empower the community through socio-economic development of the underprivileged and weaker sections. In its continued efforts to make a difference to the society at large, in the Financial Year (FY) 2016-17, IFCI has undertaken Corporate Social Responsibility (CSR) activities, with a vision to promote development of human capital and rural areas as a key contributor to the growth of India, promotion of sports related activities and to support sustainable developmental activities aimed at creating a cleaner, greener and healthier environment.

(ii) The CSR Policy for FY 2016-17 (available at: http://www.ifciltd.com) approved by the Board of Directors with the following objectives:

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

(iii) During FY 2016-17, in accordance with the provisions of Schedule VII and Section 135 of Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR Activities were undertaken by IFCI and IFCI Social Foundation (ISF), a trust formed to undertake CSR initiatives of IFCI and its Subsidiaries & Associates. The prescribed CSR expenditure for FY 2016-17 was ₹ 9.61 crore including maximum capacity building expenses of ₹ 0.48 crore thereby requiring budget/ outlay of ₹ 9.13 crore towards CSR Activities. During the year, IFCI sanctioned ₹ 9.04 crore for CSR Activities and has spent an amount of ₹ 8.22 crore on CSR activities which include ₹ 3.14 crore & ₹ 1.08 crore for projects sanctioned in the FY 2016-17 & FY 2015-16 respectively & ₹ 3.64 crore disbursed by IFCI to ISF for undisbursed commitments in respect of projects sanctioned by ISF. In addition ₹ 0.36 crore was spent on capacity building. The balance amount will be spent keeping in view the physical progress of the sanctioned CSR projects that have been supported since payments have been linked to progress on a milestone achievement basis.

(iv) CSR activities undertaken by IFCI directly as well as through IFCI Social Foundation are as under:

IFCI has spent ₹ 1.89 crore on various CSR initiatives as under:

- ₹ 0.08 crore to Ms. Meghana Gundapally (Rhythmic Gymnast) from Hyderabad towards support for equipment and travels for undergoing three months training for Asian Championship held at Tashkent, Uzbekistan.
- ₹ 0.10 crore to Bharat Sevashram Sangha, Gurgaon (Haryana) for construction of one room and furniture items in the school building at Wazirpur, Gurgaon (Haryana) under its Socio Economic Development project.
- ₹ 0.23 crore to Expression Children Homes Organisation, New Delhi for acquisition of a mobile classroom van with other required equipments for delivering educational training and health care services to children and youths of selected schools.
- ₹ 0.04 crore to SOS Children's Villages of India, New Delhi as financial support for 100 children (for one year) ensuring education, health and livelihood initiatives for the most vulnerable and underprivileged children and their caregivers under the family strengthening programme at Village Anangpur, Faridabad (Haryana).
- ₹ 0.58 crore to Institute of Leadership Development, Jaipur for conducting employment oriented skill training programme at Bhilwada (Rajasthan) for 400 unemployed youth of Rajasthan State for generating livelihoods in the Textile Industries.
- ₹ 0.19 crore to Arogya Sandhan Charitable Trust, South 24 Paraganas (West Bengal) for construction of the 2nd Floor of residential home for mentally challenged persons with a vocational training centre and a special school.
- ₹ 0.32 crore to Ramakrishna Mission, New Delhi for installation of medical equipments at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi
- ₹ 0.20 crore to Udayan Care, New Delhi as financial support to form a Corpus Fund to cover yearly up-keep and education expenses of 2 erstwhile orphaned and abandoned girls now being nurtured at Udayan Ghar, Jaipur, Rajasthan.
- ₹ 0.14 crore to Bhartiya Yuva Shakti Trust, New Delhi for sponsorship of BYST-IFCI Programme for youth entrepreneurship development of 600 candidates and other activities.

IFCI has spent ₹ 2.32 crore through IFCI Social Foundation on various CSR initiatives are as under:

- ₹ 0.16 crore to MPCON, Bhopal for conducting skill development program for 200 candidates for the beneficiaries belonging to economically weaker sections of the society at Hoshangabad, Betul and Chhindwara Districts of Madhya Pradesh.
- ₹ 0.27 crore to Patiala Foundation, Patiala for construction of sewer treatment plant and use of treated water for irrigation and development of horticulture/plantation at children home complex, Hoshiyarpur, Punjab.
- ₹ 0.02 crore to HIMCON, Shimla for adoption of 2 villages for their comprehensive development including intensive use of non-conversional energy (Solar Energy) in Panchayat Khulera, Dist. Hamirpur, HP.
- ₹ 0.04 crore to HARDICON, New Delhi for conducting employment oriented skill development program for 200 candidates for the beneficiaries belonging to economically weaker/backward sections of the society at Kurukshetra and Yamuna Nagar in the state of Haryana.
- ₹ 0.35 crore to Bhartiya Yuva Shakti Trust, New Delhi for sponsorship of "BYST-IFCI Youth Entrepreneurship Development Programme in NCR" amongst under privileged youth between the ages of 18 to 35 years for turning job seekers into job creators.
- ₹ 0.18 crore to HIMCON, Shimla for adoption of 2 villages for comprehensive development at Gram Panchayat Kot, District Bilaspur, Himachal Pradesh.
- ₹ 0.05 crore to NITCON, Chandigarh for adoption of village Nimbua, District S.A.S. Nagar, Mohali, Punjab for development of basic infrastructure and common public facilities.

- ₹ 0.11 crore to MPCON, Bhopal for adoption of 2 villages at Rangpura Kesaria & Pipalkhirya (Rajiv Nagar) at District Raisen (MP) for providing infrastructure support, awareness on environment & health issues and strengthening of women self-help group etc.
- ₹ 0.04 crore to NITCON, Chandigarh for Skill Entrepreneurship Development Programmes - for 210 candidates belonging to economically weaker sections/SC/BC/BPL persons of the society for promoting wage employment/ livelihood opportunities of self-employment at various industrial towns of Punjab.
- ₹ 0.23 crore to National Scheduled Castes Finance & Development Corporation, New Delhi for conducting Skill Development Programmes of 360 candidates in collaboration with Central Institute of Plastic Engineering & Technology in various States.
- ₹ 0.07 crore to ILD, Jaipur to meet out the expenses of Amal Aagosh Bridge School at Jaipur.
- ₹ 0.09 crore to National Human Rural Development Institute - Khorda for renovation of ground & 1st floor of existing school building viz. London School of Economic Society at Balipatna, at Khordha (Odisha) set up by NHRDI.
- ₹ 0.03 crore to Kalyanam Karoti, Mathura for meeting one year school expenses of 40 Hearing Impaired students of Special School of Mentally Retarded, Deaf and Dumb children called "SAMBAL" at Mathura (U.P.), a unit of Kalyanam Karoti.
- ₹ 0.26 crore to Lotus Petal Charitable Foundation, Gurgaon (Haryana) for sponsorship of Vidyananda Primary School at Gurgaon (Haryana) being run by LPCF.
- ₹ 0.32 crore to The Akshay Patra Foundation, Bengaluru for providing food & education to over 4,300 under privileged children for one year at Bengaluru (Karnataka), Jaipur (Rajasthan) & nearby locations.
- ₹ 0.04 crore to The Akshay Patra Foundation, Bengaluru for procurement of vehicle for distribution of meal.
- ₹ 0.06 crore to ILD, Jaipur for upkeep & maintenance of Bamboo Farm at ILD, Jaipur

2. The composition of the CSR Committee:

In pursuance of Section 135 of the Companies Act 2013, IFCI has constituted a CSR Committee of the Board of Directors. The composition of the CSR Committee of Directors as on March 31, 2017 was as under:

(i) Smt. Savita Mahajan, Chairperson of the Committee (Independent Director)

(ii) Shri Sanjeev Kaushik - Deputy Managing Director

(iii) Shri K. S. Sreenivasan (Independent Director)

(iv) Shri Anshuman Sharma (Government Nominee on the Board of IFCI)

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

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

Year	Net Profit (₹ crore)	Average Net Profit for last three financial years (₹ crore)
2013-14	469.99	480.23
2014-15	337.03	
2015-16	633.66	

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 9.61 crore

5. Details of CSR spent during the year:

(a) Total amount to be spent for the financial year : ₹ 9.61 crore

(b) Total amount spent during the year : ₹ 8.22 crore

(c) Amount unspent, if any : ₹ 1.39 crore

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

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1. Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency*
					Direct	Overheads		
(A)	CSR EXPENDITURE IN RESPECT OF PROJECTS SANCTIONED BY IFCI							
1.	Ms. Meghana Gundapally (Rhythmic Gymnast)Support for equipment and travels for undergoing training for Asian Championship held at Tashkent, Uzbekistan.	Other Welfare Elements: Activity is covered under clause (vii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Telangana	7,90,600	7,90,600	0.00	7,90,600	Through implementing agency

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1. Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency*
					Direct	Overheads		
2.	Bharat Sevashram Sangha, Gurgaon (Haryana) Support for construction of one room and furniture in the school building at Wazirpur, Gurgaon (Haryana) under Socio Economic Development project of BSS.	Promote Development of Human Capital : Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Sector-92, Gurgaon, Haryana	10,00,000	10,00,000	0.00	10,00,000	Through implementing agency
3.	Expression Children Homes Organisation, New Delhi Support for acquisition of a mobile classroom van with other required equipments for delivering educational training and health care services to children and youths of selected schools.	Other Welfare Elements: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. H. No. 38, Pocket-I, Behind Asia Pacific Institute of Management Jasola Vihar, New Delhi -110025	23,69,000	23,48,130	0.00	23,48,130	Through implementing agency
4.	SOS Children's Villages of India, New Delhi Support for 100 children (for one year) ensuring education, health and livelihood initiatives for the underprivileged children and their caregivers etc. under the family strengthening programme.	Rural Development & Sustainable Development: Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Village: Anangpur (Haryana)	8,40,000	4,20,000	0.00	4,20,000	Through implementing agency
5.	Institute of Leadership Development, Jaipur Support for conducting Employment Oriented Skill Training Programme for 400 unemployed youth of Rajasthan State for generating livelihoods in the Textile Industries.	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. District Bhilwara, Rajasthan	2,33,20,000	58,30,000	0.00	58,30,000	Through implementing agency
6.	Arogya Sandhan Charitable Trust, South 24 Paraganas, Support for construction of the 2nd Floor of Residential Home for Mentally challenged persons with a Vocational Training Centre and a Special School.	Rural Development & Sustainable Development: Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Village: Arapanch, P.O.Sonarpur, District 24 Paraganas (South), West Bengal	76,00,000	19,00,000	0.00	19,00,000	Through implementing agency
7.	Ramakrishna Mission, New Delhi Support for installation of medical equipments at Ramakrishna Mission Free Tuberculosis Clinic and Medical Centre, New Delhi	Other Welfare Elements: Activity is covered under clause (i) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Ramakrishna Mission, Ramakrishana Ashram Marg, New Delhi -110055	31,90,000	31,90,000	0.00	31,90,000	Through implementing agency
8.	Udayan Care, New Delhi Support to form a Corpus Fund to cover yearly up-keep and education expenses of 2 erstwhile orphaned and abandoned girls now being nurtured at Udayan Ghar, Jaipur, Rajasthan.	Other Welfare Elements: Activity is covered under clause (iii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Jaipur Udayan Ghar, 32, Shyam Vatika, Near Ramnagar Extension, Sodala, Jaipur, Rajasthan-302019	20,00,000	20,00,000	0.00	20,00,000	Through implementing agency
9.	Bhartiya Yuva Shakti Trust, New Delhi Sponsorship of BYST-IFCI Programme for Youth Entrepreneurship Development of 600 candidates and other activities for development of youth entrepreneurship.	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Gurgaon and Palwal Districts and its adjacent villages and towns in Haryana	57,80,000	14,45,000	0.00	14,45,000	Through implementing agency
			TOTAL (A)	**4,68,89,600**	**1,89,23,730**	**0.00**	**1,89,23,730**	

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1. Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency*
					Direct	Overheads		
B.	**CSR EXPENDITURE IN RESPECT OF PROJECTS SANCTIONED BY IFCI SOCIAL FOUNDATION**							
1.	MPCON Ltd., Bhopal (MP) Support for Skill Development Program for 200 candidates belonging to economically weaker sections at Hoshangabad, Betul & Chhindwada Districts of MP.	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Hoshangabad, Betul & Chhindwara Districts of Madhya Pradesh	16,00,000	14,75,000	1,25,000	16,00,000	Through implementing agency
2.	Patiala Foundation,Patiala (Punjab) Support for construction of Sewer Treatment Plant and use of treated water for irrigation and development of horticulture/ plantation at Children Home Complex at Hoshiyarpur, Punjab	Other Welfare elements: Activity is covered under clause (i) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. District Hoshiyarpur, Punjab	26,78,000	26,78,000	0.00	26,78,000	Through implementing agency
3.	HIMCON, Shimla (HP) Support for adoption of 2 villages for Comprehensive Development	Rural Development & Sustainable Development: Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Village Tangar & Lahri District Hamirpur (Himachal Pradesh)	1,55,000	0.00	1,55,000	1,55,000	Through implementing agency
4.	HARDICON Ltd., New Delhi Support for employment oriented skill development programme for 200 candidates belonging to economically weaker sections (SC/ST/OBC)	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. District Kurukshetra & Yamuna Nagar (Haryana)	3,60,000	3,60,000	0.00	3,60,000	Through implementing agency
5.	Bhartiya Yuva Shakti Trust (BYST) Support for sponsorship of "BYST-IFCI Youth Entrepreneurship Development Programme in NCR" amongst under privileged youth between the ages of 18 to 35 years for turning job seekers into job creators.	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Faridabad (NCR), Haryana	58,80,000	35,28,000	0.00	35,28,000	Through implementing agency
6.	HIMCON, Shimla (HP) Support for adoption of Gram for development of basic infrastructure.	Rural Development & Sustainable Development: Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Gram Panchayat Kot, District Bilaspur, Himachal Pradesh	18,05,000	18,05,000	0.00	18,05,000	Through implementing agency
7.	NITCON, Chandigarh Support for adoption of village for development of basic infrastructure and common public facilities	Rural Development & Sustainable Development Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Village Nimbua, District S.A.S. Nagar, Mohali, Punjab	5,25,000	5,25,000	0.00	5,25,000	Through implementing agency
8.	MPCON Ltd., Bhopal (MP) Support for adoption of 2 villages for providing infrastructure support, awareness on environment & health issues and strengthening of women self help group etc.	Rural Development & Sustainable Development Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Village Rangpura Kesaria & Pipalkhirya (Rajiv Nagar) at District Raisen (MP)	10,50,000	10,50,000	0	10,50,000	Through implementing agency

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1. Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency*
					Direct	Overheads		
9.	NITCON Ltd., Chandigarh Support for Skill Entrepreneurship Development Programmes (SEDPs) for 210 candidates belonging to economically weaker sections/ SC /BC / BPL persons of the society for promoting wage employment / livelihood opportunities of self-employment at various industrial towns of Punjab	Promote Development of Human Capital: Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Areas 2. Various industrial towns of Punjab	3,78,000	2,28,000	1,50,000	3,78,000	Through implementing agency
10.	National Scheduled Castes Finance & Development Corporation (NSCFDC), New Delhi Support for conducting Skill Development Programmes (SDP) of 360 candidates in collaboration with Central Institute of Plastic Engineering & Technology (CIPET) in various States	Promote Development of Human Capital : Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. States of West Bengal, Bihar, Odisha & Andhra Pradesh	92,30,000	23,07,500	0.00	23,07,500	Through implementing agency
11.	Institute of Leadership Development (ILD), Jaipur Support to meet out the expenses of Amal Aagosh Bridge School at Jaipur	Promote Development of Human Capital : Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Jaipur, State of Rajasthan	7,50,000	6,82,000	68,000	7,50,000	Through implementing agency
12.	National Human Rural Development Institute (NHRDI) Support for renovation of ground & 1st floor of existing school building viz. London School of Economic Society (LSES) at Balipatna, at Khordha (Odisha) set up by NHRDI.	Rural Development & Sustainable Development : Activity is covered under clause (x) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Balipatna, District Khordha (Odisha) -752102	35,50,000	8,87,500	0.00	8,87,500	Through implementing agency
13.	Kalyanam Karoti, Mathura Meeting one year school expenses of 40 Hearing Impaired students of Special School of Mentally Retarded, Deaf and Dumb children called "SAMBAL" at Mathura (U.P.), a unit of Kalyanam Karoti	Promote Development of Human Capital : Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Kalyan Dham, Masani-Delhi Road, Mathura-281003 (U.P.)	6,52,000	3,26,000	0.00	3,26,000	Through implementing agency
14.	Lotus Petal Charitable Foundation (LPCF), Gurgaon (Haryana) Support for sponsorship of Vidyananda Primary School at Gurgaon (Haryana) being run by LPCF.	Promote Development of Human Capital : Activity is covered under clause (ii) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area 2. Gali No 5, Plot No 3, South City-1 Market, Beside Unitech House, Gurgaon – 122002 (Haryana)	51,72,000	25,86,000	0	25,86,000	Through Implementing agency
15.	The Akshay Patra Foundation, Bengaluru Support for providing food & education to over 4300 under privileged children in Bengaluru, Jaipur and nearby locations for one year	Other Welfare elements: Activity is covered under clause (i) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area : 2. Bengaluru (Karnataka), Jaipur (Rajasthan) & nearby locations	32,25,000	32,25,000	0.00	32,25,000	Through implementing agency
16.	The Akshay Patra Foundation, Bengaluru Support for procurement of Vehicle for Distribution of Meal	Other Welfare elements: Activity is covered under clause (i) of Schedule VII and u/s 135 of Companies Act, 2013	1. Local Area : 2. State of Karnataka	15,80,000	3,99,500	0.00	3,99,500	Through implementing agency

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/ Programs 1. Local area/ others* 2. Specify the state and district where project/ program was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the project/ program Sub heads: 1. Direct expenditure on project or program 2. Overheads (₹)		Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct/ through implementing agency*
					Direct	Overheads		
17.	Institute of Leadership Development (ILD), Jaipur Support for upkeep & maintenance of Bamboo Farm at ILD, Jaipur	Rural Development & Sustainable Development Activity is covered under clause (iv) of Schedule VII and u/s 135 of Companies Act. 2013	1. Local Area : 2. Jaipur, State of Rajasthan	6,32,000	5,74,400	57,600	6,32,000	Through implementing agency
			TOTAL (B)	**3,92,22,000**	**2,26,36,900**	**5,55,600**	**2,31,92,500**	
			Total (A+B)	**8,61,11,600 (#)**	**4,15,60,630**	**5,55,600**	**4,21,16,230 (C)**	
			Capacity Building Expenses		**36,21,389**		**36,21,389 (D)**	
			Amount disbursed by IFCI to ISF towards undisbursed commitments of projects sanctioned by ISF		**3,64,42,145**		**3,64,42,145 (E)**	
			Grand Total @ (C) + (D) + (E)		**8,16,24,164**	**5,55,600**	**8,21,79,764**	

* States where IFCI has offices has been considered as Local Area, rest is others.

@ ₹ 4.21 crore, ₹ 0.36 crore and ₹ 3.64 crore as shown under "Cumulative Expenditure" column represent expense for CSR activity and capacity building and amount disbursed by IFCI to ISF towards undisbursed commitments of projects sanctioned by ISF respectively aggregating to ₹ 8.22 crore.

\# The amount includes the fresh sanctions made during the FY 2016-17 and the balance amount of the sanctions made during previous financial years which were undisbursed and pending expenditure.

N.B. In addition, an amount of ₹ 1.29 crore was disbursed by ISF during FY 2016-17 in respect of projects sanctioned by ISF during FY 2014-15 and funds were disbursed by IFCI to ISF during FY 2014-15 for disbursement as per progress of the project. The said disbursements have not been included in the disbursements (₹ 8.22 crore) mentioned above.

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

In accordance with the provisions of the Companies Act 2013, IFCI's required expenditure for undertaking CSR activities was ₹ 9.61 crore in FY 2016-17. Against this requirement, CSR activities for aggregate amount of ₹ 9.04 crore were sanctioned during the FY 2016-17 for an aggregate expenditure of ₹ 9.61 crore, including the capacity building expenses of ₹ 0.48 crore i.e., as permitted upto 5% of the total CSR expenditure. The sanction included certain multi-year projects. During the year 2016-17, IFCI had spent ₹ 8.22 crore which included ₹ 3.13 crore & ₹ 1.08 crore for projects sanctioned in the FY 2016-17 & FY 2015-16 respectively & ₹ 3.64 crore disbursed by IFCI to ISF for undisbursed commitments in respect of projects sanctioned by ISF. In addition ₹ 0.36 crore spent on capacity building. The balance amount will be spent on on-going projects, based on progress of projects and achievement of milestones set-out under the sanctioned projects.

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

The Company, during FY 2016-17, has taken due care to sanction the CSR projects and activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. IFCI's CSR Policy for FY 2016-17 was approved by the Board of Directors on the recommendation of the CSR Committee of Directors at its meeting held on September 06, 2016. It is hereby stated that the implementation and monitoring of the said policy, is in compliance with the CSR objectives and policy of the company.

Sanjeev Kaushik
Deputy Managing Director
DIN: 02842527
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Date: June 16, 2017

Arvind Sahay
Chairperson – Corporate Social Responsibility Committee
DIN: 03218334
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Date: June 28, 2017

ANNEXURE – V

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

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

The ratio of the remuneration of CEO & MD to the median remuneration of the employees of the company for the FY 2016-17 is 1.16

The ratio of the remuneration of DMD to the median remuneration of the employees of the company for the FY 2016-17 is 1.02

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

The percentage increase in the remuneration of the CEO & MD in the Financial Year is -24.09%

The percentage increase in the remuneration of the DMD is -26.08%

The percentage increase in the remuneration of the Chief Financial Officer and Company Secretary was -4.12% and 11.59% respectively.

(iii) The percentage increase in the median remuneration of employees in the financial year.

The percentage increase in the median remuneration of employees in the financial year is 13.69.

(iv) Number of permanent employees on the rolls of the Company as on March 31, 2017 (excluding contract employees).

The Number of permanent employees on the rolls of the Company as on March 31, 2017 (excluding contract employees) is 261.

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

The percentage increase in the remuneration of the managerial personnel is -10.29%. The percentage increase in the remuneration of the employees other than the managerial personnel is 13.69%.

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

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

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

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

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

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

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

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

Not Applicable.

ANNEXURE - VI

STATEMENT AS AT MARCH 31, 2017, DISCLOSURE IN THE DIRECTORS' REPORT OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND RULE 19 (2) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

The position of the existing schemes is summarized as under:

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under:

Sl. No.	Particulars	IFCI Limited
1.	Date of Shareholder's Approval	Authorised by Shareholders of the Company on September 13, 2011
2.	Total Number of Options approved under ESOPs	Upto 3% of the paid up Equity Share Capital
3.	Vesting requirement	Options granted would vest not less than one year and not more than four years from the date of grant of such options. Vesting of options would be subject to the condition of continued employment with the Company and thus the options would vest on passage of time.
4.	Exercise Price or Pricing Formula	Exercise Price is up to 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.
5.	Maximum term of Options granted	04 years
6.	Source of shares	Primary
7.	Variation in terms of ESOP	NIL
8.	Method used to account for ESOP	Intrinsic Value

B. Employee-wise details of options granted during the financial year 2016-17 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 2016-17 is NIL. 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 2016-17 would be ₹ (86,700). The effect of adopting the fair value method on the net income and earnings per share is presented below:

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

Pro Forma Adjusted Net Income and Earnings Per Share

Particulars	
Net Income as reported (In crore)	(458.49)
Add: Intrinsic Value Compensation Cost (₹ crores)	–
Less: Fair Value Compensation Cost (₹ crores)	(0.01)
Adjusted Pro Forma Net Income	**(458.48)**
Earning Per Share: Basic	
As Reported	(2.76)
Adjusted Pro Forma	(2.76)
Earning Per Share: Diluted	
As Reported	(2.76)
Adjusted Pro Forma	(2.76)

E.

Option Movement during the year 2016-17		**ESOP A**		**ESOP B**	
Sl. No.	**Particulars**	**Numbers**	**Wt. Avg Exercise price**	**Numbers**	**Wt. Avg Exercise price**
1.	Options outstanding at the beginning of the year	2,89,194	17.55	78,840	23.40
2.	Number of options granted during the year	–	–	–	–
3.	Options Forfeited / Surrendered during the year	–	–	7,664	23.40
4.	Options Vested during the year	–	–	–	–
5.	Options Exercised during the year	1,16,677	17.55	22,861	23.40
6.	Options Lapsed during the year	1,72,517	17.55	48,315	23.40
7.	Total number of shares arising as a result of exercise of options	1,16,677	17.55	22,861	23.40
8.	Money realised by exercise of options (₹)	20,47,681	–	5,34,947	–
9.	Options outstanding at the end of the year	–	–	–	–
10.	Options exercisable at the end of the year	–	–	–	–
Option Movement during the year 2015-16		**ESOP A**		**ESOP B**	
Sl. No.	**Particulars**	**Numbers**	**Wt. Avg Exercise price**	**Numbers**	**Wt. Avg Exercise price**
1.	Options outstanding at the beginning of the year	3,31,506	17.55	95,213	23.40
2.	Number of options granted during the year	–	–	–	–
3.	Options Forfeited / Surrendered during the year	–	–	–	–
4.	Options Vested during the year	–	–	–	–
5.	Options Exercised during the year	42,312	17.55	16,373	23.40
6.	Options Lapsed during the year	–	–	–	–
7.	Total number of shares arising as a result of exercise of options	42,312	17.55	16,373	23.40
8.	Money realised by exercise of options (₹)	7,42,576	–	3,83,128	–
9.	Options outstanding at the end of the year	2,89,194	17.55	78,840	23.40
10.	Options exercisable at the end of the year	2,89,194	17.55	78,840	23.40
The weighted average market price of options exercised during the year		ESOP A	24.37	ESOP B	23.46

F. Method and Assumptions used to estimate the fair value of options:

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

ANNEXURE VII

DETAILS OF PERFORMANCE AND FINANCIAL POSITION OF IFCI'S SUBSIDIARIES (IIDL, IFL, IVCF, IFIN, SHCIL AND MPCON), STEP-DOWN SUBSIDIARIES (IRPL, IFIN CREDIT, ICOM, ISFL, SPL AND SDMSL) AND ASSOCIATES (HIMCON, NITCON, TFCI AND KITCO) FOR FY 2016-17, ARE GIVEN BELOW IN TABLES 1, 2 AND 3, RESPECTIVELY.

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

Particulars	IIDL	IFL	IVCF	IFIN	SHCIL	MPCON	TOTAL
	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Total Income	79.20	83.11	94.30	18.29	354.63	43.79	673.32
Total Expenses	53.19	67.05	61.26	19.46	291.64	42.77	535.37
Profit Before Provisions	26.01	16.06	33.03	(1.17)	62.99	1.02	137.94
Provisions/ Write off	–	58.17	5.27	1.16	3.26	0.06	67.92
Exceptional Items/ Prior Period	–	–	–	–	98.31	–	98.31
Profit/ (Loss) Before Tax	26.01	(42.11)	27.76	(0.01)	158.04	0.96	170.65
Profit/ (Loss) After tax	25.32	(31.17)	19.51	(0.01)	129.96	0.64	144.25
Equity Capital	477.10	79.36	60.37	41.53	21.05	1.00	680.41
Reserves & Surplus	92.22	(90.98)	157.40	28.84	679.35	6.02	872.85
Networth	569.32	163.46	217.77	70.37	700.40	7.02	1,728.34

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

Particulars	IRPL	IFIN Credit	ICOM	ISFL	SSL	SDMSL	TOTAL
	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Total Income	3.06	0.13	1.51	7.16	43.43	82.92	138.21
Total Expenses	0.19	0.25	1.64	4.03	33.99	67.79	107.89
Profit Before Provisions	2.87	(0.12)	(0.13)	3.13	9.44	15.13	30.32
Provisions/ Write off	–	–	–	0.03	0.03	–	0.06
Exceptional Items/ Prior Period	–	–	–	0.12	–	–	0.12
Profit/ (Loss) Before Tax	2.87	(0.12)	(0.14)	3.22	9.41	15.13	30.37
Profit/(Loss) After tax	2.16	(0.12)	(0.08)	2.57	6.45	9.92	20.90
Equity Capital	0.08	2.50	5.00	30.01	6.09	37.00	80.68
Reserves & Surplus	20.44	(0.53)	0.31	3.46	46.67	22.90	93.25
Networth	20.52	1.97	5.31	33.47	52.76	59.90	173.93

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

Particulars	HIMCON	NITCON	TFCI	KITCO*	TOTAL
	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Total Income	6.12	7.74	208.54	50.35	272.75
Total Expenses	6.93	6.99	114.88	36.41	165.21
Profit Before Provisions	(0.81)	0.75	93.66	13.94	107.54
Provisions/ Write off	–	–	20.00	1.31	21.31
Exceptional Items/ Prior Period	–	–	23.36	–	23.36
Profit/ (Loss) Before Tax	(0.81)	0.75	97.02	12.62	109.58
Profit/(Loss) after tax	(0.81)	0.52	70.43	7.83	77.97
Equity Capital	0.15	0.20	80.72	9.84	90.91
Reserves & Surplus	2.37	3.69	473.53	44.17	523.76
Networth	2.52	3.89	554.25	54.01	614.67

* Management certified financials have been considered.

ANNEXURE – VIII

SECRETARIAL AUDIT REPORT

[For the Financial Year ended on 31st March 2017]

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

To,

The Members

IFCI LIMITED

Regd. Office: IFCI Tower

61, Nehru Place, New Delhi

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

Based on our verification of **IFCI LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance -Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - No Transaction was held during the financial year hence not applicable to the Company during the audit period;

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

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

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- The Company was not involved in the activities relating to Registrar to a issue and not acting as Share Transfer Agent hence not applicable to the Company during the audit period.

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - No Transaction was held during the financial year hence not applicable to the Company during the audit period; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - No Transaction was held during the financial year hence not applicable to the Company during the audit period;

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

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

  (b) The Payment of Gratuity Act 1972

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

  (d) The Minimum Wages Act, 1948

  (e) The Maternity Benefit Act 1961

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

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

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

  (i) Right to Information Act 2005.

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

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

(ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Shares of Company were also listed with Ahmedabad Stock Exchange Limited wherein the Company had applied for delisting of securities pursuant to resolution passed by the Shareholders at their Annual General Meeting held on 10th September 2001 and 12th September 2003 and the matter is still pending for delisting with the aforesaid Stock Exchange. Further during the year, SEBI vide order No WTM/SR/ SEBI/MRD-DSA-04/01/2017 dated 23rd January 2017 had allowed the Delhi Stock Exchange to exit as a Stock Exchange.

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

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

- *Delay in filing of e-returns in Form No(s). NBS-7 for the quarter ended 30th June 2016, 31st December 2016, with Reserve Bank of India.*

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings as per the statutory provisions, and agenda and detailed notes on agenda which were sent at shorter notice were taken up after obtaining the requisite permission of the Chairman and with the consent of the majority of the Directors / Committee Members present in the meeting respectively in compliance of clause 1.3.7 of the Secretarial Standard-1 of ICSI and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

(a) Public / Rights / Preferential Issue of Shares / Sweat Equity.

(b) Redemption / Buy-back of Securities.

(c) Merger / Amalgamation / Reconstruction etc. and

(d) Foreign Technical Collaborations.

For Navneet K Arora & Co LLP
Company Secretaries

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

Place: New Delhi
Date: 11th May 2017

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

Annexure –"A"

To,

The Members

IFCI LIMITED

Regd Office: IFCI Tower
61 Nehru Place, New Delhi

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

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

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

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

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

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

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

For Navneet K Arora & Co LLP
Company Secretaries

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

Place: New Delhi
Date: 11th May 2017

ADDENDUM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of financial statements of IFCI Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 May, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of IFCI Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

A.1 Assets

Long term Loans & Advances

Loans (Note No. 13) ₹ 18,149.81 crore

Allowance for bad and doubtful assets – ₹ 1,937.31 crore

Allowance for bad and doubtful assets is understated by ₹ 123.66 crore due to –

(i) Incorrect classification of subscription of ₹ 56.74 crore in Non-Convertible Debentures of VBC Industries Limited as standard asset instead of doubtful assets in terms of Para 13 (1) (ii) of RBI guidelines dated 1 September 2016 (in view of inadequate security and inability expressed by the borrower to pay its dues) led to short provision of ₹ 51.03 crore (₹ 56.74 crore less ₹ 5.71 crore being value of security available).

(ii) Inadequate provision being made towards loan of ₹ 50 crore given to Kohinoor Power Private Limited in November 2011 and restructured in December 2014 which should have been treated as sub-standard asset as per RBI Guidelines dated 9 March 2017. The loan should have been provided for at the rate of 10 percent as the actual reasons stated for delay in commissioning of project were within the control of the promoters and the benefit of treating the restructured loan as standard asset and provision at the rate of 5 percent were not available. This has resulted in short provision of ₹ 2.68 crore.

(iii) Non creation of provision of ₹ 69.95 crore as per RBI's S4A[1] scheme (which inter-alia stipulates creation by the lenders of upfront provisions of atleast 40 per cent of unsustainable debt or 20 per cent of the aggregate outstanding debt whichever is higher) in respect of term loans of ₹ 368.97 crore extended (July 2013 and July 2015) to Coastal Energen Privavte Limited. This resulted in non provision of ₹ 69.95 crore. Consequently, this has also resulted in overstatement of long terms loans and advances and understatement of loss by ₹ 123.66 crore.

2 Assets

Non-Current Investments (Note-11) Unquoted

Assistance under financing ₹ 1,896.90 crore

Provision for Diminution in value ₹ 903.63 crore

A reference is invited to C&AG's comment no. A.3(i) for the years 2014-15 and 2015-16 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per Accounting Standard 13–Accounting for Investments.

Despite violation of Accounting Standard 13–Accounting for Investments being pointed out, the Company has not made any provision/ made inadequate provision for diminution in value of long term investments of ₹ 155.46 crore in respect of three[2] companies despite erosion of net worth, continuous cash losses, negative earnings per share, accumulated losses and defaults in buy back commitments by investee companies.

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

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

Place: New Delhi
Date: 16.08.2017

1 Scheme for Sustainable Structuring of Stressed Assets

2 ABG Cement Limited (renamed as Vadraj Cement Limited), Gayatri Hi-Tech Hotels Limited and ABG Energy Gujarat Limited

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED 31 MARCH, 2017

The preparation of consolidated financial statements of IFCI Limited for the year ended 31 March, 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 May, 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of IFCI Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure-A, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-B for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Consolidated Profitability

A.1 Assets

Long term Loans & Advances

Loans -Non Current (Note No. 13) ₹ 18,581.13 crore

Allowance for bad and doubtful assets – ₹ 1,937.31 crore

Allowance for bad and doubtful assets is understated by ₹ 123.66 crore due to –

(i) Incorrect classification of subscription of ₹ 56.74 crore in Non-Convertible Debentures of VBC Industries Limited as standard asset instead of doubtful assets in terms of Para 13 (1) (ii) of RBI guidelines dated 1 September 2016 (in view of inadequate security and inability expressed by the borrower to pay its dues) led to short provision of ₹ 51.03 crore (₹ 56.74 crore less ₹ 5.71 crore being value of security available).

(ii) Inadequate provision being made towards loan of ₹ 50 crore given to Kohinoor Power Private Limited in November 2011 and restructured in December 2014 which should have been treated as sub-standard asset as per RBI Guidelines dated 9 March 2017. The loan should have been provided for at the rate of 10 percent as the actual reasons stated for delay in commissioning of project were within the control of the promoters and the benefit of treating the restructured loan as standard asset and provision at the rate of 5 percent were not available. This has resulted in short provision of ₹ 2.68 crore.

(iii) Non creation of provision of ₹ 69.95 crore as per RBI's S4A[1] scheme (which inter-alia stipulates creation by the lenders of upfront provisions of atleast 40 per cent of unsustainable debt or 20 per cent of the aggregate outstanding debt whichever is higher) in respect of term loans of ₹ 368.97 crore extended (July 2013 and July 2015) to Coastal Energen Pvt Ltd. This resulted in non provision of ₹ 69.95 crore.

Consequently, this has also resulted in overstatement of long terms loans and advances and understatement of loss by ₹ 123.66 crore.

A.2 Assets

Non-Current Investments (Note-11) Unquoted

Assistance under financing : ₹ 1,901.30 crore

Provision for Diminution in value ₹ 905.63 crore

A reference is invited to C&AG's comment no. A.3(i) for the years 2014-15 and 2015-16 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per Accounting Standard 13–Accounting for Investments.

Despite violation of Accounting Standard 13–Accounting for Investments being pointed out, the Company has not made any provision/ made inadequate provision for diminution in value of long term investments of ₹ 155.46 crore in respect of three[2] companies despite erosion of net worth, continuous cash losses, negative earnings per share, accumulated losses and defaults in buy back commitments by investee companies.

A.3 Balance Sheet

Current Liabilities

Other Current Liabilities (Note No. 8): ₹ 5,708.74 crore

Above does not include ₹ 1.20 crore being the liability for leave encashment on accumulated leave standing to the credit of employees of MPCON Limited as assessed by Life Insurance Corporation of India (LIC). The same is not in accordance with mandatory requirements of Accounting Standard-15 and has resulted in understatement of liability for leave encashment as well as loss by ₹ 1.20 crore.

A.4 Statement of Profit & Loss

Expenses - ₹ 3,030.72 crore

Other expenses (Note 23) - ₹ 300.01 crore

1. The above does not include ₹ 81.73 lakh being the amount refunded (₹ 40.90 lakh) and amount due to be paid (₹ 40.83 lakh) to an allottee of a flat in the project at Ramprastha, Ghaziabad on account of cancellation of the sale of said flat. The cancellation took place as IIDL could not get compounding of said flat making registry of the flat invalid.

   Instead of booking the amount refunded as expenditure, the company booked ₹ 40.90 lakh as other advances under other current assets. Further no provision has been created for the balance amount of ₹ 40.83 lakh payable to the allottee. This has resulted in understatement of expenses by ₹ 40.90 lakh, provisions by ₹ 40.83 lakh and overstatement of other current assets by ₹ 40.90 lakh. This has also resulted in understatement of loss by ₹ 81.73 lakh.

2. The above does not include ₹ 32.44 lakh being penalty payable for delay in delivering the possession of flats in 'Aerie' in Kochi as per the terms of agreement with allottees by IIDL. Non provision of liability has resulted in understatement of provisions for penalty and loss by ₹ 32.44 lakh.

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

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

Place: New Delhi
Date: 16.08.2017

ANNEXURE A:

Name of the Companies of which supplementary audit is conducted:

Sl. No.	Name of Companies	Relation
1	MPCON Limited	Subsidiary
2	IFCI Infrastructure Development Limited	Subsidiary
3	Stockholding Corporation of India Limited*	Subsidiary
4	IFCI Factors Limited	Subsidiary

*Audit in Progress

ANNEXURE B:

Name of the Subsidiaries/JVs/associate companies of which supplementary audit not conducted:

Sl.No.	Name of Companies	Relation
1.	IFCI Financial Services Limited	Subsidiary
2.	IFCI Venture Capital Funds Limited	Subsidiary
3.	Tourism Finance Corporation of India	Associate
4.	Himachal Consultancy Organization Limited	Associate
5.	North India Technical Consultancy Organization Limited	Associate
6.	KITCO Limited	Associate

1 Scheme for Sustainable Structuring of Stressed Assets.

2 ABG Cement Limited (renamed as Vadraj Cement Limited), Gayatri Hi-Tech Hotels Limited and ABG Energy Gujarat Limited

COMMENTS ON OBSERVATIONS OF C&AG FOR FINANCIAL YEAR 2016-17 - CONSOLIDATED

C&AG Observations	Management Comments
A.1 Assets **Long term Loans & Advances** **Loans -Non Current (Note No. 13) ₹ 18,581.13 crore** **Allowance for bad and doubtful assets- ₹ 1,937.31 crore** Allowance for bad and doubtful assets is understated by ₹ 123.66 crore due to –	
(i) Incorrect classification of subscription of ₹ 56.74 crore in Non-Convertible Debentures of VBC Industries Limited as standard asset instead of doubtful assets in terms of Para 13 (1) (ii) of RBI guidelines dated 1 September, 2016 (in view of inadequate security and inability expressed by the borrower to pay its dues) led to short provision of ₹ 51.03 crore (₹ 56.74 crore less ₹ 5.71 crore being value of security available).	(i) In terms of Para 13(1)(ii) of referred RBI guidelines dated 1st September, 2016, NBFCs are required to make 100% provision to the extent of unsecured portion and in addition, 20% / 30% / 50% provision against the secured portion of debt depending upon the period the asset has remained doubtful. The redemption schedule of NCDs of ₹ 56.74 crore was rescheduled in October, 2014 and in terms of extant RBI guidelines on Restructuring of Advances by NBFCs dated 23rd January, 2014, the asset remained standard and a provision of 5% was made. The first date of default, as per reschedulement, being 30th March, 2017, the account remained standard restructured as on 31st March, 2017.
(ii) Inadequate provision being made towards loan of ₹ 50.00 crore given to Kohinoor Power Private Limited in November 2011 and restructured in December 2014 which should have been treated as sub-standard asset as per RBI Guidelines dated 9 March 2017. The loan should have been provided for at the rate of 10 percent as the actual reasons stated for delay in commissioning of project were within the control of the promoters and the benefit of treating the restructured loan as standard asset and provision at the rate of 5 percent were not available. This has resulted in short provision of ₹ 2.68 crore.	(ii) The account was restructured in December 2014 and in terms of the then extant RBI guidelines on Restructuring of Advance by NBFCs dated 23rd January, 2014, it remained standard and the provision of 5% was made in compliance to RBI guidelines. The referred RBI guidelines is dated 1st September, 2016, updated upto 9th March, 2017. In terms of these guidelines, project loans shall be classified as NPA in case of non-achievement of COD within the stipulated period, even if there is no default. These norms do not apply to non-project loans where the classification is guided by number of days default. IFCI had invested in FCD of Kohinoor and not participated as project term lender. The project linked guidelines pertaining to COD not being applicable in this case, the account was not downgraded on account of non-achievement of COD.
(iii) Non creation of provision of ₹ 69.95 crore as per RBI's S4A scheme (which inter-alia stipulates creation by the lenders of upfront provisions of atleast 40 per cent of unsustainable debt or 20 per cent of the aggregate outstanding debt whichever is higher) in respect of term loans of ₹ 368.97 crore extended (July 2013 and July 2015) to Coastal Energen Private Limited. This resulted in non provision of ₹ 69.95 crore.	(iii) Though this account was taken up for implementation of S4A Scheme by lenders led by SBI, the 28th December 2016 being the reference date, the Scheme could not be finalised due to uncertainty over fulfilment of the conditions of the Scheme. As the S4A Scheme was not implemented, there was no requirement for provision as reported. In terms of record of default, the first date of default being 31st December, 2016, as on 31st March, 2017 i.e. less than 120 days, the account was standard as per the extant RBI guidelines.
Consequently, this has also resulted in overstatement of long terms loans and advances and understatement of loss by ₹ 123.66 crore.	
A.2 Assets **Non-Current Investments (Note-11)** **Unquoted Assistance under financing : ₹ 1,901.30 crore Provision for Diminution in value ₹ 905.63 crore**	
A reference is invited to C&AG's comment no. A.3(i) for the years 2014-15 and 2015-16 wherein it was pointed out that Company's policy for provision against diminution in value of equity shares is not as per Accounting Standard 13 –Accounting for Investments.	As per AS-13, in respect of long term investments, provisioning is required to be made for diminution in value of investment which is 'other than temporary'. However, the AS does not provide any objective guidance to the parameters of the diminution and quantification thereof to make provision. Therefore, an internal policy with objective criteria was formulated and approved by the Board of Directors of IFCI to assess the diminution, if any and to determine the requisite provision based on the book value of shares or valuation by external expert or availability of buy-back provision and other relevant information.
Despite violation of Accounting Standard 13 – Accounting for Investments being pointed out, the Company has not made any provision/ made inadequate provision for diminution in value of long term investments of ₹ 155.46 crore in respect of three companies despite erosion of net worth, continuous cash losses, negative earnings per share, accumulated losses and defaults in buy back commitments by investee companies.	The comments, specific to three reported investments are as under : - Against investment of ₹ 63.92 crore in Vadraj Cements Ltd., an external expert has valued the holding of 6,39,16,797 equity shares at ₹ 58.55 crore. But, considering the lower book value, provision of ₹ 30.88 crore was made in line with the Provision Policy of the company, based on the book value.

C&AG Observations	Management Comments
	- In case of ABG Energy Ltd., the diminution being ₹ 9.98 crore (28%) on investment of ₹ 35.44 crore, i.e. less than 50% decided as thresh-hold for making provisions as per the approved Provision Policy and considering the ongoing negotiation on an offer received for buying the entire holding of IFCI in Vadraj Cements as well as in ABG Energy, at price above the investment amount, no provision was deemed necessary to be made in this case. - The investment of ₹ 56.10 crore in Gayatri Hitech Hotels had a book value of ₹ 18.97 crore resulting in diminution of ₹ 37.13 crore. However, there is an agreement with the promoters for buying back the entire holding in tranches and for ensuring payment of interim returns regularly for which they had pledged listed shares of Gayatri Projects Ltd., a group company, having market value more than double the investment amount, liable for enforcement on default on contract. There was no default on March 31, 2017, in terms of the agreement and also considering the security and an offer by promoters to buy-back the entire holding in the current financial year at price above the investment amount, no provision was deemed necessary to be made in this case.
A.3 Balance Sheet **Current Liabilities** **Other Current Liabilities (Note No. 8): ₹ 5,708.74 crore** Above does not include ₹ 1.20 crore being the liability for leave encashment on accumulated leave standing to the credit of employees of MPCON Limited as assessed by Life Insurance Corporation of India (LIC). The same is not in accordance with mandatory requirements of Accounting Standard-15 and has resulted in understatement of liability for leave encashment as well as loss by ₹ 1.20 crore. **(Observations on Financial Statements of MPCON Ltd., a subsidiary of IFCI Limited).**	MPCON is following the practice of accounting the Leave Encashment on payment basis since inception. However, the Board, at its meeting held on 21st April 2017, decided to open a fund with LIC in the current financial year and hence, leave encashment liability shall be provided in accordance with AS-15 from the current financial year.
A.4 Statement of profit & Loss **Expenses- ₹ 3,030.72 crore** **Other expenses (Note 23) - ₹ 300.01 crore** 1. The above does not include ₹ 81.73 lakh being the amount refunded (₹ 40.90 lakh) and amount due to be paid (₹ 40.83 lakh) to an allottee of a flat in the project at Ramprastha, Ghaziabad on account of cancellation of the sale of said flat. The cancellation took place as IIDL could not get compounding of said flat making registry of the flat invalid. Instead of booking the amount refunded as expenditure, the company booked ₹ 40.90 lakh as other advances under other current assets. Further no provision has been created for the balance amount of ₹ 40.83 lakh payable to the allottee. This has resulted in understatement of expenses by ₹ 40.90 lakh, provisions by ₹ 40.83 lakh and overstatement of other current assets by ₹ 40.90 lakh. This has also resulted in understatement of loss by ₹ 81.73 lakh. **(Observations on Financial Statements of IFCI Infrastructure Development Limited (IIDL), a subsidiary of IFCI Limited).**	1. IIDL had reported profit after tax of ₹ 25.32 crore and ₹ 27.56 crore on standalone and consolidated basis, respectively, as per Indian GAAP. The observations on understatement of loss may be read as overstatement of profit. The amount was kept as advance as the transactions would require execution of conveyance deed for transfer of title of the property in favour of IIDL. On conclusion of transactions, necessary accounting shall be done in FY 2017-18.
2. The above does not include ₹ 32.44 lakh being penalty payable for delay in delivering the possession of flats in 'Aerie' in Kochi as per the terms of agreement with allottees by IIDL. Non provision of liability has resulted in understatement of provisions for penalty and loss by ₹ 32.44 lakh. **(Observations on Financial Statements of IFCI Infrastructure Development Ltd. (IIDL), a subsidiary of IFCI Ltd.).**	2. The payment of penalty shall arise only at the time of possession of flats, which is yet to take place. Necessary provisions shall be made in the books in FY 2017-18.

E S Rao
Managing Director and
Chief Executive Officer
DIN: 05184747

B N Nayak
Executive Director &
Chief Financial Officer

Rupa Sarkar
Company Secretary

Date: September 13, 2017

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, 2017, the Board of the Company consisted of 8 (Eight) Directors, out of whom 7 (Seven) Directors were Non-Executive Directors while 1 (one) was Deputy Managing Director.

The composition of the Board was in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 (DPE Guidelines), wherever applicable. The composition of the Board, Number of Board Meetings held, Attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committees across all Companies in which he/she was a Director as on March 31, 2017 is given here-in below:

Sl. No.	Name of Director	Category	Attendance Category			No. of Directorships/Committee Memberships/ Chairmanships across all Companies		
			No. of Board Meetings during the year 2016-17		At AGM held on September 28, 2016	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Shri S V Ranganath	Non-Executive Chairman of the Board - Independent Director	12	12	Yes	2	1	3
2.	Shri Sanjeev Kaushik (*)	Deputy Managing Director	3	3	NA	6	2	–
3.	Shri R N Dubey (**)	Nominee Director – Government of India	9	5	No	–	1	–
4.	Shri Anshuman Sharma (***)	Nominee Director – Government of India	10	8	No	–	1	–
5.	Smt Savita Mahajan	Independent Director	12	9	Yes	1	–	–
6.	Shri K S Sreenivasan	Independent Director	12	5	No	–	1	–
7.	Prof Arvind Sahay	Independent Director	12	10	No	1	–	1
8.	Ms Kiran Sahdev	Non-Executive Director	12	10	No	–	–	–
DIRECTOR RETIRED / RESIGNED DURING THE YEAR 2016-17								
1.	Shri Rajesh Aggarwal (#)	Nominee Director – Government of India	2	–	NA	1	2	–
2.	Shri Alok Tandon (&)	Nominee Director – Government of India	3	–	NA	3	1	1
3.	Prof N Balakrishnan (%)	Non-Executive Director	5	4	NA	–	–	–
4.	Shri Malay Mukherjee (@)	Chief Executive Officer & Managing Director	9	8	Yes	6	–	–
5.	Shri Achal Kumar Gupta (^)	Deputy Managing Director	9	9	Yes	8	3	–

(*) Shri Sanjeev Kaushik, appointed on Board w.e.f. 12.12.2016.
(**) Shri R N Dubey, appointed on Board w.e.f. 15.07.2016.
(***) Shri Anshuman Sharma, appointed on Board w.e.f. 01.07.2016.
(#) Shri Rajesh Aggarwal, ceased to be on Board from 07.06.2016.
(&) Shri Alok Tandon, ceased to be on Board from 06.07.2016.
(%) Prof N Balakrishnan, ceased to be on Board from 28.09.2016.
(@) Shri Malay Mukherjee, ceased to be on Board from 12.12.2016.
(^) Shri Achal Kumar Gupta, ceased to be on Board from 12.12.2016.

NOTES:

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

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

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

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

5. None of the Directors on the Board are Members of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2017 have been made by the Directors. Further, for the purpose of reckoning the limit for Committee(s) Chairmanship/Membership, only Audit Committee and Stakeholders' Relationship Committee have been considered.

6. The independence of a Director is determined by the criteria stipulated under the Listing Regulations.

(B) Number of Board Meetings held and dates:

During the financial year 2016-17, the Board of Directors met 12 (twelve) times. The dates of the Meetings held in 2016 were April 30, May 28, July 01, August 06, September 06, September 28, October 28, November 12, December 10 and January 13, February 11, March 21, in 2017.

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

(D) None of the Non-Executive Directors held shares of the Company as on March 31, 2017.

(E) Familiarization Programme for Independent Director

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

3. AUDIT COMMITTEE:

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

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

(B) Composition, Meetings and Attendance of the Committee: As on March 31, 2017, the Audit Committee of IFCI consisted of three Directors. The Chairman of the Committee was an Independent Director. The composition of the Audit Committee (as on March 31, 2017) and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof Arvind Sahay	Chairman	29.09.2014	7	7
2.	Shri R N Dubey	Member	15.07.2016	5	4
3.	Shri S V Ranganath	Member	05.10.2016	5	5
DIRECTORS WHO CEASED TO BE ON THE COMMITTEE DURING FY 2016-17					
4.	Shri K S Sreenivasan	Member	29.09.2016	3	2
5.	Shri Alok Tandon	Member	06.07.2016	2	–

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 2016-17, the Audit Committee of Directors of IFCI met 07 (Seven) times. In 2016, the Meetings were held on April 30, May 27, August 06, October 18 and November 12 and February 10-11 & March 21, in 2017.

4. NOMINATION AND REMUNERATION COMMITTEE:

(A) Terms of Reference: The Company had constituted a Nomination and Remuneration Committee of Directors. The powers, role and terms of reference of the Nomination and Remuneration Committee are as per the requirement of the Listing Regulations and the provisions of the Companies Act, 2013.

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

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

(C) Composition, Meetings and Attendance of the Committee: As on March 31, 2017, the Committee consisted of four Directors out of whom three Directors were Non-Executive Independent Directors. During the year, 5 (Five) Meetings of the Committee were held on May 27, July 01, August 06 and December 10 in 2016 and February 10, in 2017. The composition of the Committee (as on March 31, 2017) and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Shri K S Sreenivasan	Chairman	12.08.2014	5	2
2.	Shri S V Ranganath	Member	26.05.2014	5	5
3.	Prof Arvind Sahay	Member	29.09.2014	5	5
4.	Shri R N Dubey	Member	15.07.2016	3	2
DIRECTOR WHO CEASED TO BE MEMBER DURING FY 2016-17					
5.	Shri Alok Tandon	Member	06.07.2016	2	–

(D) The following are the details of the remuneration paid to the managerial personnel during the financial year 2016-17:

1. Shri Malay Mukherjee, Chief Executive Officer and Managing Director, from 01.04.2016 to 11.12.2016

Particulars	(₹ lakh)
Salary & Allowances (excluding Perquisites)	23.03
Perquisite Allowance + Tax borne by IFCI on perquisites	0.81
Contribution to PF & Other Funds	0.67
Perquisites as per IT Act Sec – 17(2)	1.17
Perquisites as per IT Act Sec – 17(3)	1.45
TOTAL	**27.13**

2. Shri Achal Kumar Gupta, Deputy Managing Director, from 01.04.2016 to 11.12.2016

Particulars	(₹ lakh)
Salary & Allowances (excluding Perquisites)	20.76
Perquisites Allowance + Tax borne by IFCI on perquisites	0.57
Contribution to PF & Other Funds	0.65
Perquisites as per IT Act Sec – 17(2)	0.39
Perquisites as per IT Act Sec – 17(3)	1.44
TOTAL	**23.81**

3. Shri Sanjeev Kaushik, Deputy Managing Director, from 12.12.2016 to 31.03.2017

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

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

(F) As per the disclosure made by the Directors of the Company, none of them hold any share or any other convertible instruments of IFCI Ltd as on March 31, 2017.

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(A) Stakeholders' Relationship Committee of Directors of IFCI consisted of four Directors as on March 31, 2017. During the financial year 2016-17, the Committee met two times on April 30, 2016 and October 28, 2016. The composition of the Committee (as on March 31, 2017) and attendance of Directors at the Meetings is shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Shri S V Ranganath	Chairman	29.04.2014	2	2
2.	Shri Sanjeev Kaushik	Member	15.12.2016	NA	NA
3.	Shri K S Sreenivasan	Member	29.04.2014	2	1
4.	Shri Anshuman Sharma	Member	01.07.2016	1	1
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17					
5.	Shri Rajesh Aggarwal	Member	07.06.2016	1	–
6.	Shri Achal Kumar Gupta	Member	12.12.2016	2	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, General Manager & Company Secretary

Email: - complianceofficer@ifciltd.com

(C) The number of complaints received from the shareholders and bondholders of the listed securities, during financial year 2016-17 and the number of pending complaints are shown below:

Equity Shares & Bonds	
No. of Complaints received during the financial year 2016-17	4,282*
Pending as on March 31, 2017	0

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

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

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

(E) In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which had become effective from May 15, 2015, the Board of Directors of the Company had adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, officers, employees and other connected persons from trading in the securities of IFCI at the time when there is unpublished price sensitive information. The Company had obtained the relevant disclosures as on March 31, 2017 under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(F) The Board of Directors had laid down a Code of Conduct for all Board Members and Employees of the Company, which has been posted on the website of the Company. The Code of conduct was amended by the Board at its Meeting held on December 10, 2016 and was extended to be applicable to all the employees.

6. DETAILS OF OTHER COMMITTEES:

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

(A) Corporate Social Responsibility Committee: The Meetings of the Corporate Social Responsibility Committee during the Financial Year were held on August 05 in 2016 and February 10 and March 20 in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Smt Savita Mahajan	Chairperson	3	3
2.	Shri Sanjeev Kaushik	Member	2	2
3.	Shri Anshuman Sharma	Member	3	1
4.	Shri K S Sreenivasan	Member	3	–
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
5.	Prof N Balakrishnan	Member	1	1
6.	Shri Malay Mukherjee	Member	1	1
7.	Shri Achal Kumar Gupta	Member	1	1

(B) Executive Committee: The Meetings of the Executive Committee during the Financial Year 2016-17 were held on April 15, April 30, May 16, May 27, June 22, July 11, August 05, September 05, September 27, October 14, October 27, November 11, November 28 and December 28 in 2016, and January 13, February 10, March 06 and March 20, in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri Sanjeev Kaushik	Chairman	5	5
2.	Smt Savita Mahajan	Member	18	15
3.	Ms Kiran Sahdev	Member	18	12
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
4.	Prof N Balakrishnan	Member	9	8
5.	Shri Malay Mukherjee	Chairman	13	12
6.	Shri Achal Kumar Gupta	Member	13	13

(C) Risk Management Committee: The Meetings of the Risk Management Committee during the Financial Year 2016-17 were held on April 15 and November 11, in 2016 and February 11 and March 21 in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri Sanjeev Kaushik	Chairman	2	2
2.	Shri R N Dubey	Member	3	–
3.	Ms Kiran Sahdev	Member	4	3
4.	Prof Arvind Sahay	Member	4	4
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
5.	Shri Alok Tandon	Member	1	–
6.	Shri Malay Mukherjee	Chairman	2	2
7.	Shri Achal Kumar Gupta	Member	2	2

(D) Recovery & NPA Management Committee: The Meetings of the Recovery & NPA Management Committee during the Financial Year 2016-17 were held on May 27, September 06 and October 28, in 2016 and January 13 and February 28, in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri S V Ranganath	Chairman	5	5
2.	Shri Sanjeev Kaushik	Member	2	2
3.	Shri R N Dubey	Member	4	1
4.	Shri Anshuman Sharma	Member	4	3
5.	Shri K S Sreenivasan	Member	5	3
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
6.	Shri Rajesh Aggarwal	Member	1	–
7.	Shri Alok Tandon	Member	1	–
8.	Shri Malay Mukherjee	Member	3	3
9.	Shri Achal Kumar Gupta	Member	3	3

(E) E-Governance Committee: The Meetings of the E-Governance Committee during the Financial Year 2016-17 were held on April 30, May 27 and August 05, in 2016. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri Sanjeev Kaushik	Member	NA	NA
2.	Smt Savita Mahajan	Member	NA	NA
3.	Shri Anshuman Sharma	Member	1	1
4.	Shri K S Sreenivasan	Member	3	2
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
5.	Shri Rajesh Aggarwal	Member	2	–
6.	Prof N Balakrishnan	Chairman	3	3
7.	Shri Achal Kumar Gupta	Member	3	3

(F) HR Committee: The Meetings of the HR Committee of Directors during the Financial Year 2016-17 were held on April 30, July 01, August 06 and October 28, in 2016 and February 10 and March 21, in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri S V Ranganath	Chairman	6	6
2.	Shri Sanjeev Kaushik	Member	2	1
3.	Shri R N Dubey	Member	4	2
4.	Ms Kiran Sahdev	Member	6	6
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
5.	Shri Malay Mukherjee	Member	4	3
6.	Shri Achal Kumar Gupta	Member	4	4
7.	Shri Alok Tandon	Member	2	–

(G) Review Committee on Wilful Defaulters: The Meetings of Review Committee on Wilful Defaulters during the Financial Year 2016-17 were held on April 15 and August 05, in 2016. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri Sanjeev Kaushik	Member	NA	NA
2.	Shri K S Sreenivasan	Member	2	–
3.	Smt Savita Mahajan	Member	2	2
DIRECTORS WHO CEASED TO BE MEMBER DURING FY 2016-17				
4.	Shri Malay Mukherjee	Chairman	2	2
5.	Shri Achal Kumar Gupta	Member	2	2

(H) Review Committee on Non-Cooperative Borrowers: The Meeting of Review Committee of Non-Cooperative Borrowers during the Financial Year 2016-17 was held on February 11 in 2017. The composition of the Committee (as on March 31, 2017) and attendance of the Directors at said Meeting is as under:

Sl. No.	Name of Director	Category	No. of Meetings during the FY 2016-17	
MEMBERS OF THE COMMITTEE			**Held**	**Attended**
1.	Shri Sanjeev Kaushik	Chairman	1	1
2.	Shri K S Sreenivasan	Member	1	–
3.	Smt Savita Mahajan	Member	1	1

7. GENERAL BODY MEETING:

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

Sl. No.	AGM Date	Location	Time
1.	28.09.2016	Mavlankar Auditorium, Constitution Club of India, Rafi Marg, Delhi – 110 001	10:30 A.M.
2.	21.09.2015	Air Force Auditorium, Subroto Park, New Delhi - 110 010	10:30 A.M.
3.	27.08.2014	FICCI Auditorium, 1Tansen Marg, New Delhi - 110 001	10:30 A.M.

No special resolution for the equity shareholders was put through Postal Ballot in the last year, as there were no such items, which required passing through Postal Ballot. However, Special Resolution for alteration of Memorandum of Association and Articles of Association, through Postal Ballot may be undertaken this year in view of change in status of the Company to Government Company. The procedure for Postal Ballot shall be followed as applicable to the Company.

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

AGM Date	As per Companies Act	Particulars of special resolutions
28.09.2016	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Bonds/ Debentures/Commercial Paper
21.09.2015	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Bonds/ Debentures/Commercial Paper
27.08.2014	u/s 180(1)(c) of Companies Act, 2013	Approve borrowing limits for the Company
	u/s 180(1)(a) of Companies Act, 2013	Approve creation of security against borrowings of the Company
	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Bonds/ Debentures/Commercial Paper

8. DISCLOSURES:

(A) Related party transactions

Related party transactions during the year have been disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. The related party transactions were in the normal course of business and done at arm's length. There were no materially significant related party transactions during the FY 2016-17. The Company also has in place a Policy on Materiality of Related Party Transactions (RPTs) and Dealing with RPTs and the same is placed on the website of the Company at www.ifciltd.com. The relevant disclosures as required under the provisions of the Companies Act, 2013 have also been disclosed as annexure to the Board's Report.

(B) Disclosure of Accounting Treatment

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

(C) Risk Management

Business Risk Evaluation and Management is an ongoing process within the Company and there is a Risk Management Committee of Directors, and a Risk Management Committee of Executives, for overseeing the process. The Company has laid down Policies on Operational, Market and Credit risks for assessment and minimization of risks associated with the Company.

(D) Management Discussion and Analysis Report

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

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

There were no penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(F) Details of Compliance with requirements

1. The Company has duly complied with all the mandatory requirements of Corporate Governance stipulated in Listing Regulations.
2. The Company has duly complied with the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, though the name of IFCI is still not reflecting in the latest list of CPSEs available at www.dipam.gov.in.
3. Shri Sameer Kishore Bhatnagar, Practicing Company Secretary has certified the Corporate Governance Report for the Financial Year 2016-17 as stipulated in Part C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and the Guidelines on Corporate Governance for CPSE. The said certificate is appended to this report.

(G) Subsidiary Companies

The Company as on March 31, 2017 had 6 (six) subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd, MPCON Ltd and Stock Holding Corporation of India Ltd. The Company also had 6 (six) step down subsidiaries viz. IFIN Commodities Ltd, IFIN Credit Ltd, IFIN Securities Finance Ltd, IIDL Realtors Pvt. Ltd, SHCIL Services Ltd and Stockholding Document Management Services Ltd. The requirements under the Listing Regulations, as applicable, in respect of the above Companies, as and when required, have been duly complied with. The Company has also formulated a Policy for determining "material" subsidiary and the same has been placed on the website of the Company at www.ifciltd.com.

(H) CEO/CFO Certificate

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

(I) Whistle Blower Policy

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

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

(J) Training of Board Members

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

(K) Details of Adoption of Discretionary Requirements

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

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

(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 to the Stock Exchanges where shares of the Company are listed.

(iii) Separation of Chairperson and Chief Executive Officer & Managing Director: The Company has separate posts of Non-Executive Chairman and Chief Executive Officer & Managing Director (CEO & MD).

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

(M) No item of expenditure has been debited in books of accounts, which are not for the purposes of the business, except expenses on CSR activity to the amount of ₹ 8.22 crore incurred pursuant to Section 135 of the Companies Act, 2013, and no expenses, which are personal in nature, have been incurred for the Board of Directors and top management. Further, the administrative & office expenses and financial expenses constitutes 7.00% and 93.00% respectively for the financial year 2016-17 of total expenses as against 5.69% and 94.31% in 2015-16. The increase in the administrative and office expenses is due to the below mentioned change in accounting policy during FY 2016-17:-

(i) The expenditure towards CSR activities as an appropriation of profits has been revised to recognition as an expenditure to profit and loss a/c in accordance with the guidance note issued by Institute of Chartered Accountants of India (ICAI). The profit has been reduced by ₹ 8.22 crore because of this change in policy.

(ii) The accounting policy of withdrawing an amount equivalent to the depreciation on revalued amount provided during the period from the revaluation reserve account and adjusting the same against the depreciation cost in the profit and loss account, has been revised to be credited to the General Reserve, in accordance with the provisions of Schedule-II of Companies Act 2013 and the guidance note of ICAI. The profit has been reduced by ₹ 19.72 crore because of this change in policy.

9. MEANS OF COMMUNICATION:

IFCI's quarterly / half-yearly / yearly financial results are published in the leading Hindi and English papers. The Financial Results for FY 2016-17 were published in Economic Times (English in all editions), Nav Bharat Times (Hindi in Delhi NCR), Hindustan Times (English in all editions), Mint (English in all editions), Financial Express and Jansatta (All editions), Business Standard (English in all editions), Business Standard (Hindi in Delhi NCR), Hindustan (Hindi in Delhi NCR). Official press releases are also displayed on Company's website (www.ifciltd.com). All price sensitive information is made public at the earliest through intimation to stock exchanges. During the year, no presentation was made to institutional investors or to the analysts.

10. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting: **Day** : Monday
Date : October 30, 2017
Time : 10:30 A.M.
Venue : Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019

(ii) Financial Calendar (Tentative):

Results for quarter ending June 30, 2017	: Second Week of August, 2017
Results for quarter ending September 30, 2017	: First week of November, 2017
Results for quarter ending December 31, 2017	: First week of February, 2018
Results for quarter ending March 31, 2018	: Third week of May 2018

(iii) Dates of Book Closure : Tuesday, October 24, 2017 to Monday, October 30, 2017 (both days inclusive)

(iv) Dividend Payment Date : No dividend had been declared on the Equity Shares of the Company for the FY 2016-17.

(v) Listing on Stock Exchange:
– Equity Shares

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

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

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

Note: (i) During the Financial year 2003-04, IFCI had redeemed all the Family Bonds and advised the Stock Exchanges to discontinue the listing of the bonds. Bonds issued under Private Placement Basis under Series 47 to Series 60, Infrastructure Bonds (5 Series), Subordinated Bonds (5 Series), Tax Free Bonds and erstwhile SLR Bonds, are listed on BSE Ltd Secured NCDs issued through public issue are listed both on BSE and NSE.

(ii) The Company had made an application to Stock Exchange at Ahmedabad, for de-listing of securities, approval from the said Stock Exchange is awaited. The Annual Listing Fee for the FY 2017-18 had been paid to the BSE and NSE.

(iii) During the year, the Securities and Exchange Board of India had issued exit order against Delhi Stock Exchange, thus IFCI ceases to be listed on the Delhi Stock Exchange.

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

ISIN number
– Equity Shares : INE039A01010

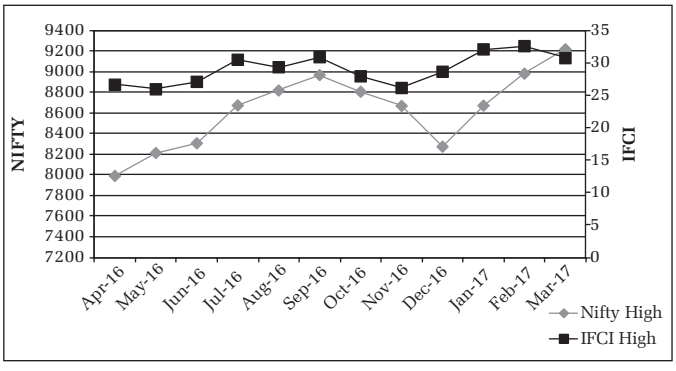
(vii) Market Price data: **(Price in ₹)**

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2016	26.65	23.50	26.60	22.55
May, 2016	25.95	22.70	25.90	22.70
June, 2016	27.10	23.50	27.05	23.55
July, 2016	30.50	26.65	30.45	26.65
August, 2016	29.35	25.95	29.35	25.95
September, 2016	30.90	25.30	30.85	25.30
October, 2016	27.95	25.75	27.90	25.75
November, 2016	26.15	21.25	26.15	21.30
December, 2016	28.65	22.60	28.45	22.40
January, 2017	32.10	26.90	32.10	26.80
February, 2017	32.60	27.75	32.60	27.80
March, 2017	30.75	27.60	30.75	27.65

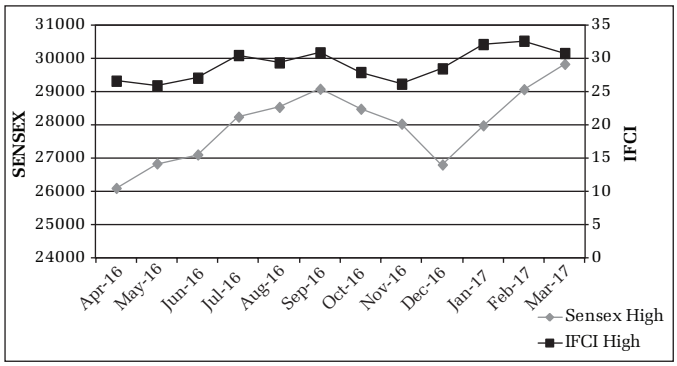
Source: NSE / BSE

(viii) Performance in comparison to broad based indices:

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



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



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

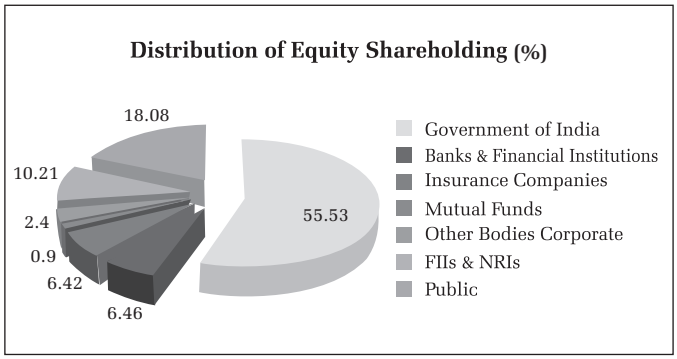
Both for Equity Shares and Family bonds	MCS Share Transfer Agent Limited Ist Floor, F-65, Okhla Industrial Area, Phase -I New Delhi-110020 Website: www.mcsregistrars.com Email: helpdeskdelhi@mcsregistrars.com Contact Number: 011-41406149/51/52
For Infrastructure Bonds (series I & II)	Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99 Madangir Behind LSC, Near Dada Harsukhdas Mandir, New Delhi-110062 Website: www.beetalfinancial.com Email: ifcibonds@gmail.com Contact Number: 011-29961281-83
For Infrastructure Bonds (series III, IV & V) and Secured Non-Convertible Debentures Tranche I & II	Karvy Computershare Private Ltd Karvy Selenium, Tower B, Plot Number 31 & 32, Financial District, Gachibowli, Hyderabad - 500032 Website: www.karvycomputershare.com Email: einward.ris@karvy.com Contact Number: 040-67162222/1589
For Subordinate Bonds (series I & III)	Link Intime India Pvt. Ltd C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083 Website: www.linkintime.co.in Email: bonds.helpdesk@linkintime.co.in Contact Number: 022-49186000/270
For Tax Free Bonds and any other query	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi – 110 019 CIN: L74899DL1993GOI053677 Website: www.ifciltd.com Email: ppbonds@ifciltd.com Contact: 011 - 41732000

(x) Share Transfer System:

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

(xi) Distribution of Shareholding (as on March 31, 2017):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2017 is as under:



(A) Shareholding Pattern:

Shareholding Pattern of Equity Shares of IFCI as on March 31, 2017 and March 31, 2016 is given as under:

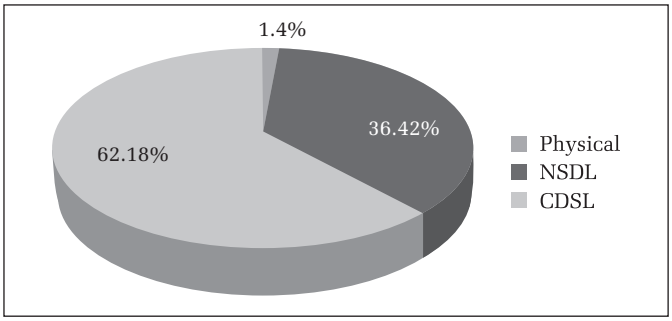
Category	As on 31.03.2017		As on 31.03.2016	
	No. of Equity Shares	**%**	No. of Equity Shares	%
Government of India	**92,30,00,000**	**55.53**	92,30,00,000	55.53
Banks & Financial Institutions	**10,74,61,388**	**6.46**	9,95,99,476	5.99
Insurance Companies	**10,66,98,758**	**6.42**	10,66,98,758	6.42
Mutual Funds	**1,49,29,074**	**0.90**	2,09,31,651	1.26
Other Bodies Corporate	**3,98,63,753**	**2.40**	5,40,09,534	3.25
FIIs & NRIs	**16,96,20,320**	**10.21**	15,18,52,622	9.14
Public	**30,04,63,942**	**18.08**	30,59,45,194	18.14
Total	**1,66,20,37,235**	**100.00**	**1,66,20,37,235**	**100.00**

(B) Distribution Schedule Range Analysis as on March 31, 2017:

Sl. No.	Category From	To	No. of Share holders	% of total Share holders	No. of Equity Shares	% Shares
1	1	500	5,35,654	85.89	8,00,31,381	4.82
2	501	1000	45,068	7.23	3,72,30,252	2.24
3	1001	2000	22,027	3.53	3,40,14,820	2.05
4	2001	3000	7,265	1.17	1,88,14,903	1.13
5	3001	4000	3,328	0.53	1,21,00,722	0.73
6	4001	5000	2,999	0.48	1,43,10,498	0.86
7	5001	10000	4,134	0.66	3,08,83,430	1.86
8	10001	50000	2,644	0.42	5,42,74,563	3.26
9	50001	100000	255	0.04	1,84,28,919	1.11
10	100001 and above		307	0.05	1,36,19,47,747	81.94
Total			**6,23,681**	**100.00**	**1,66,20,37,235**	**100.00**

(xii) Dematerialization of Shares and liquidity:

About 98.6% of the Equity Shares of the Company have already been dematerialized up to March 31, 2017. IFCI's Shares are listed at major Stock Exchanges of the Country and being traded actively.



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

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

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

Regional Offices as on March 31, 2017 were at: Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Delhi, Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Patna, Pune, Raipur and Vijayawada.

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

This is to confirm that the Company has adopted a Code of Conduct for Board Members and its employees. The Code of Conduct as adopted is available on the Company's website. It is further confirmed that the Company has in respect of the Financial Year ended March 31, 2017, received from all the employees of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Sanjeev Kaushik
Deputy Managing Director
DIN : 02842527

IFCI LIMITED
आई एफ सी आई लिमिटेड

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

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

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

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

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

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

B N Nayak
Executive Director & Chief Financial Officer

Sanjeev Kaushik
Deputy Managing Director
DIN: 02842527

Place : New Delhi
Date : May 19, 2017

CERTIFICATION ON CORPORATE GOVERNANCE

TO THE MEMBERS OF IFCI LTD

We have examined the compliance of conditions of Corporate Governance by IFCI Limited ("Company"), for the year ended on March 31, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises, wherever applicable.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises, wherever applicable.

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

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

Place : Delhi
Date : June 01, 2017

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1993GOI053677
Name of the Company	IFCI Limited (IFCI)
Registered address	IFCI Tower, 61 Nehru Place, New Delhi-110019
Website	www.ifciltd.com
E-mail id	complianceofficer@ifciltd.com
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other credit granting services-NIC Code of the product/services).
List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Financial Products (ii) Investment products (iii) Advisory services
Total number of locations where business activity is undertaken by the Company: **(i) Number of International Locations** **(ii) Number of National Locations**	 None 17 (As on March 31, 2017)
Markets served by the Company - Local/State/National/International	National

Section B: Financial Details of the Company (as on March 31, 2017)

Paid up Capital (INR)	₹ 1,925.88 crore (Equity and Preference)
Total Turnover (INR) (Revenue from Operations)	₹ 2,739.73 crore
Total profit after taxes (INR)	₹ (458.49) crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 2016-17, an amount of ₹ 8.22 crore i.e. 2.44% of Profit After Tax was spent on CSR. The details of which have been provided in the Annual Report on CSR activities forming part of Board's Report.
List of CSR activities in which expenditure has been incurred:-	The details have been provided in the Annual Report on CSR activities forming part of Board's Report. However, some major activities include: contribution to Expression Children Homes Organization for acquisition of mobile classroom van; contribution to Institute of Leadership Development for conducting employment oriented skill training programme for 400 unemployed youth of Rajasthan; contribution to Arogya Sandhan Charitable Trust for construction of residential home for mentally challenged persons etc.

Section C: Other Details

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

Section D: BR Information

1. Details of Director responsible for BR

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

A Sub-Committee of Directors had been formed in this regard. The Committees comprises of two Directors viz., Prof. Arvind Sahay and Shri Sanjeev Kaushik and one Secretary to the Committee Shri Biswajit Banerjee, CGM.

(b) Details of the BR head

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

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

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

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

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

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

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

P5 - Businesses should respect and promote human rights.

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

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

P8 - Businesses should support inclusive growth and equitable development.

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

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

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

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

The links to the relevant policies are mentioned in the Annexure-1 to this Report.

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

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

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

3. Governance related to BR

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

  This being the first year of implementation of Business Responsibility Report in the specified format, the frequency of assessing the business responsibility performance of the company is yet to be finalized. The Committee of the Board might meet between 3-6 months and the Board shall evaluate on an annual basis at a minimum.

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

  This is the first time IFCI will publish Business Responsibility Report and the same shall form part of Annual Report for FY 2016-17 and shall be available on company's website: www.ifciltd.com.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, it extends to the Company only. The Company has in place a Code of Business Conduct and Ethics for IFCI's Board of Directors and Employees. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board and the Employees by the Shareholders of the Company. The Board and Employees are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

IFCI also has in place a vigilance manual for internal circulation and a Vigil Mechanism. The Vigil Mechanism aims to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption or wilful misuse of power or wilful misuse of discretion by virtue of which demonstrable loss is caused to IFCI or demonstrable wrongful gain accrues to the public servant or to any third party, against any employee/ public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguard against victimization of the person making such complaint subject to the disclosure or complaint being made in good faith and in reasonable time.

IFCI has developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its business transactions.

Though the Policy relating to ethics, bribery and corruption do not specifically extend to Group/Joint Venture/Suppliers/ Contractors/NGOs/Others, however an undertaking is obtained from successful bidders before awarding of contract that they have not indulged in any corruption. Hence applicability of this Principle may be taken as extended to this limit.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The company had received a total of 5,087 complaints from the stakeholders of the Company during the FY 2016-17. Out of which 5,079 complaints (99.84%) were resolved by March 31, 2017.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

IFCI has financial products like Term Loan, Corporate Loan, Short Term Loan etc. for financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, IFCI stipulates conditions including environmental clearances viz., restricting Borrower producing or consuming ozone depleting substances.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Considering the nature of business of the Company and the products/initiatives referred to above, the questions below are:

(i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not Applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable to the Company's main product. However, for ancillary business or day to day smooth running of business we source from local and small vendors.

MSMEs are extended the benefits as stipulated by GoI in the form of nil earnest deposit and others, while seeking bids for procurement of goods/services. IFCI has also recommended names for "Independent External Monitors" to office of CVC.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

No.

Principle 3

1. Please indicate the total number of employees.

As on March 31, 2017 there were 262 employees in the Company.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

No temporary/ contractual/ casual employees were hired during the year, however, there were 3 employees on contract as on March 31, 2017.

3. Please indicate the number of permanent women employees.

As on March 31, 2017, there were 80 permanent women employees.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2017, there were 2 differently abled employees.

5. Do you have an employee association that is recognized by management?

Yes.

6. What percentage of your permanent employees are members of this recognized employee association?

79% of the permanent employees are members of the recognized employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year 2016-17	No. of complaints pending as on March 31, 2017
1	Child labour/forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees 53.64%
- Permanent Women Employees 40.74%
- Casual/Temporary/Contractual Employees 55.56%
- Employees with Disabilities NIL

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   All SC/ST/OBC/PWD employees are identified as disadvantaged, vulnerable & marginalised stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

   All Government of India directives are followed for engagement at various levels of career progression for all such employees. Further, IFCI has also been conducting special training programmes for such candidates at the time of direct recruitment and promotions. Besides, special care is being taken to ensure due representation of such employees while deciding upon nominations for various training programmes. The interest of reserved category employees are also given due care and in this respect IFCI management has been engaging with SC/ST employees association on continuous basis, through quarterly structured meetings.

   Under Corporate Social Responsibility (CSR) initiatives, the Company laid emphasis on providing job-oriented skill development training to youth and livelihood enhancement projects, women empowerment, setting up old age homes and hostels for women, health care, sanitation and providing safe drinking water, rural development projects etc.

   Further, IFCI is also the nodal agency for Credit Enhancement Guarantee Scheme for SCs and has been entrusted with the responsibility of implementation of the scheme, aimed at promoting entrepreneurship among Scheduled Caste beneficiaries.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   IFCI does not have any specific policy on human rights. However, IFCI being a Government Company, it has the responsibility to follow all the directions/ guidelines provided by Government of India in this regard.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company had received a total of 5,087 complaints from the stakeholders of the Company during the FY 2016-17. Out of which 5,079 complaints (99.84%) were resolved by March 31, 2017.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?**

   Yes, the policy is embedded in Company's various policies and practices under CSR and covers the Company as a whole.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   IFCI has promoted Renewable Energy by way of financing such projects across the Country with a view to address global environmental issues such as climate change, global warming etc. The Company extends financial assistance to Renewable projects including Solar, Wind, Hydro etc.

3. **Does the company identify and assess potential environmental risks?**

   The above question is not applicable to the Company as it is not a manufacturing company. However, IFCI makes an effort to identify and assess potential environmental and social risks in the infrastructure projects which are financed by IFCI.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof?**

   No.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.**

   IFCI has recently conducted Energy Audit. The Report on the same is awaited. IFCI has also made Appointment of Consultant for adoption of solar mode of energy. Further, some energy saving efforts in the form of CFL lights etc., have been made.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The above question has limited relevance to the Company as it is not a manufacturing Company. However, the Company complies with applicable environmental regulations in respect of its premises and operations.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2017.**

   NIL.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   At present, IFCI is having membership of the following Business Chambers / Trade Association:

   1. Federation of Indian Chambers of Commerce and Industry (FICCI)
   2. Confederation of Indian Industry (CII) Northern Region, Western and Southern Region
   3. Associated Chambers of Commerce & Industry (ASSOCHAM)
   4. PHD Chambers of Commerce & Industry.
   5. Indian Banking Association (IBA)
   6. Foreign Exchange Dealers' Association of India (FEDAI)
   7. Fixed Income Money Market & Derivatives Association of India (FIMMDA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   IFCI supports the initiatives taken by above Associations in their endeavor for the advancement or improvement of public good.

Principle 8

1. **Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its CSR Policy. Detailed information about the specified programme and initiatives undertaken during the financial year 2016-17 in pursuit of the Policy, has been given in 'Report on Corporate Social Responsibility Activities', which forms part of this Annual Report.

   Further, IFCI is also the nodal agency for Credit Enhancement Guarantee Scheme for SCs and has been entrusted with the responsibility of implementation of the scheme.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The company undertakes its CSR activities in-house and also through its own foundation through a Trust by the name of "IFCI Social Foundation". The investment in CSR activities are project based and for every project, time frame and periodic milestone are set at the outset.

Further ILD, a society established by IFCI is also engaged in imparting skill development programme for the unemployed youth of the state of Rajasthan and giving them job placement with the CSR fund support from different organizations.

3. Have you done any impact assessment of your initiative?

The Project under CSR are duly considered and monitored by CSR Committee of Directors and is also reported to the Board of Directors. The immediate impact of the CSR projects undertaken by IFCI / IFCI Social Foundation is generally being done on completion of the project considering the milestones achieved as per the sanctioned terms. The indicative milestones for various projects are enumerated below :

(a) Number of unemployed youths trained through skill development training programmes and their employment after completion of such programmes.

(b) Number of unemployed youths created as entrepreneurs through entrepreneurship development programmes and upon completion of such programme they have set up their own business and being running successfully.

(c) Number of differently abled children for whom CSR support has been provided for various activities viz. Education, sports, construction of residential homes etc.

(d) Number of sanitary toilets constructed, solar lights installed and drinking water made available to the communities including other welfare activities.

(e) Number of school children to whom mid-day meal have been provided.

(f) Number of children for whom support for school education, food, uniform etc. have been sponsored.

(g) Number of orphan children supported.

(h) Number of patients benefitted by way of support for construction of hospital / providing medical equipments etc.

(i) The benefits achieved by the number of candidates belonging to economical weaker sections of the society viz. SC / ST / OBC / PH / Women etc.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

During the year 2016-17, IFCI had incurred ₹ 8.22 crore on CSR activity. Out of the total CSR expenditure, the direct contribution to community development amounted to ₹ 4.21 crore. Detailed information about the specified programme and initiatives undertaken during the financial year 2016-17 in pursuit of the Policy, has been given in 'Report on Corporate Social Responsibility Activities', which forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Implementation of the CSR projects is ensured through site visits, obtaining periodic progress reports, regular interaction with concerned officials of implementation agencies etc. and obtaining the Auditor's certificate for utilization of funds etc.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

A total of 23 cases were pending both at the start and at the end of the year. However, judgement is awaited to be received in 2 cases. Hence, at the end of the year, 100% of the customer complaints/consumer cases are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2017.

Not Applicable.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

In IFCI, customer meet are held for betterment of the products, feedback and improving delivering mechanism.

Annexure -1 to Business Responsibility Report

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web-link
Fair Practice Code	https://www.ifciltd.com/?q=content/fair-practices-code
Code of Conduct	https://www.ifciltd.com/?q=content/code-conduct
Vigil Mechanism	https://www.ifciltd.com/?q=content/whistle-blower-policy
CSR Policy	https://www.ifciltd.com/?q=content/our-csr-policy

The other policies are internal documents and accessible only to employees of the organization.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" : SUBSIDIARIES

As at March 31, 2017 **(₹ crores)**

		Direct Subsidiaries						Step-down Subsidiaries					
Sl. No.	**Name of the Subsidiary**	**IFCI Venture Capital Funds Ltd**	**IFCI Infrastructure Development Ltd**	**IFCI Factors Ltd**	**IFCI Financial Services Ltd**	**Stock Holding Corporation of India Ltd**	**MPCON Ltd**	**IIDL Realtors Pvt Ltd**	**IFIN Commodities Ltd**	**IFIN Credit Ltd**	**IFIN Securities Finance Ltd**	**Stockholding Document Management Services Ltd**	**SHCIL Services Ltd**
1	Share capital	60.37	477.10	254.44	41.53	21.05	1.00	0.08	5.00	2.50	30.01	37.00	6.09
2	Reserves & surplus	157.40	92.22	-90.98	28.84	679.35	6.02	20.44	0.31	-0.53	3.46	22.90	46.67
3	Total assets	747.35	721.31	701.94	96.95	1,542.61	17.59	23.40	11.26	2.08	41.97	125.00	145.62
4	Total liabilities	529.58	151.99	538.47	26.58	842.21	10.57	2.88	5.94	0.11	8.50	65.10	92.86
5	Investments	82.29	136.84	9.91	40.11	317.29	–	–	–	–	0.02	–	18.20
6	Turnover	94.30	79.20	83.11	18.30	354.63	43.79	3.06	1.51	0.13	7.16	82.93	43.43
7	Profit before taxation	27.76	26.01	-42.11	–	158.04	0.96	2.87	-0.14	-0.12	3.22	15.13	9.41
8	Provision for taxation	8.25	0.69	-10.95	–	28.08	0.32	0.71	-0.06	–	0.65	5.22	2.96
9	Profit after taxation	19.51	25.32	-31.17	–	129.96	0.64	2.16	-0.08	-0.12	2.57	9.92	6.45
10	Proposed dividend	–	–	–	–	–	0.10	–	–	–	–	–	–
11	% of shareholding *	98.59%	100%	99.74%	94.78%	52.86%	79.72%	100%	100%	100%	100%	100%	100%

* % of shareholding indicated for step-down subsidiaries represents the shareholding of their respective immediate holding company

Note: All subsidiary companies have been incorporated in India and are following the same reporting period as of Holding co. i.e. 12 months ending on 31st March each year.

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ crores)

S. No.	**Name of Associates/Joint Ventures**	**Tourism Finance Corporation Of India Ltd. (TFCI)#**	**HIMCON Ltd**	**KITCO Ltd.#**	**NITCON Ltd**
1	Latest audited Balance Sheet Date	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17
2	Shares of Associate/Joint Ventures held by the company on the year end				
	No. of Equity Shares	23,432,875	735	19,950	9,750
	Amount of Investment in Associates/Joint Venture - Equity Shares	58.89	0.07	0.04	0.13
	Extend of Holding (%)	29.03%	49.00%	20.26%	48.75%
3	Description of how there is significant influence	IFCI Ltd. holds more than 20% shares capital in these investee companies and is able to exercise significant influence by virtue of its shareholding and representation on the Board of Directors.			
4	Networth of the Company *	556.08	2.52	54.02	3.89
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	161.43	1.23	10.94	1.89
6	Profit / Loss for the year	70.32	-0.81	7.84	0.52
	i. Considered in Consolidation	20.42	-0.40	1.59	0.25
	ii. Not Considered in Consolidation	49.90	-0.40	6.25	0.27

* Net Worth has been considered as Equity + Reserves & Surplus - Revaluation Reserve.

Consolidation of TFCI & KITCO has been made on the basis of management certified Financials for the year ended March 31, 2017.

The shareholding in one of the associate as on March 31, 2016 namely HARDICON LTD. has been sold, in entirety during the Financial Year 2016-17, thus not consolidated for the year ended March 31, 2017.

The Company has 50% interest in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd. in IFCI Sycamore Capital Advisors (P) Limited as on March 31, 2017 was at ₹ 0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquation of the Company. The Fully Convertible Debentures of ₹ 2.64 crore has been redeemed during the year. In view of this, the joint venture has not been considered for consolidation.

PART "B" : ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ crore)

Sl. No.	Name of Associates/Joint Ventures	ABG Energy (Gujarat) Ltd.	Gati Infrastructure Bhasmey Power Pvt. Ltd. [$]	Gayatri Hi-Tech Hotels Ltd.	Nagai Power Private Limited [$]	Raichur Power Corporation Ltd. [$]	Shiga Energy Private Limited [$]	Sravanthi Energy Private Limited [$]
1	Latest audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Shares of Associate/Joint Ventures held by the company on the year end							
	No. of Equity Shares	3,60,00,000	4,50,20,000	5,61,00,000	56,40,000	43,27,20,000	5,10,00,000	9,44,60,000
	Amount of Investment in Associates/ Joint Venture - Equity Shares	35.44	45.02	56.10	5.17	432.72	50.44	93.33
	Extent of Holding	24.00%	38.73%	23.87%	26.46%	20.08%	28.42%	26.00%
3	Reason why the associate / joint venture is not consolidated	IFCI Ltd. has acquired shares in these companies as a part of regular business activity of financing through equity participation with firm buy-back commitment for such shares with the promoters/ group companies of the investee companies at pre-determined rate of return after a pre-determined period. Since, the shares have been acquired with the intention to dispose-off at a pre-determined rate of return, share in net-worth of the investee company following 'equity method' is not appropriate indicator of the real economic interest of IFCI Ltd. In certain Companies, buy-back is due within 12 months reducing the shareholding of IFCI Ltd. below 20%. Therefore, the investment in these companies has been considered in 'Consolidated Financial Statements' following AS -13.						
4	Networth of the Company *	106.07	116.46	80.72	21.31	2,155.34	180.92	306.25
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	25.46	45.11	19.27	5.64	432.72	51.42	79.63
6	Profit / Loss for the year	-20.14	0.03	-121.11	–	–	0.65	-2.98
	i. Considered in Consolidation	–	–	–	–	–	–	–
	ii. Not Considered in Consolidation	-20.14	0.03	-121.11	–	–	0.65	-2.98

[$] the projects are under construction and the company is yet to commence the operations.

* Net Worth has been considered as Equity + Reserves & Surplus - Revaluation Reserve.

Sanjeev Kaushik
Deputy Managing Director
DIN 02842527

Prof. Arvind Sahay
Director
DIN 03218334

Place: New Delhi
Date: May 19, 2017

B N Nayak
Executive Director & Chief Financial Officer

Rupa Sarkar
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IFCI LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IFCI Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss and its cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to note no 27 of the standalone financial statements related to litigation with the borrower. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub–section (11) of Section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under Section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure II, our report for the Company on the directions and sub–directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure III; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements–Refer Note No. 25.1 to the financial statements;
      (ii) The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long–term contracts including derivative contracts–Refer Note No. 26 to the financial statements;
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016–Refer Note No. 31 to the financial statements. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

Parveen Kumar
Partner
Membership No. 088810

Place: New Delhi
Date : May 19, 2017

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Registration No: 02504N

S. M. Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date : May 19, 2017

Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except for leased plant and machinery having gross block of ₹ 70.92 crores which have been fully depreciated in the earlier years.

(b) The fixed assets are being physically verified by the management at all its office in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. However, the policy with regard to the verification of physical assets and the periodicity thereof needs to be reviewed and approved by the Board.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a Non–Banking Financial Company, accordingly it does not hold any inventory. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information provided and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register mentioned under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security covered under Section 185 of the Companies Act, 2013. The provisions of Section 186 of the Companies Act, 2013 is not applicable on the Company. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information provided and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 of the Companies Act, 2013.

(vi) According to the information provided and explanation given to us, maintenance of cost records by the Company has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. Thus, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information provided and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. There are no outstanding statutory dues existing as at the last day of the financial year for a period of more than six months from the day they became payable.

(b) According to the information and explanations given to us, there were no amounts due as on March 31, 2017 in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute other than those indicated below:

Name of the Statute	Nature of disputed dues	Amount (₹ crore)*	Year to which demand relates	Forum, where dispute is pending
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	6.98	FY 2004–05 to FY 2007–08	CESTAT, New Delhi
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	0.30	FY 2008–09 to FY 2010–11	CESTAT, New Delhi
Finance Act, 1994 (Service Tax) #	Service Tax and Penalty demanded	0.45	FY 2005–06 to FY 2007–08	CESTAT, Bangalore
Finance Act, 1994 (Service Tax)	Service Tax and Penalty demanded	0.56	FY 2006–07 to FY 2010–11	CESTAT, New Delhi
Finance Act, 1994 (Service Tax)	Service Tax and Penalty demanded	1.73	FY 2008–09 to FY 2010–11	Commissioner of Service Tax (Appeals), New Delhi $
MP Commercial Tax Act, 1994	Sales Tax on Lease Transactions	0.01		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

$ Appeal filed on April 7, 2017

(viii) According to the information provided and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or Government or dues to debenture holders.

(ix) According to the information provided and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) and the term loans raised from different banks during the year were applied for the purposes for which those are raised.

(x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and in terms of GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 197 pertaining to managerial remuneration do not apply to a government company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non–cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information provided and explanations given to us, the Company is registered under Section 45–IA of the Reserve Bank of India Act, 1934. The Company has been granted certificate of registration to commence/carry on the business of non–banking financial institution without accepting pubic deposits on August 18, 2009 vide Registration No. B–14.00009.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN: 009571N/N500006

Parveen Kumar
Partner
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
FRN: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date : May 19, 2017

Annexure II referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements

Part A–Directions

Sl. No.	Directions	Reply
1.	Whether the Company has clear title/lease deed for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available?	According to the information and explanations provided to us by the Company, the Company has clear title/lease deeds for freehold and leasehold land, respectively.
2.	Whether there are any cases of waiver/write off of debtors/ loans/ interest etc., If yes, the reason there for and amount involved.	According to the information and explanations provided to us by the Company, case(s) of waiver/ write–off of debts/ loan/ interest etc., are as under: Sl. No. | Nature of Dues | No. of Cases | Amount (in crore) A. | Write–off/ Technical write–off of loans | 59 | 394.79 B. | Investments write–offs | 6 | 28.36 C. | Debtors write–offs | 1 | 0.41 It was informed that the waiver/ write–off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write–offs/waiver cases was fully provided for in the books of accounts to the extent of the amount of write–off/waiver. In investment write–offs, the amount outstanding is generally fully provided for.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from the Govt. or other authorities.	According to the information and explanations provided to us by the Company: (a) Being a Non–Banking Financial Institution, there is no involvement of any inventories; (b) The Company has not received any gift/ grants(s) from government or any other authorities during the year. Therefore, no records are required to be maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.

Part B–Sub–Directions

Sl. No.	Sub–Directions	Reply
1	**Investments** Whether the titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. are available in physical/ de–mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	According to the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/SGS/Bonds/ Debentures, etc. are available in physical/de–mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, ***except*** for the cases mentioned below where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

S. No.	Company Name	Mode	No of shares
1	ACC Ltd.	Demat	160
2	Aditya Birla Nuvo Ltd	Demat	93
3	Aditya Birla Fashion And Retail Ltd.	Demat	483
4	Asian Hotels Ltd.	Demat	265
5	Asian Hotels Ltd.	Demat	265
6	Asian Hotels Ltd.	Demat	265
7	Banswara Syntex Ltd	Demat	100
8	Bengal & Assam Company Ltd	Demat	23
9	Bhilwara Technical Textiles Ltd	Demat	958
10	Birla Precision Technology Ltd	Demat	13
11	Cimmco Ltd	Demat	24,550
12	Coromandel International Ltd	Demat	69,220
13	E I D Parry (India) Ltd.	Demat	430
14	Eveready Industries India Ltd.	Demat	200
15	Excel Glasses Ltd	Demat	50
16	Gabriel India Ltd., Parwanoo	Demat	3,500
17	Gkw Ltd	Demat	110
18	Graphite India Ltd	Demat	366
19	Gujarat Sidhee Cement Ltd	Demat	275
20	Heg Ltd	Demat	1,785
21	Hi–Tech Gears Ltd	Demat	2,700
22	Indian Metals & Ferro–Alloys Ltd.	Demat	89
23	ITC Ltd	Demat	67
24	J.K. Cement Ltd	Demat	20
25	Jaykay Enterprises Ltd.	Demat	100
26	Larsen & Toubro Ltd	Demat	750
27	National Organic Ch. Industries Ltd	Demat	130
28	Ponni Sugars & Chemicals Ltd	Demat	64,800
29	Rainbow Denim Ltd	Demat	40
30	Rajasthan Spg & Wvg Mills Ltd	Demat	383
31	Reliance Capital Ltd	Demat	6
32	Reliance Capital Ltd	Demat	217
33	Reliance Communications Ltd	Demat	4,482
34	Reliance Industries Ltd	Demat	2,332

<table>
<tr><th>Sl. No.</th><th>Sub–Directions</th><th>Reply</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>S. No.</th><th>Company Name</th><th>Mode</th><th>No of shares</th></tr>
<tr><td>35</td><td>Reliance Infrastructure Ltd</td><td>Demat</td><td>10</td></tr>
<tr><td>36</td><td>Reliance Infrastructure Ltd</td><td>Demat</td><td>325</td></tr>
<tr><td>37</td><td>Reliance Power Ltd</td><td>Demat</td><td>34</td></tr>
<tr><td>38</td><td>Reliance Power Ltd</td><td>Demat</td><td>1,086</td></tr>
<tr><td>39</td><td>SRF Polymers Ltd</td><td>Demat</td><td>150</td></tr>
<tr><td>40</td><td>Tata Motors Ltd.</td><td>Demat</td><td>420</td></tr>
<tr><td>41</td><td>Tata Motors Ltd.</td><td>Demat</td><td>180</td></tr>
<tr><td>42</td><td>Tata Power Company Ltd</td><td>Demat</td><td>900</td></tr>
<tr><td>43</td><td>Tata Steel Ltd</td><td>Demat</td><td>300</td></tr>
<tr><td>44</td><td>Titagarh Wagons Ltd.</td><td>Demat</td><td>25</td></tr>
<tr><td>45</td><td>Ultra Tech Chem Company Ltd</td><td>Demat</td><td>100</td></tr>
<tr><td>46</td><td>Winsome Textile Industries Ltd</td><td>Demat</td><td>200</td></tr>
<tr><td>47</td><td>Zenith Ltd</td><td>Demat</td><td>38</td></tr>
<tr><td>48</td><td>Kajaria Ceramics Ltd</td><td>Physical</td><td>4,000</td></tr>
<tr><td>49</td><td>Kama Holdings Ltd</td><td>Demat</td><td>150</td></tr>
<tr><td>50</td><td>The Hi–Tech Gears Ltd</td><td>Demat</td><td>2,700</td></tr>
<tr><td>51</td><td>Era Infra Engineering Ltd</td><td>Demat</td><td>27</td></tr>
<tr><td>52</td><td>Western India Shipyard Ltd</td><td>Demat</td><td>30</td></tr>
<tr><td>53</td><td>Indian Seamless Enterprises Ltd</td><td>Demat</td><td>1,028</td></tr>
</table>
As per management, above shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.
</td></tr>
</table>

For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN: 009571N/N500006

Parveen Kumar
Partner
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
FRN: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Place: New Delhi
Date : May 19, 2017

Annexure III referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub–section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IFCI Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN: 009571N/N500006

Parveen Kumar
Partner
M. No. 088810

Place: New Delhi
Date : May 19, 2017

For **KPMR & ASSOCIATES**
Chartered Accountants
FRN: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

BALANCE SHEET AS AT MARCH 31, 2017

(₹ crore)

	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	**1,925.88**	1,925.43
(b) Reserves and Surplus	2	**4,804.44**	5,276.90
(2) Non–current Liabilities			
(a) Long–term Borrowings	3	**19,170.10**	21,757.87
(b) Long–term Liabilities	4	**761.45**	655.08
(c) Long–term Provisions	5	**238.49**	328.05
(3) Current Liabilities			
(a) Short–term Borrowings	6	**–**	1,069.99
(b) Trade Payables	7	**48.56**	83.61
(c) Other Current Liabilities	8	**4,703.68**	5,770.14
(d) Short–term Provisions	5	**21.84**	32.75
TOTAL		**31,674.44**	36,899.82
II. ASSETS			
(1) Non–current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	**992.38**	1,034.72
(ii) Intangible Assets	10	**2.46**	2.49
(iii) Capital work–in–progress		**0.64**	–
(b) Non–current Investments	11	**5,557.40**	6,643.31
(c) Deferred Tax Assets (Net)	12	**985.96**	678.70
(d) Long–term Loans & Advances			
(i) Loans	13	**18,149.81**	21,957.51
(ii) Others	14	**91.64**	99.71
(e) Other non–current assets	15	**5.14**	5.28
(2) Current Assets			
(a) Current Investments	16	**836.14**	1,544.85
(b) Trade Receivables	17	**30.28**	47.13
(c) Cash and Bank Balances	18	**1,181.95**	603.26
(d) Short–term Loans and Advances			
(i) Loans (Current Maturity of Long–term Loans)	13	**3,615.18**	3,885.56
(ii) Others	14	**76.89**	118.02
(e) Other Current Assets	15	**148.57**	279.28
TOTAL		**31,674.44**	36,899.82

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

For and on behalf of Board

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ crore)

		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I.	**Revenue**			
	Revenue from Operations	19	**2,739.73**	3,818.59
	Other Income	20	**134.51**	188.05
	Total Revenue		**2,874.24**	4,006.64
II.	**Expenses**			
	Finance Cost	21	**2,289.32**	2,516.72
	Employee Benefits Expenses	22	**95.02**	100.14
	Depreciation and Amortization *		**34.19**	14.48
	Other Expenses	23	**43.12**	37.29
	Total Expenses		**2,461.65**	2,668.63
III.	**Profit before NPA Recovery, Provisions/ Write–off (I - II)**		**412.59**	1,338.01
IV.	Provision for Bad & Doubtful Assets and others (Net of Write–off)	24	**1,191.61**	894.53
V.	**Profit/(Loss) before Tax (III - IV)**		**(779.02)**	443.48
VI.	**Tax Expense**			
	– Current Tax		**–**	216.83
	– Taxation for earlier years		**(13.27)**	–
	– Deferred Tax (Net)		**(307.26)**	(110.80)
VII.	**Profit/(Loss) for the period (V - VI)**		**(458.49)**	337.45
VIII.	Basic Earnings per share of ₹ 10.00 each (₹)		**(2.76)**	2.03
	Diluted Earnings per share of ₹ 10.00 each (₹)		**(2.76)**	2.03
	* Net of transfer from Revaluation Reserve		**–**	21.22

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

For and on behalf of Board

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Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
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Executive Director & Chief Financial Officer

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ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

IFCI LIMITED
आई एफ सी आई लिमिटेड

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ crore)

		For the year ended March 31, 2017		For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before Tax		**(779.02)**		443.48
Adjustments for:				
Depreciation	**34.19**		14.48	
Provision/ write offs	**1,191.61**		894.53	
Bond Issue Expenses charged to Share Premium Account	**(6.43)**		–	
(Profit)/ Loss on Sale of Assets	**(19.98)**	**1,199.39**	(100.93)	808.08
Operating Profit before Working Capital Changes & Operating Activities		**420.37**		1,251.56
Adjustments for Operating Activities:				
(Increase)/ decrease in Investments *(incl. Current Investments)*		**1,525.28**		(624.23)
(Increase)/ decrease in Loans & Advances *(incl. current maturities of long–term loans & advances)*		**3,155.81**		(2,219.45)
Increase/ (decrease) in Borrowings *(incl. current maturities of long–term liabilities)*		**(4,477.85)**		2,012.17
Operating Profit before Working Capital Changes		**623.61**		420.05
Adjustments for:				
(Increase)/ decrease in Current Assets		**190.35**		(150.38)
Increase/ (decrease) in Current Liabilities		**(275.52)**		(37.23)
Increase/ (decrease) in other bank balances		**(173.60)**		(184.81)
Cash Flow before taxation		**364.84**		47.63
Income Tax (paid)/ refund–Net		**19.83**		(112.10)
Net cash flow from Operating Activities		**384.67**		(64.47)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of/ Advance for Fixed Assets (including Leased Assets)		**(1.70)**		(10.16)
Sale proceed of Fixed Assets		**21.53**		105.06
Net cash flow from Investing Activities		**19.83**		94.90
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Equity Shares on exercise of employee stock options		**0.45**		0.06
Share Premium (net of expenses)		**0.40**		0.06
CSR Expenses		–		(7.10)
Dividend paid		**(0.26)**		(297.70)
Net cash flow from Financing Activities		**0.59**		(304.68)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT FLOW (A+B+C)		**405.09**		(274.25)
Opening Cash and Cash Equivalent		**136.54**		410.79
Closing Cash and Cash Equivalent		**541.63**		136.54
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT		**405.09**		(274.25)

Note: 1. Figures for previous year have been regrouped/ re–classified, wherever considered necessary.

2. For composition of cash & cash equivalents please refer Note No. 18 of the balance sheet.

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

For and on behalf of Board

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

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PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

A. SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared as per formats prescribed under Schedule–III of the Companies Act, 2013,on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI) for Non–Banking Financial Companies, other statutory provisions and regulatory framework.

2 Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3 Revenue Recognition

(a) Interest and other dues are recognized on accrual basis except in the case of income on Non–Performing Assets (NPA) which is recognized, as and when received, as per the prudential norms prescribed by the RBI for Non–Banking Financial Companies.

(b) Amount received against loans and advances to borrowers are appropriated towards other debits, interest overdue across the due dates and principal overdue across the due dates in that order.

(c) Front–end fees, Premium on pre–payment of loans/ reduction in interest rates and LC Commission are accounted for on cash basis.

(d) Dividends declared by the respective Companies till the close of the accounting period are accounted for as income.

(e) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(f) The front–end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(g) 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) The dividend unclaimed on account of shares sold and outstanding in the books are recognized as income after the end of three years.i.e. the limitation period.

4 Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non–Banking Financial Companies (NBFCs).

(i) 'Long term Investments' are carried at acquisition cost. 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.

(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitization Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value (NAV is considered net of management fee & other expenses) obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(c) Bonds in the nature of current investment are valued in accordance with the calculators provided on the FIMMDA platform for the purpose.

5 Derivatives

(a) Equity Index/Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/ Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/ Stock Options are recognized in the books to the extent of premium paid.

(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:

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, the profit or loss is calculated as difference between settlement/ squaring–up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared–up contract is recognized as profit or loss upon expiry/squaring–up of the contracts. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures contract to which the squared–up contract pertains is outstanding at the time of the squaring–up of the contract, the contract price of the contract so squared–up is determined using weighted average method for calculating profit/ loss on squaring up.

(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/ Stock Futures, which are released on final settlement/ squaring–up of underlying contracts, are disclosed under Current Assets.

6 Foreign Exchange Transactions

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

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

7 Tangible Fixed Assets and Depreciation

(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹ 'Nil'.

(b) Depreciation is provided on the Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

(c) Depreciation on revalued amount of Leasehold Land & Buildings is provided on SLM basis over the remaining useful life of asset. An amount equivalent to the 'depreciation on revalued amount' provided during the period is withdrawn from the revaluation reserve and credited to the General reserve.

(d) Leasehold land is amortized over the lease period on SLM basis.

(e) Depreciation is calculated on pro–rata basis, including the month of addition and excluding the month of sale/disposal.

(f) Assets having individual value of less than ₹ 5,000/– are charged to statement of Profit and Loss in the year of purchase.

8 Intangible assets and amortization

(a) Intangible assets are recognized at cost of acquisition. Cost of acquisition includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

(b) Intangible assets include computer software having perpetual license and are amortized on Straight Line Method over the period of six years from the date of capitalization.

9 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the P&L statement in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been a change in the estimates of recoverable amount.

10 Provisions/ Write off against Loans and Other Credit Facilities

(a) All credit exposures are classified into performing and non–performing assets (NPAs) as per the RBI Guidelines as applicable to Non–Banking Financial Companies. Further, NPAs are classified into sub–standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub–standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are fully provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non–performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances there–against or are considered recoverable in terms of RBI Guidelines.

(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

11 Borrowing Cost

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

12 Leases

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

13 Miscellaneous Expenditure

Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 52 of Companies Act, 2013.

14 Employee Benefits

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

(b) Prior to 01/04/2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme for employees existing on 01/04/2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

(c) The Company has a defined benefit employee scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year–end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

(d) Provision for leave encashment and Leave Fare Concession is being made on actuarial valuation basis.

(e) The Company has a post–retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. There is change in accounting policy during the financial year 2016–17 and accordingly provision is being made on actuarial valuation in line with Accounting Standard 15.

15 Employee Stock Option Plan

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

16 Income Taxation

Tax Expense comprises of current & deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. 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.

18 Cash and Cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralised lending & borrowing obligations transactions.

B. NOTES ON ACCOUNTS

1. SHARE CAPITAL

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

Particulars	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)	As at March 31, 2016 Number of Shares	As at March 31, 2016 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 from ESOP Trust recoverable	**–**	**–**	(4,55,691)	(0.45)
TOTAL EQUITY	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59
(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		**1,925.88**		1,925.43

1.2 Reconciliation of the number of equity shares and share capital:

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

Particulars	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)	As at March 31, 2016 Number of Shares	As at March 31, 2016 Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**1,66,15,81,544**	**1,661.59**	1,66,15,22,859	1,661.53
Add: Shares issued to employees on exercise of employee stock options	**1,39,538**	**0.14**	58,685	0.06
Add: Sold in the open market pursuant to automatic cancelation of the unexercised options *(foot–note 1)*	**3,16,153**	**0.31**	–	–
Outstanding at the end of the period	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59

1.3 Terms/ rights attached to equity shares:

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

1.4 Shareholders holding more than 5% of equity shares:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Share–holding %**	Number of Shares	Share–holding %
President of India	**92,30,00,000**	**55.53**	92,30,00,000	55.53

1.5 Reconciliation of the number of Preference shares and share capital:

There has been no change in the Authorised, Issued and Subscribed Share Capital during the period.

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Amount (₹ crore)**	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**26,38,43,100**	**263.84**	26,38,43,100	263.84
Outstanding at the end of the period	**26,38,43,100**	**263.84**	26,38,43,100	263.84

1.6 Terms/ rights attached to Preference Shares:

The Preference Shares are cumulative redeemable at par on the dates as mentioned in Note 1.1 above.

1.7 Shareholders holding more than 5% of Preference shares as at the end of the period:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Share–holding %**	Number of Shares	Share–holding %
State Bank of India	**7,00,00,000**	**26.53**	7,00,00,000	26.53
President of India	**6,00,00,000**	**22.74**	6,00,00,000	22.74
Punjab National Bank	**5,20,00,000**	**19.71**	5,20,00,000	19.71
Oriental Bank of Commerce	**3,06,61,200**	**11.62**	3,06,61,200	11.62
Canara Bank	**2,82,64,600**	**10.71**	2,82,64,600	10.71

1.8 Employee Stock Option Scheme:

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

ESOP A	As at March 31, 2017		As at March 31, 2016	
	Number of Options	**Weighted Average Exercise Price (₹)**	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	**2,89,194**	**17.55**	3,31,506	17.55
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**1,16,677**	**17.55**	42,312	17.55
Less: Expired during the period	**1,72,517**	**17.55**	–	–
Outstanding at the end of the period *	**–**	**–**	2,89,194	17.55
** shares allotted to Employee Stock Option Trust (foot–note 1)*	**–**	**–**	*3,51,540*	*17.55*
ESOP B				
Outstanding at the beginning of the period	**78,840**	**23.40**	95,213	23.40
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**22,861**	**23.40**	16,373	23.40
Less: Expired during the period	**55,979**	**23.40**	–	–
Outstanding at the end of the period *	**–**	**–**	78,840	23.40
** shares allotted to Employee Stock Option Trust (foot–note 1)*	**–**	**–**	*1,04,151*	*23.40*

Foot–notes to Note No. 1

1 The remaining shares corresponding to expired options have been sold in the open market and the remaining monies in IFCI Employee Stock Options trust shall be transferred to Employee Welfare Trust/scheme of the Company as per SEBI share based employee benefits regulations.

(₹ crore)

2.	RESERVES AND SURPLUS		As at March 31, 2017		As at March 31, 2016
(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	**908.07**		908.07	
	Additions	**–**		–	
	Deductions/ Transfers	**(6.43)**		–	
	Closing Balance	**901.64**		908.07	
	Less: Loan from ESOP Trust recoverable	**–**		(0.40)	
			901.64		907.67
(D)	**Debenture Redemption Reserve** *(refer foot–notes of note 3)*				
	Opening Balance	**94.92**		18.84	
	Additions	**76.08**		76.08	
	Deductions/ Transfers	**–**		–	
	Closing Balance		**171.00**		94.92
(E)	**Revaluation Reserve**				
	Opening Balance	**810.60**		886.44	
	Additions on account of reversal of sale transaction	**0.26**		–	
	Transfer to General Reserve	**(19.72)**		–	
	Deduction on account of Depreciation on assets	**–**		(21.22)	
	Deduction on account of sale/ disposal of assets	**(7.94)**		(54.62)	
	Closing Balance		**783.20**		810.60
(F)	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961** *(foot–note 4)*				
	Opening Balance	**136.69**		81.69	
	Additions:	**–**		55.00	
	Closing Balance		**136.69**		136.69
(G)	**Reserve u/s 45IC of RBI Act** *(foot–note 5)*				
	Opening Balance	**875.04**		875.04	
	Additions	**–**		–	
	Closing Balance		**875.04**		875.04
(H)	**General Reserve**				
	Opening Balance	**333.86**		333.86	
	Additions	**–**		–	
	Deductions/ Transfers from revaluation reserve	**19.72**		–	
	Closing Balance		353.58		333.86
(I)	**Surplus**				
	Opening Balance	**1,924.19**		1,922.90	
	Add: Profit for the year	**(458.49)**		337.45	
	Less: Appropriations				
	Expenditure on Corporate Social Responsibility activities	**–**		(7.10)	
	Debenture Redemption Reserve	**(76.08)**		(76.08)	
	Special Reserve u/s 36(1)(viii)	**–**		(55.00)	
	Interim Dividend				
	Dividend–Equity @ ₹ 1.00 per share	**–**		(166.21)	
	Dividend–Preference @ ₹ 0.01 per share	**(0.26)**		(0.26)	
	Tax on Distributed Profits				
	Equity	**–**		(33.84)	
	Add: Dividend tax credit u/s 115O(1A) of Income Tax Act	**–**		2.39	
	Preference	**(0.05)**		(0.05)	
	Add: Dividend tax credit u/s 115O(1A) of Income Tax Act	**0.05**		–	
	Closing Balance		**1,389.36**		1,924.19
	TOTAL RESERVES AND SURPLUS		**4,804.44**		5,276.90

Foot–notes to Note No. 2:

1. Capital Reserve represents proceeds of forfeited shares.
2. Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 80 of the Companies Act, 1956.
3. Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer.
4. Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long–term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f. FY 1997–98. Any withdrawal would attract tax liability. Upto FY 1996–97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997–98.
5. Pursuant to increase in shareholding of Government of India more than 50% of the paid–up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reserve created u/s 45IC of RBI Act, 1934.

(₹ crore)

3. LONG–TERM BORROWINGS	As at March 31, 2017		As at March 31, 2016	
3.1. RUPEE–UNSECURED	Non–Current	Current	Non–Current	Current
(A) Non–Convertible Debentures (NCDs)				
(i) 6.00% LIC–Redeemable on 28.12.2021	**200.00**	**–**	200.00	–
(ii) 6.00% SBI–Redeemable on 25.01.2022	**200.00**	**–**	200.00	–
(iii) 9.37% LIC–Redeemable on 01.04.2022	**418.19**	**–**	418.19	–
Sub–Total 'A'	**818.19**	**–**	818.19	–
(B) Bonds				
(i) Privately Placed Bonds *(refer Foot–note 1)*	**5,037.89**	**471.66**	5,509.50	190.84
(ii) Privately Placed Bonds issued to Subsidiaries	**75.00**	**–**	75.00	–
(iii) Privately Placed Zero Coupon Bonds [Unamortised discount–₹ 853.59 crore (Previous year–₹ 895.05 crore)]	**187.36**	**–**	170.72	–
(iv) Infrastructure Bonds	**801.56**	**–**	930.69	–
(v) Subordinate–Tier II Bonds	**1,313.30**	**–**	1,313.30	**–**
Sub–Total 'B' *(refer Foot–note 2)*	**7,415.11**	**471.66**	7,999.21	190.84
(C) Other Long Term Borrowings				
(a) Banks *(refer foot note 3)*	**7,574.90**	**3,232.43**	10,088.59	4,417.12
(b) Financial Institutions *(refer foot note 3)*	**100.00**	**–**	100.00	–
(c) Government of India under KfW Loans	**–**	**–**	2.70	20.43
Sub–Total 'C'	**7,674.90**	**3,232.43**	10,191.29	4,437.55
TOTAL (RUPEE–UNSECURED)	**15,908.20**	**3,704.09**	19,008.69	4,628.39
3.2. RUPEE–SECURED				
(A) Tax–free Bonds (secured by floating charge on receivables of IFCI Ltd.) (refer foot note 4)				
– held by subsidiary and associate companies	**95.00**	**–**	95.00	–
– held by others	**215.00**	**–**	215.00	–
(B) Public issue of NCDs				
Secured Redeemable Non Convertible Debentures(secured by floating charge on receivables of IFCI Ltd.) *(refer foot note 4)*				
– held by subsidiary and associate companies	**49.09**	**–**	49.77	–
– held by others	**1,923.17**	**–**	1,922.49	–
(C) Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G–Sec) *(refer foot note 4)*	**575.00**	**–**	–	–
TOTAL (RUPEE–SECURED)	**2,857.26**	–	2,282.26	–
3.3. FOREIGN CURRENCIES–UNSECURED				
(A) **KfW Line**–Guaranteed by Government of India *(refer foot note 5)*	**404.64**	**24.49**	466.92	26.65
TOTAL (FOREIGN CURRENCIES)	**404.64**	**24.49**	466.92	26.65
TOTAL LONG–TERM BORROWINGS	**19,170.10**	**3,728.58**	21,757.87	4,655.04

Foot–notes to Note No. 3:

1. Privately placed Bonds of ₹ 5,771.91 crore shown at 3.1(B) 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, 2017 above.
2. (a) Out of the bonds of ₹ 7,415.11 crore disclosed as non–current at 3.1(B) above, Put/ Call Option applicable on ₹ 1,927.88 crore (previous year: ₹ 2,362.81 crore) of Bonds.
   (b) Terms of repayment of total bonds of ₹ 7,886.77 crore is annexed below.
3. (a) Out of the bank borrowings disclosed at 3.1C(a) above Put/ Call Option applicable on ₹ 3,535.00 crore (previous year: ₹ 3,670.00 crore).
   (b) Include loans of ₹ 300 crore (previous year: ₹ 300 crore), against escrow of cash flow / negative lien against certain identified loan assets.
   (c) Terms of repayment of total Bank & FI borrowings of ₹ 10,907.33 crore is annexed.
4. Terms of repayment of Tax–free Bonds and Secured Redeemable NCDs annexed.
5. Terms of repayment of foreign currency liabilities annexed.

Foot–note to Note No. 3 (contd..)

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

Series	Intt Rate	Date of Maturity	(₹ crore)
Zero Coupon Bonds	9.75	07/07/2040	11.89
Zero Coupon Bonds	9.75	07/07/2039	13.05
Zero Coupon Bonds	9.75	07/07/2038	14.33
Other Bonds	9.90	05/11/2037	106.88
Tier II Bonds	9.98	05/10/2037	20.00
Tier II Bonds	9.98	18/09/2037	50.00
Zero Coupon Bonds	9.75	07/07/2037	15.73
Zero Coupon Bonds	9.75	07/07/2036	17.26
Zero Coupon Bonds	9.75	07/07/2035	18.95
Zero Coupon Bonds	9.75	07/07/2034	20.79
Zero Coupon Bonds	9.75	07/07/2033	22.82
Other Bonds	9.90	05/11/2032	106.88
Tier II Bonds	9.98	15/10/2032	10.00
Zero Coupon Bonds	9.75	07/07/2032	25.05
Zero Coupon Bonds	9.75	07/07/2031	27.50
Other Bonds	9.98	29/10/2030	250.00
Other Bonds	9.75	16/07/2030	500.00
Other Bonds	9.75	13/07/2030	250.00
Other Bonds	9.70	18/05/2030	250.00
Other Bonds	9.70	04/05/2030	250.00
Other Bonds	9.75	26/04/2028	350.00
Other Bonds	9.90	05/11/2027	106.88
Other Bonds	10.12	08/10/2027	19.60
Other Bonds	10.10	08/10/2027	5.15
Infra Bonds	8.72	31/03/2027	24.16
Infra Bonds	9.16	15/02/2027	42.56
Infra Bonds	8.75	12/12/2026	12.88
Tier II Bonds	10.75	31/10/2026	102.40
Tier II Bonds	10.75	01/08/2026	468.48
Other Bonds	9.55	13/04/2025	225.00
Other Bonds	9.55	05/03/2025	200.00
Other Bonds	9.75	25/01/2025	200.00
Infra Bonds	8.50	31/03/2024	93.67
Other Bonds	6.00	10/12/2022	50.00
Other Bonds	6.00	18/11/2022	25.00
Other Bonds	9.90	05/11/2022	106.88
Other Bonds	6.00	22/10/2022	50.00
Other Bonds	9.95	08/10/2022	5.40
Other Bonds	10.05	28/09/2022	8.21
Other Bonds	6.00	27/09/2022	45.00
Other Bonds	10.15	26/06/2022	2.80
Other Bonds	10.25	26/06/2022	124.07
Other Bonds	10.25	31/03/2022	0.89
Other Bonds	8.22	03/03/2022	46.22
Other Bonds	10.25	28/02/2022	0.40
Tier II Bonds	10.50	28/02/2022	64.70
Tier II Bonds	10.70	28/02/2022	123.63
Infra Bonds	9.09	15/02/2022	261.46
Other Bonds	8.19	13/01/2022	138.25
Other Bonds	10.60	31/12/2021	1.75
Infra Bonds	8.50	12/12/2021	77.25
Other Bonds	10.60	30/11/2021	0.30
Tier II Bonds	10.50	31/10/2021	74.51
Tier II Bonds	10.60	31/10/2021	8.15
Other Bonds	10.50	31/08/2021	6.37
Tier II Bonds	10.55	25/08/2021	200.00
Other Bonds	8.26	19/08/2021	147.37
Tier II Bonds	10.50	01/08/2021	191.43
Other Bonds	10.20	31/05/2021	0.30
Other Bonds	10.00	30/04/2021	1.30
Other Bonds	10.00	30/04/2021	24.90
Other Bonds	10.00	31/03/2021	5.91
Other Bonds	6.00	15/02/2021	25.00
Infra Bonds	8.00	31/01/2021	219.08
Infra Bonds	8.25	31/01/2021	26.55
Other Bonds	9.50	31/01/2021	7.91
Other Bonds	9.90	11/01/2021	151.33
Other Bonds	7.90	26/12/2020	56.85
Other Bonds	9.25	30/11/2020	6.85
Other Bonds	9.25	31/10/2020	6.50
Other Bonds	9.25	30/09/2020	7.70
Other Bonds	7.87	24/09/2020	110.70
Other Bonds	6.00	20/09/2020	12.50
Infra Bonds	7.85	15/09/2020	39.45
Infra Bonds	7.95	15/09/2020	4.50
Other Bonds	9.25	31/08/2020	1.06
Other Bonds	9.25	31/07/2020	11.16
Other Bonds	7.65	26/06/2020	163.82
Other Bonds	9.25	31/05/2020	0.72
Other Bonds	6.00	16/05/2020	5.00
Other Bonds	9.15	30/04/2020	0.45
Other Bonds	9.15	31/03/2020	11.55
Other Bonds	6.00	28/02/2020	5.00
Other Bonds	6.00	24/02/2020	5.00
Other Bonds	8.75	31/01/2020	26.67
Other Bonds	7.69	26/12/2019	58.39
Other Bonds	9.40	30/11/2019	31.86
Other Bonds	7.07	19/09/2019	99.42
Other Bonds	9.75	31/07/2019	77.50
Other Bonds	10.20	30/06/2019	50.40
Other Bonds	10.20	20/06/2019	75.00
Other Bonds	6.00	07/06/2019	0.50
Other Bonds	6.70	30/05/2019	153.40
Other Bonds	9.00	28/02/2019	1.00
Other Bonds	6.02	28/02/2019	26.12
Other Bonds	10.40	31/01/2019	3.00
Other Bonds	6.07	13/12/2018	146.20
Other Bonds	10.40	31/08/2018	1.64
Other Bonds	10.40	31/07/2018	4.00
Other Bonds	8.41	14/06/2018	133.86
Other Bonds	10.40	31/05/2018	20.11
Other Bonds	6.00	20/05/2018	3.00
Other Bonds	9.25	31/01/2018	0.64
Other Bonds	7.50	28/01/2018	9.40
Other Bonds	6.00	25/01/2018	1.60
Other Bonds	9.15	30/11/2017	0.80
Other Bonds	9.15	31/10/2017	1.00
Other Bonds	9.70	15/10/2017	22.50
Other Bonds	7.96	08/10/2017	176.42
Other Bonds	9.15	30/09/2017	0.54
Other Bonds	9.95	30/09/2017	10.00
Other Bonds	7.89	14/09/2017	176.87
Other Bonds	9.15	31/08/2017	2.70
Other Bonds	10.25	17/08/2017	33.34
Other Bonds	9.15	31/07/2017	4.11
Other Bonds	9.00	31/07/2017	0.36
Other Bonds	9.15	31/05/2017	1.92
Other Bonds	9.00	31/04/2017	0.10
Other Bonds	10.20	30/04/2017	6.05
Other Bonds	6.00	20/04/2017	21.50
Other Bonds	9.00	20/04/2017	1.81
Total			**7,886.77**

Foot–note to Note No. 3 (contd..)

FOOT–NOTE 3(c) TERMS OF REPAYMENT OF TERM LOANS FROM BANKS/FIs [NOTE 3.1(C) (a & b)]

Rate of Interest (% p.a.)	Amount (₹ crore)	Date of Maturity	Repayment Mode	Date of next Instalment	Number of instalments
5.85	200.00	23/07/2022	BULLET	23/07/2022	1.00
5.85	100.00	02/05/2022	BULLET	02/05/2022	1.00
6.00	100.00	01/04/2022	BULLET	01/04/2022	1.00
6.00	141.67	30/06/2021	QUARTERLY	30/06/2019	16.00
6.00	50.00	22/03/2021	QUARTERLY	22/06/2019	7.00
6.00	200.00	28/03/2021	QUARTERLY	22/06/2019	7.00
8.50	500.00	27/03/2023	QUARTERLY	27/06/2018	20.00
8.80	100.00	23/03/2020	QUARTERLY	23/12/2017	16.00
8.80	300.00	30/09/2021	QUARTERLY	30/09/2017	17.00
8.45	200.00	31/03/2018	QUARTERLY	30/06/2017	4.00
8.45	1700.00	30/06/2021	QUARTERLY	30/06/2017	17.00
9.40	375.00	30/09/2018	QUARTERLY	30/06/2017	6.00
9.40	46.88	31/12/2020	QUARTERLY	30/06/2017	15.00
9.40	421.88	31/12/2020	QUARTERLY	30/06/2017	16.00
9.40	333.33	30/03/2019	QUARTERLY	30/06/2017	8.00
9.40	343.75	31/12/2019	QUARTERLY	30/06/2017	11.00
9.40	262.50	31/03/2020	QUARTERLY	30/06/2017	11.00
9.40	425.00	30/06/2021	QUARTERLY	30/06/2017	17.00
9.40	94.50	30/06/2021	QUARTERLY	30/06/2017	18.00
9.50	125.00	30/06/2017	QUARTERLY	30/06/2017	1.00
9.55	250.00	30/09/2018	QUARTERLY	30/06/2017	6.00
9.55	140.63	31/12/2020	QUARTERLY	30/06/2017	15.00
9.55	93.75	31/12/2020	QUARTERLY	30/06/2017	16.00
9.55	192.00	31/03/2021	QUARTERLY	6/30/2017	16.00
9.55	500.00	04/05/2022	QUARTERLY	30/06/2017	17.00
9.55	62.50	30/12/2018	QUARTERLY	30/06/2017	6.00
9.55	187.50	30/09/2019	QUARTERLY	30/06/2017	9.00
9.55	150.00	31/03/2020	QUARTERLY	30/06/2017	11.00
9.55	84.38	30/06/2020	QUARTERLY	30/06/2017	12.00
9.55	103.13	12/31/2020	QUARTERLY	30/06/2017	14.00
9.55	75.00	01/03/2021	QUARTERLY	30/06/2017	15.00
9.55	121.88	29/06/2020	QUARTERLY	29/06/2017	12.00
9.55	343.75	29/12/2019	QUARTERLY	29/06/2017	11.00
9.55	137.50	29/12/2020	QUARTERLY	29/06/2017	14.00
9.55	234.38	28/12/2020	QUARTERLY	28/06/2017	15.00
9.55	28.13	30/06/2020	QUARTERLY	28/06/2017	12.00
9.55	87.50	28/12/2020	QUARTERLY	28/06/2017	14.00
9.55	75.00	27/03/2020	QUARTERLY	27/06/2017	12.00
9.55	12.50	26/12/2018	QUARTERLY	26/06/2017	6.00
9.55	56.25	26/09/2019	QUARTERLY	26/06/2017	9.00
9.55	225.00	24/03/2020	QUARTERLY	24/06/2017	12.00
9.60	131.25	24/09/2020	QUARTERLY	24/06/2017	14.00
9.60	62.50	23/09/2019	QUARTERLY	23/06/2017	10.00
9.60	34.38	23/03/2020	QUARTERLY	23/06/2017	11.00
9.60	50.00	20/03/2020	QUARTERLY	20/06/2017	11.00
9.60	275.00	13/03/2020	QUARTERLY	13/06/2017	11.00
9.60	109.38	13/12/2019	QUARTERLY	13/06/2017	10.00
9.70	93.75	13/12/2018	QUARTERLY	13/06/2017	6.00
9.70	75.00	02/03/2021	QUARTERLY	02/06/2017	15.00
9.70	37.50	01/03/2021	QUARTERLY	01/06/2017	15.00
9.35	400.00	28/02/2018	QUARTERLY	24/05/2017	4.00
9.45	218.75	24/11/2018	QUARTERLY	24/05/2017	7.00
9.45	145.82	12/02/2019	QUARTERLY	12/05/2017	7.00
9.65	93.75	12/08/2018	QUARTERLY	12/05/2017	5.00
Total	**10907.33**				

Foot–note to Note No. 3 (contd..)

Foot–note–4: Terms of Repayment of Secured Bonds (Note–3.2)

Bonds Particulars	Rate of Interest (% p.a.)	Date of Maturity	(₹ crore)
Tax Free Bonds	8.76	31/03/2029	145.00
Public Issue of Bonds*	9.40	13/02/2025	325.37
Public Issue of Bonds*	9.90	01/12/2024	647.99
Tax Free Bonds	8.39	31/03/2024	165.00
Public Issue of Bonds*	9.90	01/12/2021	188.01
Public Issue of Bonds*	9.35	13/02/2020	437.71
Public Issue of Bonds*	9.82	01/12/2019	57.19
Public Issue of Bonds*	9.80	01/12/2019	316.00
PP Bonds Series 61	8.73	03/11/2021	575.00
Total			**2,857.26**

* additional interest @ 0.10% p.a. payable to individual investor

Foot–note–5 Terms of Repayment of KfW lines of Credit (Note 3.3)

Name of Lender	Rate of Interest (% p.a.)	Amount (Euros)	Amount (₹ crore)	Date of Maturity	Repayment	Date of Next Instalment	Number of instalments
KfW, Frankfurt	0.75	19,22,457.56	13.32	31/12/2026	Half Yearly	30/06/2017	20
KfW, Frankfurt	1.25	24,66,983.27	17.09	31/12/2029	Half Yearly	30/06/2017	26
KfW, Frankfurt	0.75	17,11,805.28	11.86	30/06/2030	Half Yearly	30/06/2017	27
KfW, Frankfurt	0.75	17,75,205.47	12.30	31/12/2030	Half Yearly	30/06/2017	28
KfW, Frankfurt	0.75	27,50,750.26	19.06	30/06/2031	Half Yearly	30/06/2017	29
KfW, Frankfurt	0.75	29,79,809.15	20.65	30/06/2032	Half Yearly	30/06/2017	31
KfW, Frankfurt	0.75	32,23,695.25	22.34	31/12/2033	Half Yearly	30/06/2017	34
KfW, Frankfurt	0.75	44,73,803.97	31.00	30/06/2034	Half Yearly	30/06/2017	35
KfW, Frankfurt	0.75	57,61,236.83	39.92	31/12/2034	Half Yearly	30/06/2017	36
KfW, Frankfurt	0.75	63,19,567.66	43.79	31/12/2036	Half Yearly	30/06/2017	40
KfW, Frankfurt	0.75	2,17,21,724.20	150.52	30/06/2038	Half Yearly	30/06/2017	43
KfW, Frankfurt	0.75	68,22,678.95	47.28	31/12/2032	Half Yearly	30/06/2017	32
TOTAL		**6,19,29,717.85**	**429.13**				

4. LONG–TERM LIABILITIES

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
		Non–Current	**Current**	Non–Current	Current
(A)	Funds placed with the Company				
	(a) Scheduled Caste Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**232.31**	**–**	214.48	–
	(b) Jute Development Fund (placed by Govt. of India)	**–**	**–**	5.06	–
	(c) Employees' Provident Fund	**61.86**	**9.13**	61.70	4.46
	(d) Staff Welfare Fund	**–**	**–**	2.32	–
(B)	Interest accrued but not due on bonds & borrowings	**454.30**	**447.91**	357.09	470.76
(C)	Other Liabilities (security deposits)	**12.98**	**–**	14.43	–
	TOTAL	**761.45**	**457.04**	655.08	475.22

5. PROVISION

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
		Long Term	**Short Term**	Long Term	Short Term
(A)	Provision for standard and securitised assets	**98.18**	**15.17**	188.27	22.50
(B)	Sundry Liabilities (Interest Capitalisation)	**118.15**	**–**	128.26	–
(C)	Employee Benefits	**22.16**	**6.67**	11.52	10.25
	TOTAL	**238.49**	**21.84**	328.05	32.75

6. SHORT–TERM BORROWINGS

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
(A)	Collaterised Borrowings Lending Operations (CBLO) (Secured against Treasury bills having book value of ₹ NIL (March 31, 2016: ₹ 32.10 crore) and Govt. Securities of ₹ NIL (March 31, 2016: ₹ 90 crore)	**–**	121.60
(B)	Bank Overdraft	**–**	50.00
(C)	Unsecured Loan from Banks	**–**	50.00
(D)	Commercial Paper (Net of unamortised discount of ₹ 3.59 crore)	**–**	246.44
(E)	Corporate Bond Repo (Secured against Corporate Bonds having book value of ₹ NIL (March 31, 2016 : ₹ 754.13 crore))	**–**	601.95
	TOTAL	**–**	1,069.99

7. TRADE PAYABLES

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
	Sundry Creditors		
(i)	Total outstanding dues to Micro, Small and Medium Enterprises	**-**	-
(ii)	Total outstanding dues of creditors other than Micro and Small Enterprises	**48.56**	83.61
	TOTAL	**48.56**	83.61

8. OTHER CURRENT LIABILITIES

(A)	Current maturities of Long–term debt		
(i)	Rupee *(refer notes 3.1)*	**3,704.09**	4,628.39
(ii)	Foreign Currencies *(refer note 3.3)*	**24.49**	26.65
	Sub–Total 'A'	**3,728.58**	4,655.04
(B)	Others		
(i)	Current maturity of provident fund placed with the Company *(refer note 4(A))*	**9.13**	4.46
(ii)	Interest accrued but not due on bonds and borrowings *(refer note 4(B))*	**447.91**	470.76
(iii)	Income received in Advance	**0.06**	1.75
(iv)	Unclaimed Dividend	**16.46**	18.97
(v)	Unpaid Matured Debentures & interest	**0.56**	0.65
(vi)	Other Liabilities (trade deposits and other payables)	**500.98**	618.51
	Sub–Total 'B'	**975.10**	1,115.10
	TOTAL (A+B)	**4,703.68**	5,770.14

9. FIXED ASSETS–TANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01–Apr–16	Additions	Disposals	**As at 31–Mar–17**	Revalued Amount	As at 01–Apr–16	For the Year	Disposals	**As at 31–Mar–17**	**As at 31–Mar–17**	As at 31–Mar–16	Revalued Amount
Owned Assets												
Freehold Land	67.49	–	–	**67.49**	66.90	–	–	–	**–**	**67.49**	67.49	66.90
Leasehold Land	313.63	–	–	**313.63**	262.49	37.92	9.37	–	**47.29**	**266.34**	275.71	231.32
Buildings	787.39	0.29	11.38	**776.30**	570.71	124.97	17.57	2.48	**140.06**	**636.24**	662.42	484.98
Leasehold Improvement	0.75	–	–	**0.75**	–	0.07	0.10	–	**0.17**	**0.58**	0.68	–
Plant & Machinery	8.17	–	–	**8.17**	–	5.83	0.19	–	**6.02**	**2.15**	2.34	–
Furniture & Fixtures	17.85	0.12	0.03	**17.94**	–	10.05	1.94	–	**11.99**	**5.95**	7.80	–
Vehicles	1.51	–	–	**1.51**	–	1.02	0.17	–	**1.19**	**0.32**	0.49	–
Office Equipments	13.73	0.10	1.21	**12.62**	–	10.57	1.12	0.98	**10.71**	**1.91**	3.16	–
Electrical Installations and Equipments	28.36	0.09	0.12	**28.33**	–	13.73	3.24	0.04	**16.93**	**11.40**	14.63	–
Leased Assets												
Plant & Machinery	197.92	–	–	**197.92**	–	197.92	–	–	**197.92**	**–**	–	–
TOTAL	1,436.80	0.60	12.74	**1,424.66**	900.10	402.08	33.70	3.50	**432.28**	**992.38**	1,034.72	783.20
Previous Year	1,506.15	7.92	77.27	**1,436.80**	909.42	385.11	35.49	18.52	**402.08**	**1,034.72**		810.60

***Foot–notes to Note No. 9* :**

The additional charge of depreciation of ₹ 19.72 crore for the year ended March 31, 2017 (previous year–₹ 21.22 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009–10, has been charged to Statement of Profit & Loss. *(refer Note No. 36)*

Above includes following assets which are held for sale as on March 31, 2017

(₹ crore)

Particulars	Gross Block	Revalued Amount	Accumulated Depreciation	Net Block	Revalued Amount
Freehold Land	5.03	4.88	–	**5.03**	4.88
Leasehold Land	3.74	3.65	0.38	**3.36**	3.28
Buildings	21.20	17.89	10.19	**11.01**	9.09
TOTAL	29.97	26.42	10.57	**19.40**	17.25

10. FIXED ASSETS–INTANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01–Apr–16	Additions	Disposals	**As at 31–Mar–17**	As at 01–Apr–16	For the Year	Disposals	**As at 31–Mar–17**	**As at 31–Mar–17**	As at 31–Mar–16
Computer Software	4.21	0.46	–	**4.67**	1.72	0.49	–	**2.21**	**2.46**	2.49
TOTAL	4.21	0.46	–	**4.67**	1.72	0.49	–	**2.21**	**2.46**	2.49
Previous Year	1.80	2.41	–	**4.21**	1.51	0.21	–	**1.72**	**2.49**	–

11. NON–CURRENT INVESTMENTS

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
(A) QUOTED		
Fully paid–up, Non–trade Investment		
1. Equity Shares		
(a) Associates	**58.89**	79.31
(b) Assistance under financing	**143.83**	155.56
(c) Others *(Refer footnote no 1)*	**497.23**	581.43
	699.95	816.30
2. Government Securities	**–**	78.35
(B) UNQUOTED		
Fully paid–up, Non–trade Investment		
1. Equity Shares		
(a) Subsidiaries	**1,396.41**	1,396.41
(b) Associates	**0.24**	0.53
(c) Joint Venture	**0.01**	0.01
(d) Assistance under financing	**1,896.90**	2,082.67
(e) Others	**71.88**	80.05
	3,365.44	3,559.67
2. Preference Shares		
(a) Subsidiaries	**175.00**	175.00
(b) Others	**265.82**	321.47
	440.82	496.47
3. Debentures/ Bonds		
(a) Subsidiaries	**100.00**	100.00
(b) Joint Venture	**–**	2.64
(c) Others *(Refer footnote no. 2)*	**223.98**	1,005.86
	323.98	1,108.50
4. Security Receipts	**990.72**	641.15
5. Government Securities	**400.00**	400.00
6. Units of venture capital funds	**190.12**	197.78
7. Units of Mutual Fund	**50.00**	–
TOTAL	**6,461.03**	7,298.22
Less: Provision for Diminution in value	**903.63**	654.91
TOTAL	**5,557.40**	6,643.31
QUOTED:		
(1) Total Book Value	**699.95**	894.65
– Equity Shares	***699.95***	*816.30*
– Others	**–**	*78.35*
(2) Total Market Value	**678.04**	691.41
– Equity Shares	***678.04***	*613.53*
– Others	**–**	*77.88*
UNQUOTED:		
(1) Total Book Value	**5,761.08**	6,403.57
– Equity Shares	***3,365.44***	*3,559.67*
– Preference Shares	***440.82***	*496.47*
– Others	***1,954.82***	*2,347.43*

Foot notes:

1. The above balances include:

– Equity Shares of ₹ 14.91 crore (Previous Year ₹ 33.91 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines as indicated below:

As on March 31, 2017

Name	No. of Shares Lent	Cost (₹ crore)
Bharti Airtel Ltd	**2,50,000**	**9.70**
Indian Oil Corporation Ltd	**1,43,000**	**4.49**
		14.19

As on March 31, 2016

Name	No. of Shares Lent	Cost (₹ crore)
Bharti Airtel Ltd	2,22,800	8.65
Cairn India Ltd	50,000	1.66
ICICI Bank Ltd	1,00,000	3.11
Idea Cellular Ltd	2,50,000	4.23
NMDC Ltd	2,00,000	3.22
State Bank of India	3,54,114	8.85
Steel Authority of India Ltd	1,00,000	1.06
Tata Steel Ltd	60,000	3.13
		33.91

2. Includes corporate bonds having value of Nil (March 31, 2016: ₹ 754.13 crore) sold under Repo Transactions.

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
QUOTED					
Equity Shares (Associates)					
1.	Tourism Finance Corporation of India Ltd	**2,34,32,875**	**58.89**	3,15,58,613	79.31
	TOTAL		**58.89**		79.31
Equity Shares (Assistance under financing)					
1.	Alok Industries Ltd	**1,87,60,723**	**42.88**	1,87,60,723	42.88
2.	Electrosteel Steels Ltd	**9,19,79,734**	**91.52**	9,19,79,734	91.52
3.	Indo Rama Synthetics (India) Ltd	**14,25,928**	**6.38**	20,61,866	9.22
4.	Malwa Cotton Spg Mills Ltd	**–**	**–**	3,13,021	1.97
5.	Monnet Project Developers Ltd	**–**	**–**	2,70,706	1.08
6.	Mysore Paper Mills Ltd	**–**	**–**	14,25,914	1.43
7.	National Steel And Agro Industries Ltd	**–**	**–**	1,35,100	0.40
8.	Uttam Value Steels Ltd	**56,08,101**	**3.06**	25,89,164	7.07
	TOTAL		**143.83**		155.56
Equity Shares (Others)					
1.	Adani Power Ltd	**4,43,985**	**4.90**	4,43,985	4.90
2.	Ashok Leyland Ltd	**5,75,000**	**5.00**	–	–
3.	Axis Bank Ltd	**1,06,075**	**5.00**	1,31,600	6.91
4.	Bajaj Auto Ltd	**–**	**–**	21,900	4.99
5.	Bank of Baroda	**3,13,858**	**5.01**	–	–
6.	Bharat Heavy Electricals Ltd	**4,40,000**	**13.69**	4,40,000	13.69
7.	Bharti Airtel Ltd	**2,54,587**	**9.88**	2,54,587	9.88
8.	Britannia Industries Ltd	**16,135**	**4.99**	–	–
9.	Cairn India Ltd	**5,00,000**	**16.61**	5,00,000	16.61
10.	Cipla Ltd	**1,59,535**	**9.99**	1,59,535	9.99
11.	Coffee Day Enterprises Ltd	**1,00,810**	**3.31**	–	–
12.	Colgate Pamolive (India) Ltd	**55,585**	**4.99**	55,585	4.99
13.	Dabur India Ltd (Vidogum Chemicals)	**71,103**	**1.85**	1,92,003	5.00
14.	Dr. Reddy's Laboratories Ltd	**27,280**	**10.00**	27,280	10.00
15.	Equitas Holding Ltd	**1,44,000**	**1.58**	–	–
16.	Escorts Ltd	**–**	**–**	20,000	0.46
17.	GAIL (India) Ltd	**–**	**–**	42,500	1.59
18.	GMR Infrastructure Ltd	**3,00,000**	**1.95**	3,00,000	1.95
19.	HCL Technologies Ltd	**1,11,145**	**9.99**	1,11,145	9.99
20.	HDFC Bank Ltd	**–**	**–**	1,52,610	14.97
21.	Hero Honda Motors Ltd	**–**	**–**	41,542	11.62
22.	Hindalco Industries Ltd	**–**	**–**	80,000	0.97
23.	Hindustan Unilever Ltd	**66,189**	**5.44**	60,587	4.99
24.	Housing Development Finance Corporation Ltd	**–**	**–**	87,088	10.00
25.	ICICI Bank Ltd	**3,21,000**	**9.98**	3,21,000	9.98
26.	ICICI Prudential Life Insurance	**1,49,700**	**5.00**	–	–
27.	Idea Cellular Ltd	**5,90,500**	**10.00**	5,90,500	10.00
28.	Indian Bank	**–**	**–**	6,68,380	13.55
29.	Indian Oil Corporation Ltd	**1,59,099**	**5.00**	–	–
30.	Indusind Bank	**46,250**	**5.01**	–	–
31.	Infosys Ltd	**89,090**	**10.03**	–	–
32.	ITC Ltd	**4,52,300**	**10.26**	3,32,200	11.31
33.	Larsen & Toubro Ltd	**1,03,590**	**16.14**	96,830	15.00
34.	Mahindra & Mahindra Ltd	**74,727**	**9.94**	74,727	9.94
35.	Maruti Suzuki India Ltd	**–**	**–**	25,560	9.98
36.	Marico Ltd	**1,92,000**	**4.99**	–	–

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
37.	MOIL Ltd	**3,76,253**	**13.83**	3,76,253	13.83
38.	Multi Commodity Exchange of India Ltd	**3,51,992**	**33.79**	9,35,038	89.76
39.	Nestle India Ltd	**6,185**	**3.58**		
40.	NMDC Ltd	**4,78,150**	**7.69**	4,78,150	7.69
41.	NTPC Ltd	**3,42,753**	**5.00**	3,42,753	5.00
42.	Oil And Natural Gas Corporation Ltd	**77,605**	**1.55**	51,737	1.55
43.	Power Grid Corporation of India Ltd	**–**	**–**	3,74,000	5.00
44.	Punjab & Sind Bank	**2,76,438**	**3.32**	2,76,438	3.32
45.	Reliance Communications Ltd	**5,55,000**	**18.01**	5,55,000	18.01
46.	Reliance Industries Ltd	**2,28,386**	**22.86**	2,28,386	22.86
47.	Shree Ganesh Jewellery House Ltd	**–**	**–**	46,749	1.11
48.	State Bank of India	**6,17,000**	**15.42**	6,17,000	15.42
49.	Steel Authority of India Ltd	**16,90,293**	**17.91**	16,95,293	17.96
50.	Tata Chemicals Ltd	**–**	**–**	1,33,686	5.00
51.	Tata Consultancy Services Ltd	**22,700**	**4.99**	42,325	9.86
52.	Tata Motors Ltd	**1,16,000**	**5.37**	2,51,000	11.62
53.	Tata Power Co. Ltd	**1,50,000**	**1.62**	1,50,000	1.62
54.	Tata Steel Ltd	**1,52,600**	**7.96**	1,52,600	7.96
55.	Tech Mahindra	**1,77,601**	**9.98**	1,77,601	9.98
56.	The South Indian Bank Ltd	**2,34,58,438**	**47.15**	1,75,93,829	38.94
57.	Videocon Industries Ltd	**31,86,068**	**71.69**	31,86,068	71.69
58.	Wipro Ltd	**92,855**	**5.00**	–	–
	TOTAL		**497.23**		581.43
Government Securities					
1.	Government Security [8.4] 28–Jul–24	**–**	**–**	7,500	78.35
	TOTAL		**–**		78.35
UNQUOTED					
Equity Shares (Subsidiaries)					
1.	IFCI Factors Ltd	**7,91,54,700**	**90.19**	7,91,54,700	90.19
2.	IFCI Financial Services Ltd	**3,93,63,809**	**83.15**	3,93,63,809	83.15
3.	IFCI Infrastructure Development Ltd	**47,70,99,243**	**477.10**	47,70,99,243	477.10
4.	IFCI Venture Capital Funds Ltd	**5,95,21,008**	**107.55**	5,95,21,008	107.55
5.	MPCON Ltd	**7,972**	**0.80**	7,972	0.80
6.	Stock Holding Corporation of India Ltd	**1,11,30,000**	**637.62**	1,11,30,000	637.62
	TOTAL		**1,396.41**		1,396.41
Equity Shares (Associates)					
1.	Haryana–Delhi Industrial Consultants Organisation Ltd	**–**	**–**	4,550	0.28
2.	Himachal Consultancy Organisation Ltd	**735**	**0.07**	735	0.07
3.	KITCO Ltd	**19,950**	**0.04**	19,950	0.04
4.	North India Tech. Consultancy Organisation Ltd	**9,750**	**0.13**	9,750	0.13
	TOTAL		**0.24**		0.53
Equity Shares (Joint Venture)					
1.	IFCI Sycamore Capital Advisors Pvt Ltd (ISCA)	**10,000**	**0.01**	10,000	0.01
	TOTAL		**0.01**		0.01
Equity Shares (Assistance under Financing)					
1.	ABG Energy (Gujarat) Ltd	**3,60,00,000**	**35.44**	3,60,00,000	35.44
2.	AEC Enterprises Ltd	**5,00,000**	**0.01**	5,00,000	0.01
3.	AEC India Ltd	**2,50,000**	**–**	2,50,000	–
4.	Andhra Pradesh Industrial Tech Consultancy Ltd	**1,08,000**	**0.02**	1,08,000	0.02
5.	Anrak Aluminium Ltd	**39,56,892**	**3.96**	3,22,38,851	32.24

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
6.	Ashok Paper Mills Ltd	**3,00,000**	**0.00**	3,00,000	0.00
7.	Assam Ispat Ltd	**95,900**	**0.00**	95,900	0.00
8.	Athena Chhattisgarh Power Private Ltd	**13,85,40,000**	**137.29**	13,85,40,000	137.29
9.	Athena Infraprojects Pvt. Ltd	**2,71,12,991**	**27.11**	2,71,12,991	27.11
10.	Bharat Margarine Ltd	**4,40,000**	**0.44**	4,40,000	0.44
11.	Bihar Industrial & Technical Consultancy Ltd	**233**	**0.02**	233	0.02
12.	Biotech Consortium India Ltd	**10,00,000**	**1.00**	10,00,000	1.00
13.	BPL Display Devices Ltd	**14,15,390**	**1.42**	14,15,390	1.42
14.	Chemco Steels Ltd	**5,00,000**	**0.01**	5,00,000	0.01
15.	Chennai Network Infrastructure Ltd	**48,19,90,245**	**433.79**	48,19,90,245	433.79
16.	Circar Paper Mills Ltd	**2,36,227**	**0.24**	2,36,227	0.24
17.	Clarisis Organics Ltd	**1,40,000**	**0.14**	1,40,000	0.14
18.	Clearing Corporation of India Ltd	**20,00,000**	**2.00**	20,00,000	2.00
19.	Coastal Projects Ltd	**–**	**–**	36,89,982	3.69
20.	Concast Products Ltd	**45,500**	**0.00**	45,500	0.00
21.	Cyclo Transmission Ltd	**5,00,000**	**0.00**	5,00,000	0.00
22.	Echon Industries Ltd	**14,00,000**	**0.01**	14,00,000	0.01
23.	Essar Steel Ltd	**7,20,000**	**2.88**	7,20,000	2.88
24.	Forward Televisions Ltd	**20,000**	**0.00**	20,000	0.00
25.	Futuristic Offshore Services & Chemicals Ltd	**1,80,000**	**0.18**	1,80,000	0.18
26.	G K Steel & Allied Inds. Ltd	**1,72,200**	**0.00**	1,72,200	0.00
27.	G.R.Solvents & Allied Industries Ltd	**1,25,000**	**–**	1,25,000	–
28.	Gas & Power Investment Company Ltd	**5,49,725**	**0.55**	5,49,725	0.55
29.	Gati Infrastructure Bhasmey Power Pvt Ltd	**4,50,20,000**	**45.02**	4,50,20,000	45.02
30.	Gayatri Hi–Tech Hotels Ltd	**5,61,00,000**	**56.10**	5,61,00,000	56.10
31.	Girnar Fibres Ltd	**3,92,976**	**0.57**	3,92,976	0.57
32.	Globsyn Technologies Ltd	**12,00,000**	**1.01**	30,00,000	2.52
33.	GPI Textile Ltd	**–**	**–**	39,00,000	1.95
34.	Graham Firth Steel Products (I) Ltd	**207**	**0.00**	207	0.00
35.	Gujarat Composite Ltd	**11,683**	**0.00**	11,683	0.00
36.	Gujarat Inds. & Technical Consultancy Organisation Ltd	**2,500**	**0.03**	2,500	0.03
37.	Gujarat State Energy Generation Ltd	**1,75,90,000**	**28.14**	1,75,90,000	28.14
38.	Haldia Petrochemicals Ltd	**1,03,20,951**	**10.32**	1,03,20,951	10.32
39.	Herman Milkfoods Ltd	**15,00,000**	**1.50**	15,00,000	1.50
40.	Hermonite Associates Ltd	**1,30,000**	**0.00**	1,30,000	0.00
41.	Hindustan Agro Chemicals Ltd	**19,300**	**0.00**	19,300	0.00
42.	Hotel Parag Pvt Ltd	**9,20,523**	**0.47**	9,20,523	0.47
43.	HPCL Mittal Energy Ltd	**7,71,89,796**	**80.48**	7,71,89,796	80.48
44.	Indian Carbide & Chemicals Ltd	**2,33,000**	**0.00**	2,33,000	0.00
45.	Indian Oxalate Pvt Ltd	**1,70,000**	**0.00**	1,70,000	0.00
46.	Industrial & Tech. Consultancy Organisation of Tamilnadu	**2,500**	**0.03**	2,500	0.03
47.	Ipisteel Ltd	**6,805**	**0.00**	6,805	0.00
48.	Ispat Profiles India Ltd	**1,31,61,250**	**13.16**	1,31,61,250	13.16
49.	J & K Industrial & Technical Consultancy Organisation Ltd	**227**	**0.02**	227	0.02
50.	Jam Khandi Sugars Ltd	**10,00,000**	**0.00**	10,00,000	0.00
51.	Jay Engineering Works Ltd	**6,000**	**0.01**	6,000	0.01
52.	Kabsons Industries Ltd	**1,000**	**–**	1,000	–
53.	Kalyanpur Cements Ltd	**17,22,838**	**0.00**	17,22,838	0.00
54.	Keltron Component Complex Ltd	**60,000**	**0.06**	60,000	0.06
55.	Kenersys India Pvt Ltd	**–**	**–**	1,69,37,185	112.49

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
56.	Kilburn Office Automation Ltd	**400**	**0.00**	400	0.00
57.	Koutons Retail India Ltd	**31,30,000**	**9.39**	31,30,000	9.39
58.	KPR Teleproducts Ltd	**2,46,500**	**–**	2,46,500	–
59.	Madhya Bharat Paper Mills Ltd	**2,77,436**	**0.27**	2,77,436	0.27
60.	Manipur Vanaspati & Allied Industries Ltd	**3,75,000**	**0.00**	3,75,000	0.00
61.	Master Plastic Bottles Ltd	**5,000**	**0.00**	5,000	0.00
62.	Meghalaya Phyto–Chemicals Ltd	**39,483**	**0.00**	39,483	0.00
63.	Meta Copper And Alloys Ltd	**2,81,71,578**	**54.25**	2,81,71,578	54.25
64.	Minerva Holding Ltd	**120**	**–**	120	–
65.	Modern Syntex (I) Ltd	**84,22,798**	**12.97**	84,22,798	12.97
66.	Munak Chemicals Ltd	**2,13,380**	**0.03**	2,13,380	0.03
67.	Nagai Power Private Ltd	**56,40,000**	**5.17**	56,40,000	5.17
68.	Nagaland Roller Flour Mills (P) Ltd	**1,00,000**	**–**	1,00,000	–
69.	National Stock Exchange Ltd	**1,20,11,558**	**140.18**	15,97,750	163.16
70.	NCL Sec Color Ltd	**1,49,950**	**0.00**	1,49,950	0.00
71.	Neelachal Ispat Nigam Ltd	**22,92,501**	**3.04**	22,92,501	3.04
72.	Nira Pulp & Paper Ltd	**3,97,950**	**–**	3,97,950	–
73.	North Eastern Dev Fin Corpn Ltd	**1,00,00,001**	**10.00**	1,00,00,001	10.00
74.	North Eastern Ind. Consultants Ltd (Necon)	**191**	**0.02**	191	0.02
75.	North Eastern Indl & Tech Consultancy Ltd (NEITCO)	**303**	**0.03**	303	0.03
76.	NSL Tidong Power Generation Private Ltd (NTPGL)	**1,11,95,000**	**10.94**	1,11,95,000	10.94
77.	Nuchem Weir Ltd	**8,00,000**	**0.01**	8,00,000	0.01
78.	Nutech Packaging Ltd	**5,25,000**	**0.01**	5,25,000	0.01
79.	OCM India Ltd	**5,89,743**	**0.79**	5,89,743	0.79
80.	Orissa Indl. & Tech. Consultancy Ltd	**277**	**0.03**	277	0.03
81.	Oswal Foods Ltd	**2,04,000**	**0.00**	2,04,000	0.00
82.	Oswal Spinning & Weaving Mills Ltd	**32,94,612**	**0.07**	32,94,612	0.07
83.	OTC Exchange of India Ltd	**8,00,000**	**0.80**	8,00,000	0.80
84.	Parasrampuria Synthetics Ltd	**2,38,127**	**0.00**	2,38,127	0.00
85.	Patil Atlantic Force Sunum Ltd	**88,360**	**0.09**	88,360	0.09
86.	Pioneer Alloy Castings Ltd	**50,000**	**0.05**	50,000	0.05
87.	Polygenta Technologies Ltd	**28,45,594**	**2.99**	28,45,594	2.99
88.	Pooja Granites And Marbles Pvt Ltd	**2,76,000**	**0.00**	2,76,000	0.00
89.	Prestige HM Poly Containers Ltd	**5,700**	**0.00**	5,700	0.00
90.	Raichur Power Corporation Ltd (RPCL)	**43,27,20,000**	**432.72**	43,27,20,000	432.72
91.	Rajahmundry Godavari Bridge Ltd	**3,50,00,000**	**34.73**	4,99,80,000	49.60
92.	Rama Industries Ltd	**10,00,000**	**1.00**	10,00,000	1.00
93.	Ratnagiri Gas And Power Private Ltd (RGPPL)	**6,76,11,743**	**67.61**	6,76,11,743	67.61
94.	Regency Hospitals Ltd	**11,123**	**0.00**	11,123	0.00
95.	RMI Foods Ltd	**2,60,000**	**0.04**	2,60,000	0.04
96.	S&P Engineering Products Ltd	**24,094**	**0.00**	24,094	0.00
97.	S N Corporation Ltd	**2,24,400**	**0.00**	2,24,400	0.00
98.	Sai Rayalaseema Paper Mills Ltd	**4,44,270**	**–**	4,44,270	–
99.	Samcor Glass Ltd	**20,00,000**	**7.60**	20,00,000	7.60
100.	Sangam Aluminium Ltd	**4,06,000**	**0.12**	4,06,000	0.12
101.	Sanghi Polyesters Ltd	**13,19,509**	**0.36**	13,19,509	0.36
102.	Sathyakamal Agros Ltd	**6,20,000**	**0.62**	6,20,000	0.62
103.	SBI DFHI Ltd	**46,743**	**1.10**	46,743	1.10
104.	Sea Gold Aqua Farms Ltd	**2,50,000**	**–**	2,50,000	–
105.	Shiga Energy Private Ltd	**5,10,00,000**	**50.44**	5,10,00,000	50.44

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
106. Shree Acids And Chemicals Ltd	**2,89,132**	**0.03**	2,89,132	0.03
107. Shree Shakti Resorts & Hotels Ltd	**1,06,318**	**0.08**	1,06,318	0.08
108. Shri Bhagwati Bright Bars Ltd	**1,50,000**	**–**	1,50,000	–
109. Shri Ishar Alloy Steels Ltd	**58,636**	**0.01**	58,636	0.01
110. SM Telesys Ltd	**3,00,000**	**–**	3,00,000	–
111. Southern Wind Farms Pvt Ltd	**1,00,000**	**0.10**	1,00,000	0.10
112. Sravanthi Energy Private Ltd	**9,44,60,000**	**93.33**	9,44,60,000	93.33
113. STCI Finance Ltd	**3,37,400**	**4.58**	3,37,400	4.58
114. Sun Granites Ltd	**17,48,600**	**1.75**	17,48,600	1.75
115. Super Syncotex India Ltd	**2,05,836**	**0.29**	2,05,836	0.29
116. Synthetics & Chemicals Ltd	**4,40,500**	**0.11**	4,40,500	0.11
117. Tamil Nadu Industrial Explosives Ltd	**6,66,625**	**0.00**	6,66,625	0.00
118. Tata Construction Ltd	**54,950**	**0.05**	54,950	0.05
119. Thar Cements Pvt Ltd	**4,00,000**	**0.00**	4,00,000	0.00
120. UP Ind Consultancy Ltd	**3,580**	**0.02**	3,580	0.02
121. Unialkem Fertilisers Ltd	**1,35,000**	**0.00**	1,35,000	0.00
122. United Soya Products Ltd	**38,264**	**0.00**	38,264	0.00
123. Vadraj Cement Ltd (Erstwhile ABG Cement Ltd)	**6,39,16,797**	**63.92**	6,39,16,797	63.92
124. Vasudeva Cements Ltd	**1,00,000**	**0.00**	1,00,000	0.00
125. Vensa Biotech Ltd	**1,37,500**	**0.14**	1,37,500	0.14
126. Venus Sugar Mills Ltd	**9,80,303**	**0.98**	9,80,303	0.98
127. Vhel Ltd	**2,97,820**	**0.00**	2,97,820	0.00
128. Virgo Cements Ltd	**3,40,000**	**0.00**	3,40,000	0.00
129. Visakha Aqua Farms Ltd	**2,50,000**	**–**	2,50,000	–
130. Webfil Ltd	**2,95,080**	**0.00**	2,95,080	0.00
131. West Bengal Consultancy Orgn Ltd	**12,700**	**0.01**	12,700	0.01
132. Willard India Ltd	**2,41,652**	**0.60**	2,41,652	0.60
TOTAL		**1,896.90**		2,082.67
Equity Shares (Others)				
1. ACRE Ltd	**–**	**–**	73,28,334	7.43
2. Metropolitan Stock Exchange of India Ltd	**7,18,75,000**	**71.88**	7,18,75,000	71.88
3. National Power Exchange Ltd	**–**	**–**	7,50,300	0.75
TOTAL		**71.88**		80.05
Preference Shares				
1. ABG Shipyard Ltd	**1,71,26,479**	**17.13**	1,71,26,480	17.13
2. Ajanta Textiles Ltd	**38,219**	**0.00**	38,219	0.00
3. Andhra Cotton Mills Ltd	**1,249**	**0.00**	1,249	0.00
4. Ashok Paper Mills Ltd	**30,000**	**0.00**	30,000	0.00
5. Bellary Steel & Alloys Ltd	**5,67,260**	**5.67**	5,67,260	5.67
6. BST Mfg Ltd	**9,920**	**0.00**	9,920	0.00
7. Cachar Sugar Mills Ltd	**14,953**	**0.00**	14,953	0.00
8. Digvijay Synthetics Ltd	**1,70,000**	**0.00**	1,70,000	0.00
9. Essar Steel Ltd	**2,21,16,599**	**22.12**	2,21,16,599	22.12
10. Ferro Alloys Corporation Ltd	**2,26,058**	**0.00**	2,26,058	0.00
11. Forward Televisions Ltd	**8,000**	**0.00**	8,000	0.00
12. Gayatri Sugars Ltd	**–**	**–**	24,52,245	2.45
13. GPI Textile Ltd	**–**	**–**	10,63,86,496	53.19
14. I C Textiles Ltd	**9,52,394**	**9.52**	9,52,394	9.52

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
15.	IFCI Factors Ltd	**17,50,00,000**	**175.00**	17,50,00,000	175.00
16.	JSW Steel Ltd	**3,53,82,650**	**40.46**	3,53,82,650	40.46
17.	Kalyanpur Cements Ltd	**5,84,040**	**5.80**	5,84,040	5.80
18.	LML Ltd	**21,50,912**	**21.51**	21,50,912	21.51
19.	Mafatlal Engineering Industries Ltd	**4,961**	**0.00**	4,961	0.00
20.	Malhotra Steels Ltd	**25,000**	**0.00**	25,000	0.00
21.	Malwa Cotton Spinning Mills Ltd	**17,24,610**	**17.25**	17,24,610	17.25
22.	Morepen Laboratories Ltd	**87,373**	**0.87**	87,373	0.87
23.	Nagai Power Private Ltd	**2,18,90,000**	**21.37**	2,18,90,000	21.37
24.	Neesa Leisure Ltd	**2,60,000**	**26.00**	2,60,000	26.00
25.	Nimar Textiles Ltd	**1,980**	**0.00**	1,980	0.00
26.	Oswal Spg & Wvg Mills Ltd	**9,97,30,160**	**9.97**	9,97,30,160	9.97
27.	Parasrampuria Synthetics Ltd	**13,89,450**	**0.00**	13,89,450	0.00
28.	Poddar Udyog Ltd	**18,000**	**0.09**	18,000	0.09
29.	Prag Bosmi Synthetics Ltd	**26,14,577**	**26.15**	26,14,577	26.15
30.	Premier Cable Co Ltd	**1,945**	**0.00**	1,945	0.00
31.	Punj Steel Machine Tools Pvt Ltd	**1,50,000**	**0.00**	1,50,000	0.00
32.	Sai Rayalaseema Paper Mills Ltd	**24,717**	**0.00**	24,717	0.00
33.	Seven Seas Transportation Ltd	**8,426**	**0.00**	8,426	0.00
34.	Shiga Energy Private Ltd	**2,50,00,000**	**24.73**	2,50,00,000	24.73
35.	Shree Satpuda Tapi Parisar SSK Ltd	**9,178**	**4.59**	9,178	4.59
36.	Southern Brick Works Ltd	**2,993**	**0.00**	2,993	0.00
37.	Spectrum Power Generation Ltd	**1,18,20,000**	**11.82**	1,18,20,000	11.82
38.	Steel & Allied Products Ltd	**5,980**	**0.00**	5,980	0.00
39.	Triveni Metal Tubes Ltd	**449**	**0.00**	449	0.00
40.	Tungabhadra Fibres Ltd	**9,901**	**0.00**	–	0.00
41.	Vegepro Foods & Feeds Ltd	**10,00,000**	**0.79**	10,00,000	0.79
42.	Yuil Measure (I) Ltd	**39,500**	**0.00**	39,500	0.00
	TOTAL		**440.82**		496.47
Debentures/Bonds (Subsidiaries)					
1.	IFCI Factors Ltd	**500**	**25.00**	500	25.00
2.	IFCI Infrastructure Development Ltd (V) [9.7] 09–May–20	**750**	**75.00**	750	75.00
	TOTAL		**100.00**		100.00
Debentures/Bonds (Joint Venture)					
1.	IFCI Sycamore Capital Advisors Pvt Ltd	**–**	**–**	4,50,000	2.64
	TOTAL		**–**		2.64
Bonds					
1.	Air India Ltd (Series 1) [9.84] 27–Sep–26	**–**	**–**	159	17.38
2.	Damodar Valley Corporation Ltd (Series–15) [8.69] 25–Mar–28	**–**	**–**	2,000	209.00
3.	Food Corporation of India (Series–Vb) [8.8] 22–Mar–28	**–**	**–**	465	46.50
4.	Gujarat State Petroleum Corporation (Series–2 Debentures) [9.8] 22–Mar–73	**1,000**	**100.04**	1,000	100.04
5.	Gujarat State Petroleum Corporation [10.45] 28–Sep–72	**700**	**73.69**	700	73.69
6.	Indian Renewable Energy Development Agency Ltd (Series–V–A) [8.44] 10–May–23	**–**	**–**	1,100	110.00
7.	Indian Renewable Energy Development Agency Ltd (Series–V–B) [8.49] 10–May–28	**–**	**–**	940	94.00
8.	Mahanagar Telephone Nigam Ltd [8.57] 28–Mar–23	**–**	**–**	400	40.00
9.	NTPC 25–Mar–25	**2,25,000**	**–**	2,25,000	–

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
10.	Power Grid Corporation of India Ltd (XLIII Issue–A) [7.93] 20–May–17	**–**	**–**	150	15.00
11.	Power Grid Corporation of India Ltd (XLIII Issue–B) [7.93] 20–May–18	**–**	**–**	150	15.00
12.	Power Grid Corporation of India Ltd (XLIII Issue–C) [7.93] 20–May–19	**–**	**–**	150	15.00
13.	Power Grid Corporation of India Ltd (XLIII Issue–D) [7.93] 20–May–20	**–**	**–**	150	15.00
14.	Power Grid Corporation of India Ltd (XLIII Issue–E) [7.93] 20–May–21	**–**	**–**	150	15.00
15.	Power Grid Corporation of India Ltd (XLIII Issue–F) [7.93] 20–May–22	**–**	**–**	150	15.00
16.	Power Grid Corporation of India Ltd (XLIII Issue–G) [7.93] 20–May–23	**–**	**–**	150	15.00
17.	Power Grid Corporation of India Ltd (XLIII Issue–H) [7.93] 20–May–24	**–**	**–**	150	15.00
18.	Power Grid Corporation of India Ltd (XLIII Issue–I) [7.93] 20–May–25	**–**	**–**	150	15.00
19.	Power Grid Corporation of India Ltd (XLIII Issue–J) [7.93] 20–May–26	**–**	**–**	150	15.00
20.	Power Grid Corporation of India Ltd (XLIII Issue–K) [7.93] 20–May–27	**–**	**–**	150	15.00
21.	Power Grid Corporation of India Ltd (XLIII Issue–L) [7.93] 20–May–28	**–**	**–**	150	15.00
22.	Reliance Capital Ltd (F Series B–264) [10] 03–Nov–17	**100**	**10.05**	100	10.05
23.	Reliance Capital Ltd (F Series B–272) [10] 20–Dec–17	**400**	**40.20**	400	40.20
24.	Rural Electrification Corporation Ltd (Series 115) [8.06] 31–May–23	**–**	**–**	850	85.00
	TOTAL		**223.98**		1,005.86
Security Receipts					
1.	ACRE–JEG Hospitality & Holdings Ltd	**3,740**	**37.40**	3,740	37.40
2.	ACRE–Kiri Industries Ltd	**2,309**	**23.09**	2,357	23.57
3.	ALCHEMIST–Sima Hotels & Resorts Ltd	**1,44,925**	**14.49**	1,44,925	14.49
4.	ARCIL–Akar Laminates Ltd	**1,958**	**11.16**	1,958	11.16
5.	ARCIL–Birla VXL Scheme–C–BVXL	**1,212**	**2.27**	1,212	2.27
6.	ARCIL–GSL India Ltd	**192**	**1.19**	192	1.19
7.	ARCIL–Kalyanpur Cements Ltd	**1,814**	**5.79**	1,814	5.79
8.	ARCIL–Titagarh Industries Ltd	**3,43,292**	**4.18**	3,43,292	4.18
9.	ARCIL–Uniworth Textiles Ltd	**64,030**	**6.34**	64,030	6.40
10.	ARCIL–Vishnu Vijay Packaging Ltd	**89,019**	**6.38**	89,019	6.38
11.	ARCIL–Consolidated Fibres & Chemicals Ltd	**85,500**	**5.04**	85,500	8.55
12.	CFM–ARC 002 TRUST–MVL LTD	**1,99,665**	**19.97**	–	–
13.	EARC–BINANI CEMENTS–SC 196	**42,16,850**	**420.99**	42,16,850	421.69
14.	EARC–IND SWIFT LAB LTD–SC 191	**130,305**	**12.94**	1,30,305	13.03
15.	EARC–IND SWIFT LTD–SC 191	**98,175**	**9.75**	98,175	9.82
16.	EARC TRUST SC 241–TILAK NAGAR	**20,93,890**	**209.39**	–	–
17.	EARC TRUST SC 242–LUXORA INFRASTRUCTURE	**10,73,125**	**107.31**	–	–
18.	EARC–DB Hospitality Pvt Ltd	**9,05,000**	**74.35**	7,52,341	75.23
19.	RAYTHEON ARC 001 TRUST–WISDOM GLOBAL	**1,70,000**	**17.00**	–	–
20.	CFM–ARC 001 TRUST–ATCOM TECHNOLOGY LTD	**17,000**	**1.70**	–	–
	TOTAL		**990.72**		641.15
Government Securities					
1.	9.75% GOI (IFCI Ltd) Special Security 2021	**4,00,00,00,000**	**400.00**	4,00,00,00,000	400.00
	TOTAL		**400.00**		400.00

Note 11 (contd..)

NON–CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
Units					
1.	CANBANK Venture Capital Fund Ltd (CVCFL)	**34,07,152**	**34.07**	36,94,000	36.94
2.	GIVF–IFCI Venture Capital Funds Ltd	**2,78,43,289**	**27.84**	2,79,82,293	27.98
3.	GVFL LIMITED–Golden Gujarat Growth Fund–I	**1,863**	**18.63**	2,169	21.69
4.	IACM–1–D–IFCI Venture Capital Funds Ltd	**6,37,29,653**	**63.73**	7,19,00,000	65.27
5.	IEDF–IFCI Venture Capital Funds Ltd	**4,08,43,010**	**40.84**	4,14,67,301	40.90
6.	VCF FOR SCS–IFCI Venture Capital Funds Ltd	**50,00,000**	**5.00**	50,00,000	5.00
	TOTAL		**190.12**		197.78
Units of Mutual Funds					
1.	Birla Sun Life Mutual Fund	**8,83,236**	**10.00**	–	–
2.	DSP Blackrock Mutual Fund	**52,12,677**	**10.00**	–	–
3.	Kotak Mutual Fund	**49,27,808**	**10.00**	–	–
4.	Reliance Mutual Fund	**22,71,272**	**10.00**	–	–
5.	SBI Mutual Fund	**48,64,050**	**10.00**	–	–
	TOTAL		**50.00**		–
	GRAND TOTAL		**6,461.03**		7,298.22

12. DEFERRED TAX ASSET (NET) **(₹ crore)**

		As at March 31, 2017	As at March 31, 2016
(A)	Provision against Loans/ Advances & other Assets	**1,046.49**	780.68
(B)	DTL on Timing difference in Depreciable Assets	**(56.80)**	(66.88)
(C)	DTL on Special Reserve u/s 36(i)(viii)	**(46.72)**	(46.72)
(D)	Other Timing Differences	**42.99**	11.62
	TOTAL	**985.96**	678.70

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
13.	**LOANS**	**Non–Current**	**Current**	Non–Current	Current
(A)	Loans to Assisted Concerns	**18,253.85**	**3,490.86**	21,566.92	3,260.48
(B)	Debentures	**1,833.22**	**102.32**	1,699.27	600.08
(C)	Loan to Subsidiaries/Associates	**–**	**22.00**	1.00	25.00
(D)	Lease Rental Receivable	**0.05**		2.44	–
		20,087.12	**3,615.18**	23,269.63	3,885.56
	(i) *Considered good*	***18,149.81***	***3,615.18***	*21,957.51*	*3,885.56*
	(ii) *Considered doubtful*	***1,937.31***	**–**	*1,312.12*	–
		20,087.12	**3,615.18**	23,269.63	3,885.56
	Less: Allowance for bad and doubtful assets				
	– Loans	**1,715.33**	**–**	1,244.20	–
	– Lease Rental Receivable	**0.05**	**–**	2.44	–
	– Debentures	**221.93**	**–**	65.48	–
		1,937.31	–	1,312.12	–
	TOTAL	**18,149.81**	**3,615.18**	21,957.51	3,885.56
	Classification of Loans				
	(i) Secured	**19,642.61**	**3,485.53**	22,103.00	3,802.04
	(ii) Unsecured	**444.51**	**129.65**	1,166.63	83.52
		20,087.12	**3,615.18**	23,269.63	3,885.56

(₹ crore)

14. LOANS & ADVANCES–OTHERS	As at March 31, 2017 Non–Current	As at March 31, 2017 Current	As at March 31, 2016 Non–Current	As at March 31, 2016 Current
(A) Capital Advances	**0.91**	**–**	–	–
(B) Security Deposits	**1.12**	**–**	1.01	–
(C) Advance Tax paid (Net of Provision)	**28.40**	**–**	18.05	–
(D) MAT Credit Entitlement	**51.99**	**–**	68.90	–
(E) Other Deposits/ Loan				
– Considered good	**–**	**50.00**	–	95.00
– Considered doubtful	**–**	**12.12**	–	12.12
Less: Allowance for bad and doubtful debts	**–**	**(12.12)**	–	(12.12)
(F) Other Loans and advances				
(a) Loans to employees (Secured–considered good)	**9.19**	**1.88**	11.72	0.40
(b) Others (Unsecured)				
– Considered good	**0.03**	**25.01**	0.03	22.62
– Considered doubtful	**–**	**7.70**	–	7.70
Less: Allowance for bad and doubtful debts	**–**	**(7.70)**	–	(7.70)
TOTAL	**91.64**	**76.89**	99.71	118.02

15. OTHER ASSETS

(₹ crore)

	As at March 31, 2017 Non–Current	As at March 31, 2017 Current	As at March 31, 2016 Non–Current	As at March 31, 2016 Current
(A) Accrued Income				
(i) Interest and commitment charges on Loans	**–**	**72.18**	–	115.80
(ii) Interest on Debentures	**–**	**25.69**	–	72.31
(iii) Interest on Investments	**–**	**16.63**	–	28.25
(iv) Other Income	**5.14**	**28.62**	5.28	34.10
(B) Sundry Deposits	**–**	**4.08**	–	5.49
(C) Forward Deal Outstanding	**–**	**–**	–	22.27
(D) Pre–paid Expenses	**–**	**1.37**	–	1.06
TOTAL	**5.14**	**148.57**	5.28	279.28

(₹ crore)

16. CURRENT INVESTMENTS	As at March 31, 2017	As at March 31, 2016
A. QUOTED		
Fully paid–up, non–trade Investment		
1. Equity Shares	**61.80**	23.16
2. Bonds	**–**	9.99
3. Government Securities #	**5.35**	25.14
4. Treasury Bills #	**–**	31.54
5. Units of Mutual Funds	**76.00**	–
	143.15	89.83
B. UNQUOTED		
Fully paid–up, non–trade Investment		
1. Equity Shares	**107.20**	–
2. Bonds	**69.43**	75.10
3. Commercial Paper	197.08	405.22
4. Certificate of Deposit	**392.21**	981.44
	765.92	1,461.76
C. APPLICATION MONEY		
1. Equity shares		
(i) Subsidiaries–IFCI Financial Services Ltd.	**0.02**	0.02
(ii) Others	**–**	29.99
2. Preference Shares	**0.08**	15.66
	0.10	45.67
TOTAL	**909.17**	1,597.26
Less: Provision for Diminution in value	**73.03**	52.41
TOTAL	**836.14**	1,544.85

Note 16 (contd..)

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
QUOTED:			
(1)	Total Book Value	**143.15**	89.83
	– Equity Shares	***61.80***	*23.16*
	– Others	***81.35***	*66.67*
(2)	Total Market Value	**112.56**	83.47
	– Equity Shares	***31.45***	*16.45*
	– Others	***81.11***	*67.02*
UNQUOTED:			
(1)	Total Book Value	**766.02**	1,507.43
	– Equity Shares	***107.20***	–
	– Preference Shares	**–**	–
	– Others	**658.82**	1,507.43

Treasury bills having book value of ₹ Nil (March 31, 2016: ₹ 32.10 crore) and Government Securities of ₹ Nil (March 31, 2016: ₹90.00 crore) are placed with CCIL as collateral under Collateralised Borrowings Lending Operations (CBLOs).

CURRENT INVESTMENTS–DETAILS

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
QUOTED					
Equity Shares					
1.	Cipla Ltd	**–**	**–**	9,000	0.47
2.	Coffee Day Enterprises Ltd	**–**	**–**	1,00,810	3.31
3.	Colgate Pamolive (India) Ltd	**–**	**–**	4,000	0.33
4.	Diamond Power Infrastructure Ltd	**48,00,365**	**19.82**	–	–
5.	Divi's Laboratories Ltd	**–**	**–**	6,000	0.59
6.	Glenmark Pharma Ltd	**–**	**–**	11,000	1.07
7.	HCL Technologies Ltd	**–**	**–**	9,000	0.74
8.	Hindustan Motors Ltd	**–**	**–**	24,19,846	2.28
9.	Larsen & Toubro Ltd	**–**	**–**	6,760	1.14
10.	Monnet Ispat and Energy Ltd	**34,18,128**	**11.69**	34,18,128	11.69
11.	Oil and Natural Gas Corporation Ltd	**–**	**–**	10,000	0.21
12.	Punjab Alkalies & Chemicals Ltd	**8,19,718**	**1.88**	–	–
13.	Reliance Industries Ltd	**–**	**–**	5,000	0.52
14.	Shankara Building Products Ltd	**42,319**	**1.95**	–	–
15.	Steel Authority of India	**5,000**	**0.03**	–	–
16.	Tata Consultancy Services Ltd	**–**	**–**	2,000	0.49
17.	Zee Entertainment Enterprises Ltd	**–**	**–**	8,000	0.31
18.	Hindustan Construction Corporation Ltd	**75,70,839**	**26.43**	–	–
	TOTAL		**61.80**		23.16
Government Security					
1.	Government Security [6.97] 06–09–26	**525**	**5.35**	–	–
2.	Government Security [7.59] 11–01–26	**–**	**–**	1,000	10.01
3.	Government Security [7.72] 25–May–25	**–**	**–**	1,500	15.13
	TOTAL		**5.35**		25.14

Note 16 (contd..)

CURRENT INVESTMENTS–DETAILS **(₹ crore)**

		As at March 31, 2017		As at March 31, 2016	
		No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
Treasury Bills					
1.	91 DAYS T–BILL 07–04–16	**–**	**–**	8,000	19.65
2.	91 DAYS T–BILL 16–06–16	**–**	**–**	4,841	11.89
	TOTAL		**–**		31.54
Bonds					
1.	Sundaram Finance Ltd [9.1] 06–05–16	**–**	**–**	100	9.99
	TOTAL		**–**		9.99
Units of Mutual Funds					
1.	ICICI Prudential Ultra Short Term Plan–Direct–Growth	**1,56,70,014**	**26.00**	–	–
2.	SBI Short Term Debt Fund	**2,68,41,891**	**50.00**	–	–
	TOTAL		**76.00**		–
UNQUOTED					
Equity Shares					
1.	Adhunik Power & Natural Resources Ltd	**5,72,50,000**	**57.25**	–	–
2.	Coastal Projects Ltd	**36,89,982**	**3.69**	–	–
3.	Shree Maheswar Hydel Power Company Ltd	**83,87,028**	**0.00**	–	–
4.	Sravanthi Energy Pvt. Ltd	**4,62,58,712**	**46.26**	–	–
	TOTAL		**107.20**		–
Bonds					
1.	Dewan Housing Finance Corporation Ltd [10.7] 03–06–16	**–**	**–**	50	5.00
2.	Dewan Housing Finance Corporation Ltd [9.25] 09–09–23	**5,00,000**	**49.49**	–	–
3.	Family Credit Ltd [9.95] 10–06–16	**–**	**–**	100	25.05
4.	ICICI Home Finance Company Ltd [9.35] 10–10–16	**–**	**–**	300	15.05
5.	Indiabulls Housing Finance Ltd (SERIES 3) [8.9] 26–09–21	**2,00,000**	**19.94**	–	–
6.	LIC Housing Finance Ltd [8.77] 24–11–16	**–**	**–**	250	25.01
7.	Shriram Transport Finance Co. Ltd [9] 17–06–16	**–**	**–**	50	4.99
	TOTAL		**69.43**		75.10
Commercial Paper					
1.	Aditya Birla Finance Ltd	**–**	**–**	1,000	48.88
2.	Dewan Housing Finance Corporation Ltd 02–MAY–16	**–**	**–**	500	24.43
3.	Fullerton India Credit Company Ltd 28–04–16	**–**	**–**	500	24.43
4.	Housing Development Finance Corporation Ltd 11–04–16	**–**	**–**	1,000	49.22
5.	Infrastructure Leasing & Financial Services Ltd 26–05–16	**–**	**–**	500	24.43
6.	Kotak Mahindra Investments	**–**	**–**	1,500	72.38
7.	Kotak Mahindra Prime Ltd 25–04–16	**–**	**–**	800	39.02
8.	L&T Finance Ltd	**–**	**–**	1,000	48.97
9.	Tata Capital Financial Services Ltd 22–04–16	**–**	**–**	500	24.46
10.	Tata Capital Ltd 18–04–16	**–**	**–**	1,000	48.99
11.	Housing Development Finance Corporation Ltd 11–07–17	**1,000**	**49.05**	–	–
12.	Housing And Urban Development Corporation Ltd 26–05–17	**2,000**	**99.04**	–	–
13.	Tata Capital Financial Services Ltd 06–07–17	**1,000**	**49.00**	–	–
	TOTAL		**197.08**		405.22
Certificate of Deposit					
1.	Bank of Maharashtra 03–06–16	**–**	**–**	10,000	98.51
2.	Bank of Maharashtra 20–06–16	**–**	**–**	10,000	97.93
3.	Canara Bank	**–**	**–**	10,000	97.92
4.	IDBI Bank Ltd	**–**	**–**	10,000	97.97
5.	IDFC Bank Ltd	**10,000**	**98.65**	–	–
6.	IndusInd Bank Ltd	**10,000**	**98.60**	–	–
7.	Oriental Bank of Commerce	**–**	**–**	10,000	98.24
8.	Punjab & Sind Bank	**–**	**–**	10,000	98.00
9.	The Federal Bank Ltd	**10,000**	**99.09**	–	–
10.	Union Bank of India	**–**	**–**	20,000	196.36
11.	Vijaya Bank	**–**	**–**	20,000	196.51
12.	Yes Bank	**10,000**	**95.87**	–	–
	TOTAL		**392.21**		981.44

Note 16 (contd..)

CURRENT INVESTMENTS–DETAILS **(₹ crore)**

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares/Units	**Amount**	No. of Shares/Units	Amount
Application Money (Equity Shares)				
Subsidiaries				
1. IFCI Financial Services Ltd	**–**	**0.02**	–	0.02
TOTAL		**0.02**		0.02
Others				
1. Arihant Industries Ltd	**–**	**–**	1,00,00,000	10.00
2. Girnar Fibres Ltd	**–**	**–**	–	1.00
3. Shiv Vani Oil and Gas Exploration Ltd	**–**	**–**	–	18.99
TOTAL		**–**		29.99
Application Money (Preference Shares)				
1. ABG Shipyard Ltd	**–**	**0.08**	–	0.08
2. Jhagadia Copper Ltd	**–**	**–**	1,42,294	1.42
3. Siddharth Tubes Ltd	**–**	**–**	14,15,190	14.15
TOTAL		**0.08**		15.66
GRAND TOTAL		**909.17**		1,597.26

(₹ crore)

17. TRADE RECEIVABLES	**As at March 31, 2017**	As at March 31, 2016
(A) Unsecured		
– More than 6 months	**4.39**	19.05
– Others	**29.87**	33.84
	34.26	52.89
Less: Allowance for bad and doubtful debts	**(3.98)**	(5.76)
TOTAL	**30.28**	47.13
Out of the above,		
(i) Considered good	**30.28**	47.13
(ii) Considered doubtful	**3.98**	5.76
	34.26	52.89

18. CASH AND BANK BALANCES	**As at March 31, 2017**	As at March 31, 2016
(A) Cash and Cash Equivalent		
(i) Balances with Banks		
– Bank balance	**184.79**	84.60
– Bank Deposits $	**45.78**	13.58
(ii) Collateralised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	**299.87**	–
(iii) Cheques on hand & under collection and remittances in transit	**11.17**	38.35
(iv) Cash in hand (including postage stamps)	**0.02**	0.01
	541.63	136.54
(B) Other Bank Balances		
(i) Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
– Bank balance	**0.13**	0.20
– Bank Deposits $	**231.71**	213.86
(ii) Unclaimed dividend Account	**16.46**	18.96
(iii) Balances with Banks held as margin money against guarantees	**7.75**	7.75
(iv) Bank Deposits under directions of Court & Tribunal etc.	**384.27**	225.95
	640.32	466.72
TOTAL (A) + (B)	**1,181.95**	603.26
$ Includes bank deposits with more than 12 months remaining maturity	**Nil**	Nil

(₹ crore)

19. REVENUE FROM OPERATIONS		Year ended March 31, 2017	Year ended March 31, 2016
(A)	Interest Income		
	(i) Loans	**2,249.83**	2,893.70
	(ii) Debentures	**43.99**	288.87
	(iii) Income from deployment of liquid funds	**112.27**	135.85
	(iv) Interest on Bonds/ Government Securities/ other contractual obligation	**107.45**	119.89
	(v) Lease Rentals etc.	**–**	1.52
	SUB–TOTAL (A)	**2,513.54**	3,439.83
(B)	Other Financial Services		
	(i) Income from Acquired Non–performing Assets	**–**	33.40
	(ii) Dividend (Gross)		
	– Investments–non–current	**32.10**	26.01
	– Investments–current	**0.10**	0.20
	(iii) Profit on sale of Shares/ Debentures (Net)		
	– Assistance under financing–non–current	**98.01**	244.42
	– Investments–non–current	**52.23**	35.21
	– Investments–current	**5.74**	0.80
	(iv) Business Services Fees and Commission (including guarantee commission)	**32.00**	24.30
	(v) Exchange Fluctuation (Loss)/Gains	**6.01**	14.27
	(vi) Provision/ Liability no longer required written back	**–**	0.15
	SUB–TOTAL (B)	**226.19**	378.76
	TOTAL (A+B)	**2,739.73**	3,818.59
	Foot–notes to Note No. 19		
	1. Interest income under (A) above includes from subsidiaries & associates	**10.76**	14.89

(₹ crore)

20. OTHER INCOME		Year ended March 31, 2017	Year ended March 31, 2016
(A)	Interest on staff advances	**0.73**	0.81
(B)	Profit on sale of fixed assets (Net)	**19.98**	100.93
(C)	Rental Income	**39.14**	43.21
(D)	Dividend from Subsidiaries/ Associates	**33.59**	19.25
(E)	Miscellaneous Income	**41.07**	23.85
	TOTAL	**134.51**	188.05

21. FINANCE COST			
(A)	Interest on Rupee Bonds and Borrowings	**2,258.40**	2,432.04
(B)	Interest on Foreign Currency Borrowings	**20.58**	70.83
(C)	Interest on Bank Overdraft	**0.33**	0.49
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social Resposibility)	**5.83**	5.51
(E)	Commitment Charges, Brokerage, Commission and other costs	**4.18**	7.85
	TOTAL	**2,289.32**	2,516.72

22. EMPLOYEE BENEFIT EXPENSES			
(A)	Salaries and Allowances	**68.44**	70.83
(B)	Contribution to Retirement Funds	**10.72**	24.74
(C)	Staff Welfare Expenses	**15.86**	4.57
	TOTAL	**95.02**	100.14

23. OTHER EXPENSES			
(A)	Rent	**1.44**	1.05
(B)	Rates and Taxes	**2.63**	2.95
(C)	Insurance	**0.30**	0.30
(D)	Repairs and Maintenance		
	– Buildings	**6.97**	10.80
	– IT	**1.08**	1.02
	– Others	**0.12**	0.12

Note 23 (contd..)

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(E)	Electricity & Water Charges	**5.16**	5.39
(F)	Security expenses	**1.68**	1.63
(G)	Payment to Auditors *(refer note 30)*	**0.57**	0.45
(H)	Directors' Fee & Expenses	**0.72**	0.93
(I)	Publications, Advertisement	**1.86**	1.49
(J)	Consultation and Law Charges	**2.41**	1.56
(K)	Travelling & Conveyance	**1.52**	1.85
(L)	Training & Development	**0.35**	0.45
(M)	Postage & Telephone	**1.81**	1.49
(N)	Printing & Stationery	**1.43**	0.80
(O)	Listing/ Filing/ Custody Fee	**1.82**	1.83
(P)	Library/ Membership Subscription	**1.18**	1.24
(Q)	Expenses on CSR Activity (refer note 34)	**8.22**	–
(R)	Other Miscellaneous Expenses	**1.85**	1.94
	TOTAL	**43.12**	37.29

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

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(A)	Loans & Advances		
	– Provision Reversal on recovery from NPAs	**(106.26)**	(80.91)
	– Write–off	**394.78**	441.09
	Less: transfer from provision held for bad & doubtful debts	**(394.78)**	(441.09)
	– Provision for assets	**1,028.82**	871.68
(B)	Investments		
	– Provision Reversal	**(85.64)**	–
	– Write–off	**28.36**	119.40
	Less: transfer from provision held	**(28.36)**	(29.54)
	– Provision made	**356.06**	11.87
(C)	Debtors		
	– Write–off	**0.41**	–
	– Provision Reversal	**(1.78)**	–
	– Provision made	**–**	2.03
	TOTAL	**1,191.61**	894.53

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

25.1 Contingent Liabilities:

(₹ crore)

As at		Year ended 31.03.2017	Year ended 31.03.2016
(i)	Claims not acknowledged as debts*	**315.83**	317.17
(ii)	Bank Guarantees Provided	**2.87**	2.87
(iii)	Guarantee/Letter of Comfort Issued on behalf of third parties	**68.49**	62.67
(iv)	Guarantee/Letter of Comfort Issued on behalf of subsidiaries companies	**485.41**	578.87
(v)	Tax Matters–		
	Income Tax	**31.97**	31.17
	Service tax	**14.64**	13.75

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2017.

* The claims not acknowledged as debts includes ₹ 311.78 crore in respect of Blue Coast Hotels. For details, please refer note–27.

25.2 Commitments:

(₹ crore)

As at		Year ended 31.03.2017	Year ended 31.03.2016
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**7.01**	4.48
(ii)	Undrawn Commitments	**2,254.57**	2,321.39

26. Company has made the provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long–term contracts including derivative contracts as on March 31, 2017.

27. IFCI had sanctioned a Corporate loan of ₹ 150 crore to Blue Coast Hotels Ltd. in year 2010, which was secured by way of charge on the movable fixed assets and immovable property. IFCI had also taken an equity exposure to the extent of ₹ 85 crore in Silver Resorts Hotel (I) Pvt. Ltd, a group company of Blue Coast Hotels Ltd. Blue Coast Hotel Ltd. had entered into Buy Back Agreement for buying back the equity shares and to secure the performance of the Buy–Back, a charge by way of mortgage was created on the aforesaid property. Consequent to the default committed by the Company, both in repayment of the loan as well as honoring the buy–back obligation, IFCI initiated legal proceedings against the company, by issuing a 13(2) notice under the SRFA&ESI Act, 2002 on the company on 26th March, 2013. Pursuant to the aforesaid notice, IFCI undertook recovery action by selling mortgaged assets through a public auction to ITC Ltd. at a price of ₹ 515.44 crore for recovery of IFCI dues and other secured creditors in the matter. Entire transaction was concluded in FY 2014–15. Blue Coast Hotels Ltd. had challenged the said sale and filed Writ Petitions before the Hon'ble HC of Bombay. The High Court in its final Order dated 23rd March, 2016, set aside the sale conducted by IFCI and disposed of the Writ Petitions in favour of Blue Coast Hotels Ltd. Immediately, on receipt of the above judgement, IFCI had filed a Special Leave Petition challenging the Judgement of the Bombay High Court on 12th April, 2016. The Hon'ble SC was pleased to admit the petition and directed the issuance of notice to Blue Coast Hotels Ltd. The Hon'ble Supreme Court also permitted IFCI to retain the sale proceeds. In view of the above, the share of IFCI in the total sale proceeds amounting to ₹ 311.78 crore is being shown as contingent liability. The next hearing is due on 25th July 2017.

28. Expenditure in Foreign Currencies:

(₹ crore)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest on borrowings	**3.69**	3.82
Other matters	**0.21**	0.23
TOTAL	**3.90**	4.05

29. Earnings in Foreign Currency:

Earnings in Foreign Currency	**Nil**	Nil

30. Payment to Auditors

Audit Fees	**0.48**	0.41
Certification and other services	**0.06**	0.02
Reimbursement of Expenses	**0.02**	0.02
TOTAL	**0.56**	0.45

31. Disclosure of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016–30/12/2016 as provided in below table–

Particulars	Specified Bank Notes (SBN) Denomination (Number)		Amount (₹ Lakhs)	Other Denomination Notes Amount (₹ Lakhs)	Total Amount (₹ Lakhs)
	₹ 1,000	₹ 500			
Closing Cash in hand as on 08/11/2016	54	180	1.44	0.38	1.82
Transactions between 09th November 2016 to 30th December 2016					
Add: Withdrawal from Bank accounts	–	–	–	4.51	4.51
Add: Receipts from permitted transactions	10	38	0.29	0.25	0.54
Add: Receipts from Non–permitted transactions	–	–	–	–	–
Less: Paid for permitted transactions	–	22	0.11	3.75	3.86
Less: Paid for Non–permitted transactions	–	–	–	–	–
Less: Deposit in Bank accounts	64	196	1.62	0.05	1.67
Closing Cash in hand as on 30/12/2016				1.34	1.34

32. Certain balances appearing under trade receivables and payables are subject to confirmation. Trade receivables which are overdue for more than three years or otherwise considered as doubtful for recovery has been fully provided for.

33. 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, 2017. 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.

34.1. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard–5 read with RBI guidelines.

34.2. An amount of ₹ 19.73 crore is reduced from borrowing cost which was charged in previous financial year, following confirmation from the lender institution regarding applicable rate of interest.

34.3. In terms of RBI Guidelines DBR. No.BP.BC.34/21.04.132/2016–17 dated 10th November, 2016, unrealised interest of ₹ 126.50 crore in respect of SDR/ S4A cases has been reversed during 2016–17, of which ₹ 61.36 crore pertain to previous financial year(s).

35.1. During the financial year 2016–17, the accounting policy for recognising liability on account of post–retirement medical benefit scheme has been changed to charging the expenses on the basis of actuarial valuation in accordance with Accounting Standard–15, Employee Benefits, as against on the basis of actual expenses incurred in earlier years. The profit for the current year has been reduced by ₹ 8.07 crore because of this change in policy.

35.2. In IFCI Ltd during the financial year 2016–17, the accounting policy for recognising expenditure on account of Leave Fare Concession benefit scheme has been changed to charging the expenses on the basis of actuarial valuation in accordance with Accounting Standard–15, Employee Benefits, as against on the basis of actual expenses incurred in earlier years. The profit for the current year has been reduced by ₹ 2.04 crore because of this change in policy.

36. During the financial year 2016–17, the extant accounting policy of withdrawing an amount equivalent to the depreciation on revalued amount provided during the period from the revaluation reserve account and adjusting the same against the depreciation cost in the Profit and Loss Account, has been revised, to be credited to the General Reserve, in accordance with the provisions of Schedule–II to the Companies Act, 2013 and the Guidance Note of the Institute of Chartered Accountants of India, in this regard. The profit for the current year has been reduced by ₹ 19.72 crore because of this change in policy.

37. During the financial year 2016–17, the accounting policy for recognising expenditure towards Corporate Social Responsibility activities as an appropriation of profits has been revised to recognition of the expenditure as a charge to the Profit and Loss Account, in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India in this regard. The profit has been reduced by ₹ 8.22 crore because of this change in policy.

38. Gratuity and leave encashment liabilities have been determined and accounted on the basis of actuarial valuation in accordance with Accounting Standard 15.

	Particulars	FY–2016–17		FY–2015–16	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
		(Funded)	(Un–Funded)	(Funded)	(Un–Funded)
I	**Components of Employer Expense**				
	1. Current Service Cost	**1.27**	**0.90**	1.21	0.83
	2. Interest Cost	**1.49**	**1.15**	1.06	1.14
	3. Expected Return on Plan Asset	**–**	**–**	–	–
	4. Curtailment Cost/ (Credit)	**–**	**–**	–	–
	5. Settlement Cost/ (Credit)	**–**	**–**	–	–
	6. Past Service Cost	**–**	**–**	–	–
	7. Actuarial (gain)/ loss recognized	**(0.04)**	**1.54**	5.10	0.71
	8. Expense Recognized in Statement of Profit/ Loss	**1.36**	**3.59**	6.39	2.69
II	**Actual Returns for the year**	**1.40**	**–**	0.98	–
III	**Net (Asset)/ Liability recognized in Balance Sheet**				
	1. Present Value of Defined Benefit Obligation	**19.98**	**15.85**	19.91	15.35
	2. Fair Value on Plan Assets	**19.08**	**–**	13.50	–
	3. Status (Surplus/ Deficit)	**0.90**	**15.85**	7.93	15.35
	4. Unrecognised Past Service Cost	**–**	**–**	–	–
	5. Net (Asset)/ Liability recognized in Balance Sheet	**0.90**	**15.85**	7.93	15.35
IV	**Change in Defined Benefit Obligations (DBO)**				
	1. Present Value of Obligation at Beginning of year	**19.91**	**15.35**	13.30	14.24
	2. Current Service Cost	**1.27**	**0.90**	1.21	0.83
	3. Interest Cost	**1.49**	**1.15**	1.06	1.14
	4. Curtailment cost	**–**	**–**	–	–
	5. Settlement Cost	**–**	**–**	–	–
	6. Plan Amendments	**–**	**–**	–	–

Note 38 (contd..)

Particulars	FY–2016–17 Gratuity (Funded)	FY–2016–17 Leave Encashment (Un–Funded)	FY–2015–16 Gratuity (Funded)	FY–2015–16 Leave Encashment (Un–Funded)
7. Acquisitions	**–**	**–**	–	–
8. Actuarial (gain)/ loss on Obligations	**(0.04)**	**1.54**	5.10	0.71
9. Benefits Paid/Payable	**(2.65)**	**(3.09)**	(0.76)	(1.57)
10. Present Value of Obligation at end of Year	**19.98**	**15.85**	19.91	15.35
V Change in Fair Value of Assets during the year				
1. Fair Value of Plan Asset at Beginning of year	**13.50**	**–**	10.75	**–**
2. Acquisition Adjustment	**–**	**–**	–	**–**
3. Expected Return on Plan Asset	**1.40**	**–**	0.98	**–**
4. Actuarial (gain)/ loss on Plan Asset	–	**–**	–	**–**
5. Contributions	**6.41**	**–**	2.56	**–**
6. Benefits Paid	**2.65**	**–**	0.32	**–**
7. Fair Value of Plan Asset at end of year	**19.08**	**–**	13.5	**–**
VI Actuarial Assumptions				
1. Mortality Table		**Indian Assured Lives Mortality (2006–08)**		Indian Assured Lives Mortality (2006–08)
2. Early Retirement & Disablement		**Age Related**		Age Related
3. Discount Rate	**7.50%**	**7.50%**	8.00%	8.00%
4. Inflation Rate	**5.00%**	**6.00%**	5.00%	6.00%
5. Return on Asset	**10.02%**	**–**	9.19%	**–**
VII Major Category of Plan Assets as a % of the Total Plan Assets				
1. Government Securities	**–**	**–**	**–**	**–**
2. Special Deposit Scheme	**–**	**–**	**–**	**–**
3. High Quality Corporate Bonds	**–**	**–**	**–**	**–**
4. Insurance Companies	**100.00%**	**–**	100.00%	**–**
5. Cash & Cash Equivalents	**–**	**–**	–	**–**

39. The Company operates in India and hence it is considered to operate only in domestic segment. More than 90% of revenue for the Company comes from a single segment of Financing. Accordingly, segment reporting as required under Accounting Standard–17, is not required.

40. Disclosure of details pertaining to related party transactions in terms of Accounting Standard–18,–"Related Party Disclosures" is as under:

1. Name of the Related Party and Nature of Relationship:

Nature of Relationship	Name of the Related Party
Subsidiaries	IFCI Financial Services Ltd (IFIN)
	IFCI Venture Capital Funds Ltd (IVCF)
	IFCI Infrastructure Development Ltd (IIDL)
	IFCI Factors Ltd (IFL)
	MPCON Ltd
	Stock Holding Corporation of India Ltd (SHCIL)
	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)
	SHCIL Services Ltd (indirect control through SHCIL)
	Stockholding Document Management Services Ltd (indirect control through SHCIL)
Associates	Tourism Finance Corporation of India Ltd (TFCI)
	Himachal Consultancy Organisation Ltd (HIMCON)
	North India Technical Consultancy Organisation Ltd (NITCON)
	HARDICON Ltd (*up to March 06,2017)
	KITCO Ltd
Joint Venture	IFCI Sycamore Capital Advisors Pvt Ltd
Trust incorporated for CSR activity	IFCI Social Foundation
Key Managerial Personnel	Shri Sanjeev Kaushik (WTD designated as Deputy Managing Director) w.e.f. December 12, 2016
	Shri Malay Mukherjee (CEO & MD) upto December 11, 2016
	Shri Achal Kumar Gupta (WTD designated as Deputy Managing Director) upto December 11, 2016
	Shri B.N. Nayak–Chief Financial Officer
	Ms. Rupa Sarkar–Company Secretary

* Pursuant to the sale of our complete stake, HARDICON has ceased to be our associate with effect from March 6, 2017.

2. Transaction with the related party during the year:

(₹ crore)

Nature of Transaction	Year ended 31.03.2017	Year ended 31.03.2016
Subsidiaries		
IFCI Financial Services Ltd		
Rent & Maintenance received	**1.34**	1.39
Brokerage/ Professional fee paid	**0.57**	0.55
Depository Services	**0.10**	0.12
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered / recoverable from them	**0.70**	0.70
IFCI Venture Capital Funds Ltd		
Dividend Received	**5.95**	5.95
Rent & Maintenance received	**1.50**	1.24
Professional fee received	**1.99**	0.06
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.78**	0.43
Loans given–outstanding	**22.00**	–
Interest received/ receivable on Loan	**0.01**	–
Bonds issued by IFCI–outstanding	**15.00**	15.00
Interest paid/payable by IFCI	**1.36**	1.37
IFCI Infrastructure Development Ltd		
Dividend Received	**3.82**	–
Rent & Maintenance received	**1.35**	1.27
Rent & Maintenance paid	**0.14**	0.27
Professional fee paid/ payable	**–**	0.22
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.64**	0.46
Bonds/ Debenture subscribed–outstanding	**75.00**	75.00
Interest received/ receivable on Bonds	**7.27**	7.27
Bonds issued by IFCI–outstanding	**90.00**	90.00
Interest paid/ payable by IFCI	**8.53**	8.53
IFCI Factors Ltd		
Rent & Maintenance received	**2.80**	3.22
Professional fee received	**1.46**	0.06
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.36**	0.31
Loans given–outstanding	**–**	25.00
Interest received/ receivable on Loan	**3.32**	6.53
Bonds/ Debenture subscribed–outstanding	**25.00**	25.00
IFIN Securities Finance Pvt Ltd		
Loans given–outstanding	**–**	1.00
Maximum amount outstanding	**8.50**	24.00
Professional fee received	**0.03**	–
Interest received/ receivable on Loan	**0.16**	1.09

Note 40 (contd..)

(₹ crore)

Nature of Transaction	Year ended 31.03.2017	Year ended 31.03.2016
Stock Holding Corporation of India Ltd		
Rent & Maintenance received	**2.37**	1.06
Bonds issued by IFCI–outstanding	**49.05**	49.75
Interest paid/ payable by IFCI	**4.41**	5.47
Dividend Received	**21.15**	7.23
Brokerage/ Professional fee paid	**0.23**	0.25
MPCON Limited		
Dividend Received	**0.08**	–
Rent & Maintenance received	**–**	0.03
Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.32**	0.30
Stockholding Document Management Services Ltd		
Professional fee Paid /Payable	**–**	0.13
Associates		
Tourism Finance Corporation of India Ltd		
Bonds issued by IFCI–outstanding	**65.00**	65.00
Interest paid/ payable by IFCI	**5.80**	5.79
Rent & Maintenance received	**3.59**	4.07
Dividend Received	**2.23**	5.68
Dividend Paid on Preference Shares	**₹20,000**	₹20,000
HIMCON Ltd		
Dividend Received	**0.01**	0.03
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.25**	0.25
HARDICON Ltd		
Dividend Received	**0.01**	0.01
Valuation fee paid	**–**	0,02
NITCON Ltd		
Rent & Maintenance received	**0.16**	0.16
Valuation fee paid	**–**	0.02
Dividend Received	**0.04**	0.04
KITCO Ltd		
Dividend Received	**0.30**	0.30
Trust incorporated for CSR activity		
IFCI Social Foundation		
Contribution for CSR activities	**1.89**	2.33
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.36**	0.30

Key Management Personnel (₹ crore)

Name and Designation		Year ended 31.03.2017	Year ended 31.03.2016
Managerial Remuneration			
Mr. Malay Mukherjee	– Chief Executive Officer and Managing Director (upto Dec.11,2016)	**0.27**	0.37
Mr. Achal Kumar Gupta	– WTD designated as Deputy Managing Director (upto Dec.11,2016)	**0.23**	0.33
Mr. B.N. Nayak	– Chief Financial Officer	**0.40**	0.42
Ms. Rupa Sarkar	– Company Secretary	**0.37**	0.33

(₹ crore)

		Earnings per share:	Year ended 31.03.2017	Year ended 31.03.2016
I	(a)	**Profit Computation for Equity shareholders**		
		Net profit as per Statement of Profit & Loss	**(458.49)**	337.45
		Less: Preference Dividend	**(0.26)**	(0.31)
		Net profit for Equity Shareholders	**(458.75)**	337.14
	(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
II	(a)	**Profit Computation for Equity shareholders (including potential shareholders)**		
		Net profit as per Statement of Profit & Loss	**(458.49)**	337.45
		Less: Preference dividend	**(0.26)**	(0.31)
		Net profit for equity shareholders (including potential shareholders) *	**(458.75)**	337.14
	(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
		Earnings Per Share (Weighted Average)		
		Basic (₹)	**(2.76)**	2.03
		Diluted (₹)	**(2.76)**	2.03

* There are no potential equity shares outstanding as on March 31, 2017.

42. The Company has 50% interest in one joint venture viz. IFCI Sycamore Capital Advisors (P) Ltd (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd in IFCI Sycamore Capital Advisors (P) Ltd as on March 31, 2017 was at ₹ 0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquidation of the Company. The Fully Convertible Debentures of ₹ 2.64 crore has been redeemed during the year.

43. In terms of Accounting Standard 19 on 'Leases'.

(a) The Company has entered into lease agreement at nine centers and lease rent is charged to the Statement of Profit & Loss.

(b) The year wise break up of future minimum lease payments in respect of leased premises are as under:

(₹ crore)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Minimum Lease payments:		
(a) Not later than one year	**0.87**	0.69
(b) Later than one year but not later than five years	**1.81**	1.42
(c) Later than five years	**0.39**	0.46
Rentals charged during the Period	**1.44**	1.05

44. As on March 31, 2017 there were no events or changes in circumstances which indicate any impairment in the assets as defined by Accounting Standard–28– "Impairment of Assets".

45. Expenditure on CSR activities as specified in schedule VII to the Companies Act, 2013

(₹ crore)

	Particulars of Activity	Year ended 31.03.2017	Year ended 31.03.2016
(a)	Gross amount required to be spent by the company for respective financial year	**9.61**	7.58
(b)	Construction/acquisition of any assets	**–**	–
(c)	Amount spent during the period–		
	Development of Human Capital	**3.91**	5.13
	Development of Rural areas & sustainable development activities	**2.18**	0.35
	Promotion of sports	**0.09**	0.93
	Other welfare activities	**1.68**	0.39
	Corpus to the IFCI Social Foundation	**–**	0.11
	Admin & other expenses	**0.36**	0.30
	TOTAL	**8.22**	7.21

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

(i) The Company is registered with Securities and Exchange Board of India as debenture trustee having registration code i.e. "IND000000002".

(ii) There are no penalties imposed by RBI and other regulator during the year ended March 2017

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year ended March, 2017

Long Term (Bonds/NCDs/Term Loans):

Ratings by	**31.03.2017**	31.03.2016
ICRA	**(ICRA) A w.e.f 21.02.2017**	(ICRA) A+
CARE	**CARE A w.e.f 28.03.2017**	CARE A+
Brickwork	**BWR A+ w.e.f 31.03.2017**	BWR AA–
Short Term (Commercial Paper/ Short term borrowings)		
ICRA	**[ICRA] A1+ w.e.f 21.02.2017**	[ICRA] A1+
CARE	**CARE A1+ w.e.f 28.03.2017**	CARE A1+
For Structured Secured NCD		
Brickwork	**BWR AA+ (SO) w.e.f 31.03.2017**	–
CARE	**CARE AA–(SO) w.e.f 28.03.2017**	–
Subordinate Bonds		
CARE	**CARE A– w.e.f 28/03/2017**	–

(iv) Disclosures relating to Customer Complaints:

Particulars		**31.03.2017**	31.03.2016
(a)	No. of complaints pending at the beginning of the year	**Nil**	Nil
(b)	No. of complaints received during the year	**Nil**	Nil
(c)	No. of complaints redressed during the year	**Nil**	Nil
(d)	No. of complaints pending at the end of the year	**Nil**	Nil

(v) Capital to Risk Assets Ratio (CRAR):

Particulars		**31.03.2017**	31.03.2016
(a)	Capital to Risk Assets Ratio (CRAR)	**16.71%**	16.91%
	(i) Core CRAR	**11.21%**	11.52%
	(ii) Supplementary CRAR	**5.50%**	5.39%
(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)	**938.15**	1,123.06
(c)	Risk–weighted assets (₹ crore):		
	(i) On–Balance Sheet Items	**28,003.13**	34,400.54
	(ii) Off–Balance Sheet Items	**2,297.83**	2,001.64

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

(₹ crore)

Particulars		**As on March 31, 2017**		As on March, 31, 2016	
		Outstanding	**Overdue**	Outstanding	Overdue
(a)	Debentures:				
	(i) Secured	**2,857.26**	**–**	2,294.96	–
	(ii) Unsecured	**818.19**	**–**	818.19	–
(b)	Deferred Credits	**–**	**–**	–	–
(c)	Term Loans	**10,907.33**	**–**	14,605.71	–
(d)	Inter Corporate loans & borrowing	**–**	**–**	–	–
(e)	CBLO/ Commercial Paper	**–**	**–**	368.04	–
(f)	Other Loans (incl. FC Loan)	**429.13**	**–**	1,218.65	–
(g)	Funds placed with IFCI	**303.30**	**–**	288.02	–
(h)	Bonds	**7,886.76**	**–**	8,508.04	–

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

(vii) Investor group wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted):

(₹ crore)

Category	**31.03.2017**		31.03.2016	
	Market/ Break–up/ Fair Value/ NAV	**Book Value**	Market/ Break–up/ Fair Value/ NAV	Book Value
1. Related Parties				
(a) Subsidiaries	**1,431.40**	**1,671.41**	1,439.23	1,671.41
(b) Companies in same group	**205.98**	**59.13**	146.59	79.84
(c) Joint Venture	**–**	**0.01**	2.64	2.65
(d) Other than Related Parties	**6,089.68**	**5,639.65**	6,141.05	7,141.58
TOTAL	**7,727.06**	**7,370.20**	7,729.51	8,895.48

(viii) Details of investment and movement in provision: **(₹ crore)**

Particulars		**31.03.2017**	31.03.2016
(a)	Value of Investment in India	**7,370.19**	8,895.48
	Provisions for Depreciation	**976.66**	707.32
	Net Value of Investments	**6,393.53**	8,188.16
(b)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	**707.32**	680.90
	(ii) Add : Provisions made during the year	**481.91**	233.55
	(iii) Less : Write–off / write–back of excess provisions during the year	212.57	207.13
	(iv) Closing balance	**976.66**	707.32

(₹ crore)

(ix) **Particulars**	**As on March, 31, 2017**	As on March, 31, 2016
Leased Assets and stock on hire and other assets counting towards Loan activities	–	–

(x) Borrower group–wise classification of assets financed: **(₹ crore)**

Category		
1. Related Parties		
(a) Subsidiaries	**22.00**	26.00
(b) Companies in same group	**–**	–
(c) Other Related Parties	**–**	–
2. Other than Related Parties	**21,742.98**	25,817.07
TOTAL	**21,764.98**	25,843.07

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

(xi) Details of Single Borrower Limit–exceeded by the NBFC on the basis of Gross Exposure: **(₹ crore)**

Particulars	**31.03.2017**	31.03.2016
Concern Name	**Essar Oil Ltd**	Essar Oil Ltd
(a) Loan Total Outstanding	**934.24**	1,120.00
(b) % of owned funds	**19.90%**	20.50%
(c) Investment outstanding	**–**	–
(d) % of owned funds	**–**	–
(e) Total Exposure	**934.24**	1,120.00
(f) % of owned funds	**19.90%**	20.50%

(xii) Details of Group Borrower Limit–exceeded by the NBFC on the basis of Gross Exposure: **(₹ crore)**

Group Name	**Essar Group**	Essar Group
(a) Loan Total Outstanding	**1,489.41**	1,693.45
(b) % of owned funds	**31.72%**	31.00%
(c) Investment outstanding	**25.00**	25.00
(d) % of owned funds	**0.53%**	0.46%
(e) Total Exposure	**1,514.40**	1,718.44
(f) % of owned funds	**32.26%**	31.46%

Note 46 (contd..)

(xiii) Concentration of Advances: **(₹ crore)**

Particulars	31.03.2017	31.03.2016
Total Advances to top twenty largest borrowers / customers	**8,614.21**	8,969.86
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**36.34%**	33.03%

(xiv) Concentration of Exposures: **(₹ crore)**

Total Exposure to top twenty largest borrowers / customers	**9,596.89**	9,780.65
Percentage of Exposures to top twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**30.82%**	27.09%

(xv) Concentration of NPAs: **(₹ crore)**

Total Exposure to top Four NPA Accounts	**2,158.50**	1,537.66
	(9.11%)	(5.66%)

(xvi) Status of Non–Performing Assets: **(₹ crore)**

Particulars	As on 31.03.2017	As on 31.03.2016
1. Gross Non–Performing Assets		
(a) Related Parties	**–**	–
(b) Other than Related parties	**7,552.96**	3,544.60
2. Net Non–Performing Assets		
(a) Related Parties	**–**	–
(b) Other than Related parties	**5,882.33**	2,466.46
Assets acquired in satisfaction of debt	**–**	–

(xvii) Movement of NPAs: **(₹ crore)**

Particulars	31.03.2017	31.03.2016
(i) Net NPAs to Net Advances (%)	**27.03%**	9.54%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	**3,544.60**	2,617.25
(b) Additions during the year	**4,629.18**	1,597.38
(c) Reductions during the year	**620.82**	670.03
(d) Closing balance	**7,552.96**	3,544.60
(iii) Movement of Net NPAs		
(a) Opening balance	**2,466.46**	1,757.52
(b) Additions during the year	**4,062.31**	1,267.63
(c) Reductions during the year	**646.44**	558.69
(d) Closing balance	**5,882.33**	2,466.46
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	**1,078.14**	859.72
(b) Provisions made during the year	**1,039.87**	697.88
(c) Write–off / write–back of excess provisions	**447.38**	479.46
(d) Closing balance	**1,670.63**	1,078.14

(xviii) Sector–Wise NPAs:

	Sector	% of NPAs to Total Advances	
		31.03.2017	31.03.2016
1.	Agriculture and Allied Activities	**–**	–
2.	MSME	**–**	–
3.	Corporate Borrowers	**31.87%**	13.05%
4.	Services	**–**	–
5.	Unsecured Personal Loans	**–**	–
6.	Auto Loans	**–**	–
7.	Other personal loans	**–**	–

(xix) Provisions and contingencies: **(₹ crore)**

Break up of Provisions and Contingencies	For the Year ended 31.03.2017	31.03.2016
Provisions for depreciation on Investment	**242.06**	(17.67)
Provision towards NPA	**625.20**	337.55
Provision for Standard Assets	**97.42**	12.13
Provision made towards Income tax	**–**	216.83
Provision against trade receivables and other advances	**(1.78)**	2.03

(xx) Exposure to Real Estate Sector: **(₹ crore)**

Category	31.03.2017	31.03.2016
(a) **Direct Exposure**		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to ₹15 lakh may be shown separately)	–	–
(ii) **Commercial Real Estate**		
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi–family residential buildings, multi–tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non–fund based (NFB) limits	**3,015.41**	4,376.75
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	–	–
(b) **Indirect Exposure**		
Fund based and non–fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	–	–

(xxi) Exposure to Capital Market: **(₹ crore)**

Particulars	31.03.2017	31.03.2016
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity–oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**4,284.38**	4,380.44
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity–oriented mutual funds;	**–**	–
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**2,847.82**	3,445.48
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**2.30**	2.85
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**35**	35
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**–**	–
(vii) Bridge loans to companies against expected equity flows / issues;	**–**	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	**190.12**	459.73
Total Exposure to Capital Market	**7,359.62**	**8,323.50**

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

1.	Number of Accounts	**5**	4
2.	Aggregate outstanding of accounts sold to SC/ RC	**296.92**	422.59
3.	Aggregate consideration	**418.08**	570.87
4.	Additional consideration realized in respect of accounts transferred in earlier years	**–**	–
5.	Aggregate gain/ (loss) over net book value	**121.16**	148.28

(xxiii) Assignment transactions undertaken: **Nil** Nil

Note 46 (contd..)

(xxiv)	**Details of Non–performing financial assets purchased:**		
	Particulars	**31.03.2017**	31.03.2016
	(a) Number of accounts purchased during the year	**–**	–
	(b) Aggregate Outstanding (₹ crore)	**–**	–
	(c) Of the above number of accounts restructured during the year	**–**	–
	(d) Aggregate Outstanding (₹ crore)	**–**	–
(xxv)	**Non–performing financial assets sold to other than SC/RC:**	**Nil**	Nil
(xxvi)	**Exchange traded interest rate (IR) derivatives:**	**Nil**	Nil
(xxvii)	**Details of Forward rate agreement/ interest rate swap:**	**Nil**	Nil
(xxviii)	**Quantitative Disclosures:**		
	(i) Currency Derivatives–Hedging	**865.11**	958.72
	Marked to Market Position		
	(a) Assets	**3.96**	(2.13)
	(b) Liability	**14.65**	(21.49)
	(ii) Interest Rate Derivatives	**Nil**	Nil

(xxix) Disclosures on Flexible Structuring of Existing Loans: (₹ crore)

Financial Year	No. of Borrowers taken up for Flexible Structuring	Amount of Loans Taken up for flexible Structuring		Exposure weighted average duration of Loans taken up for Flexible Structuring	
		Classified as Standard	Classified as NPA	Before Applying Flexible Structuring	After Applying Flexible Structuring
(i) FY 2016–17	Nil	–	–	–	–
(ii) FY 2015–16	Nil	–	–	–	–

(xxx) Disclosures on Change in Ownership of Projects under Implementation (Accounts which are currently under the stand–still period):

(₹ crore)

Particulars	Amount Outstanding as on the reporting date		
	Classified as Standard	Classified as Standard Restructured	Classified as NPA
No. of Project Loan Accounts where Banks have decided to effect change in ownership	–	–	–

(xxxi) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on 31st March, 2017:

(₹ crore)

No. of Accounts where S4A has been applied	Aggregate amount outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
FY 2016–17				
(i) Classified as Standard	153.59	80.64	72.95	30.72
(ii) Classified as NPA	Nil	Nil	Nil	Nil
FY 2015–16				
(i) Classified as Standard	Nil	Nil	Nil	Nil
(ii) Classified as NPA	Nil	Nil	Nil	Nil

(xxxii) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

Financial Year	No. of Accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
2016-17	**1**	**36.62**	**-**	**36.62**	**-**	**-**	**-**	**-**	**-**
2015-16	-	-	-	-	-	-	-	-	-

(xxxiii) Disclosures on Strategic Debt Restructuring Scheme (Accounts which are currently under the stand-still period):

Financial Year	No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
2016-17	**2**	**286.42**	**-**	**-**	**-**	**286.42**	**-**
2015-16	4	541.80	1,146.40	269.04	1,030.60	272.76	115.80

(xxxiv) Maturity Pattern of assets and liabilities:

Particulars	1 day to 30 days	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	500.00	31.25	298.54	298.96	2,103.43	4,999.29	2,175.89	500.00	10,907.36
Market borrowings	29.46	-	14.16	217.37	235.15	1,750.09	3,486.45	6,258.64	11,991.32
TOTAL	**529.46**	**31.25**	**312.70**	**516.33**	**2,338.58**	**6,749.38**	**5,662.34**	**6,758.64**	**22,898.68**
ASSETS									
Advances	143.00	101.68	464.09	940.80	2,257.54	6,252.56	2,652.60	8,952.72	21,764.99
Investments	265.13	198.13	197.49	98.04	146.85	232.20	516.04	4,741.82	6,395.70
TOTAL	**408.13**	**299.81**	**661.58**	**1,038.84**	**2,404.39**	**6,484.76**	**3,168.64**	**13,694.54**	**28,160.69**

(xxxv) Disclosure of Restructured Accounts: **(₹ crore)**

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	**Restructured Accounts as on April, 1 of the FY (opening figures)***	No. of borrowers	4	3	–	–	7	–	–	–	–	–	16	6	2	–	24	**20**	**9**	**2**	**–**	**31**
		Amount outstanding	638.58	241.99	–	–	880.57	–	–				2,450.88	1,296.35	81.20	–	3,828.43	**3,089.46**	**1,538.34**	**81.20**	**–**	**4,709.00**
		Provision thereon	104.27	69.77	–	–	174.04	–	–	–	–	–	120.46	131.82	75.75	–	328.03	**224.73**	**201.59**	**75.75**	**–**	**502.07**
2	**Fresh restructuring during the year**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
		Amount outstanding	16.33	–	–	–	16.33	–	–	–	–	–	101.83	–	0.01	–	101.84	**118.16**	**–**	**0.01**	**–**	**118.17**
		Provision thereon	0.81	–	–	–	0.81	–	–	–	–	–	6.70	–	0.01	–	6.71	**7.51**	**–**	**0.01**	**–**	**7.52**
3	**Upgradations to restructured standard category during the FY**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
4	**Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**	**–**	**–**
5	**Downgradations of restructured accounts during the FY**	No. of borrowers	(3)	1	2	–	–	–	–	–	–	–	(7)	3	4	–	–	**(10)**	**4**	**6**	**–**	**–**
		Amount outstanding	457.49)	166.98	224.59	–	(65.92)	–	–	–	–	–	(1,356.47)	154.36	1,132.48	–	(69.63)	**(1,813.96)**	**321.34**	**1,357.07**	**–**	**(135.55)**
		Provision thereon	(76.54)	27.21	97.28	–	47.95	–	–	–	–	–	(63.65)	13.36	354.24	–	303.95	**(140.19)**	**40.57**	**451.52**	**–**	**351.90**
6	**Write-offs of restructured accounts during the FY****	No. of borrowers	–	1	–	–	1	–	–	–	–	–	2	1	1	–	4	**2**	**2**	**1**	**–**	**5**
		Amount outstanding	–	104.30	–	–	104.30	–	–	–	–	–	171.53	50.00	7.79	–	229.32	**171.53**	**154.30**	**7.79**	**–**	**333.62**
		Provision thereon	–	27.8	–	–	27.80	–	–	–	–	–	7.49	5.00	2.34	–	14.83	**7.49**	**32.80**	**2.34**	**–**	**42.63**
7	**Restructured Accounts as on March, 31 of the FY (closing figures)***	No. of borrowers	1	3	2	–	6	–	–	–	–	–	7	8	5	–	20	**8**	**11**	**7**	**–**	**26**
		Amount outstanding	197.42	304.67	224.59	–	726.68	–	–	–	–	–	1,024.71	1,400.71	1,205.90	–	3,631.32	**1,222.13**	**1,705.38**	**1,430.49**	**–**	**4,358.00**
		Provision thereon	28.54	69.18	97.28	–	195.00	–	–	–	–	–	56.02	140.18	427.66	–	623.86	**84.56**	**209.36**	**524.94**	**–**	**818.86**

* Excl. the figures of Std Rest. Advances which do not attract higher provisioning or risk weight (if applicable).
** Recovery (3 cases, O/s ₹ 138.71 crore, 31.47 cr provision) and Restructuring withdrawn & Original Liabilities restored in books.

47. Open interest in the Currency Futures as at 31/03/2017–Nil (Previous Year ended March 2016: : NIL)

48. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.006 million (Previous Year ended March 2016: USD 0.059 million) and EURO 0.053 million (Previous Year ended March 2016: EURO 0.011 million), equivalent to ₹ 0.41 crore (Previous Year ended March 2016: ₹ 0.47 crore).

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

(₹ crore)

Particulars	Maximum O/s during the Year	Daily Average O/s during the Year	O/s as on March 31, 2017
Securities sold under Repo:			
1. Government Securities	Nil	Nil	Nil
2. Corporate Bonds	601.95	210.83	Nil
Securities purchased under reverse repo:			
1. Government Securities	Nil	Nil	Nil
2. Corporate Bonds	Nil	Nil	Nil

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 year's presentation.

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IFCI LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IFCI Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence by the other auditors in terms of their reports referred to in sub-paragraph (a) the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, and their consolidated loss and their consolidated cash flow for the year ended on that date.

Emphasis of Matters

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

(b) We draw attention to note no. 35 and 36 of the consolidated financial statements related to litigation with the borrowers of the holding company and subsidiary company, respectively. Pending adjudication of the matter by the Honourable Supreme Court, in the opinion of the management, no provision or adjustment is required in the books of accounts of the holding and subsidiary company. Our report is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of six subsidiaries and six step down subsidiaries, whose financial statements reflect total assets of ₹ 3,963.08 crore as at March 31, 2017, total revenues of ₹ 875.92 crore and total profit after tax (net) of ₹ 165.22 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.21 crore for the year ended March 31, 2017 in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, step down subsidiaries and associates, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, step down subsidiaries and associates, is based solely on the reports of the other auditors.

(b) The consolidated financial statements include the Group's share of net accumulated profit of ₹ 16.25 crore for the year ended March 31, 2017 in respect of two associates company, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-Sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required under Section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure I, our report for the Group on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors;

(c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, step down subsidiaries and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure II, which is based on the auditors' reports of the Holding company and subsidiary companies; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates-Refer note no. 27.1 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts-Refer note no. 28 to the consolidated financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

(iv) The Group and its associates has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016-Refer Note 34 to the financial statements. Based on audit procedures and the reports of the statutory auditors of its subsidiary companies, step down subsidiaries and associate companies incorporated in India, and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and its associates and as produced to us by the Management.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

Parveen Kumar
Partner
Membership No. 088810

Place : New Delhi
Date : May 19, 2017

For **KPMR & ASSOCIATES**
Chartered Accountants
Firm Registration No: 02504N

S. M. Yamin Qureshi
Partner
Membership No. 081750

Place : New Delhi

Annexure I referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of consolidated financial statements

Part A-Directions

<table>
<tr><th>Sl. No.</th><th>Directions</th><th>Reply $</th></tr>
<tr><td>1.</td><td>Whether the Company has clear title/ lease deed for freehold and leasehold respectively? If not please state the area of freehold and lease hold land for which title/ lease deeds are not available?</td><td>According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries, the Group has clear title/ lease deeds for freehold and leasehold land, respectively, except in case of following subsidiaries:
IFCI Infrastructure Development Ltd:
(i) Property admeasuring 21.279 acres located at Pudducherry
(ii) Property admeasuring 8,400 sq. yards located at Ghaziabad
IIDL Realtors Private Limited:
Property admeasuring 15,603 sq. yard located at Ghaziabad
MPCON Limited.:
Leasehold land located in Bhopal, area admeasuring 6,000 Sq. ft.</td></tr>
<tr><td>2.</td><td>Whether there are any cases of waiver/ write off of debtors/ loans/ interest etc., If yes, the reason there of and amount involved.</td><td>According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries, case(s) of waiver/ write-off of debts/ loan/ interest etc., are as under:
<table>
<tr><th>Sl. No.</th><th>Nature of Dues</th><th>No. of cases</th><th>Amount (₹ crore)</th></tr>
<tr><td>(A)</td><td>Write-off/ Technical write-off of loans</td><td>69</td><td>466.22</td></tr>
<tr><td>(B)</td><td>Investments write-offs</td><td>6</td><td>28.36</td></tr>
<tr><td>(C)</td><td>Trade receivables/ Sundry debtors</td><td>75,220</td><td>17.64</td></tr>
</table>
It was informed that the waiver/ write-off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver. In investments write-offs, the amount outstanding is generally fully provided for.</td></tr>
</table>

Sl. No.	Directions	Reply $
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.	According to the information and explanations provided to us by the management and based on the other Auditor's Report on the subsidiaries: (a) There are inventories lying with the third parties; (b) No assets have been received as gifts/ grant(s) from Government or any other authorities during the year. Therefore, no records are required to be maintained for inventories lying with third parties & assets received as gift/ grant(s) from the Govt. or other authorities.

$ The replies in respect of the Subsidiaries are based on the other Auditor's Report on the subsidiaries.

Part B-Sub-Directions

Sl. No.	Sub-Directions	Reply $
1.*	**Investments** Whether the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	According to the information and explanations provided by the Company and based on audit procedures performed by us and based on the other Auditor's Report on the subsidiaries, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures etc. are available in physical/demat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, ***except*** for the cases mentioned below where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

Sl. No.	Company Name	Mode	No of shares
1.	ACC Ltd	Demat	160
2.	Aditya Birla Nuvo Ltd	Demat	93
3.	Aditya Birla Fashion And Retail Ltd	Demat	483
4.	Asian Hotels Ltd	Demat	265
5.	Asian Hotels Ltd	Demat	265
6.	Asian Hotels Ltd	Demat	265
7.	Banswara Syntex Ltd	Demat	100
8.	Bengal & Assam Company Ltd	Demat	23
9.	Bhilwara Technical Textiles Ltd	Demat	958
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24,550
12.	Coromandel International Ltd	Demat	69,220
13.	E I D Parry (India) Ltd	Demat	430
14.	Eveready Industries India Ltd	Demat	200
15.	Excel Glasses Ltd	Demat	50
16.	Gabriel India Ltd Parwanoo	Demat	3,500
17.	GKW Ltd	Demat	110
18.	Graphite India Ltd	Demat	366
19.	Gujarat Sidhee Cement Ltd	Demat	275
20.	HEG Ltd	Demat	1,785
21.	Hi-Tech Gears Ltd	Demat	2,700
22.	Indian Metals & Ferro-Alloys Ltd	Demat	89
23.	ITC Ltd	Demat	67
24.	J.K. Cement Ltd	Demat	20
25.	Jaykay Enterprises Ltd	Demat	100
26.	Larsen & Toubro Ltd	Demat	750
27.	National Organic Chemical Ind Ltd	Demat	130
28.	Ponni Sugars & Chemicals Ltd	Demat	64,800
29.	Rainbow Denim Ltd	Demat	40

Sl. No.	Sub-Directions	Reply $

Sl. No.	Company Name	Mode	No of shares
30.	Rajasthan Spg & Wvg Mills Ltd	Demat	383
31.	Reliance Capital Ltd	Demat	6
32.	Reliance Capital Ltd	Demat	217
33.	Reliance Communications Ltd	Demat	4,482
34.	Reliance Industries Ltd	Demat	2,332
35.	Reliance Infrastructure Ltd	Demat	10
36.	Reliance Infrastructure Ltd	Demat	325
37.	Reliance Power Ltd	Demat	34
38.	Reliance Power Ltd	Demat	1,086
39.	SRF Polymers Ltd	Demat	150
40.	Tata Motors Ltd	Demat	420
41.	Tata Motors Ltd	Demat	180
42.	Tata Power Co. Ltd	Demat	900
43.	Tata Steel Ltd	Demat	300
44.	Titagarh Wagons Ltd	Demat	25
45.	Ultra Tech Chem Co. Ltd	Demat	100
46.	Winsome Textile Industries Ltd	Demat	200
47.	Zenith Ltd	Demat	38
48.	Kajaria Ceramics Ltd	Physical	4,000
49.	Kama Holdings Ltd	Demat	150
50.	The Hi-Tech Gears Ltd	Demat	2,700
51.	Era Infra Engineering Ltd	Demat	27
52.	Western India Shipyard Ltd	Demat	30
53.	Indian Seamless Enterprises Ltd	Demat	1,028

As per management, above shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.

$ The replies in respect of the Subsidiaries are based on the other Auditor's Report on the subsidiaries.
* Applicable to the Group except IFCI Financial Services Ltd and Stock Holding Corporation of India Ltd and their respective subsidiaries.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN: 009571N/N500006

Parveen Kumar
Partner
M. No. 088810

Place: New Delhi
Date : May 19, 2017

For **KPMR & ASSOCIATES**
Chartered Accountants
FRN: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

Annexure II referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date on consolidated financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IFCI Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies which are companies incorporated in India, as of that date (the Holding Company together with its subsidiaries and associates referred to as "the Group") as of March 31, 2017 in conjunction with our audit of the financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies, six step-down subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **ASA & ASSOCIATES LLP**
Chartered Accountants
FRN: 009571N/N500006

Parveen Kumar
Partner
M. No. 088810

Place : New Delhi
Date : May 19, 2017

For **KPMR & ASSOCIATES**
Chartered Accountants
FRN: 02504N

S M Yamin Qureshi
Partner
Membership No. 081750

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ crore)

		Note No.	As at March 31, 2017	As at March 31, 2016
I.	**EQUITY & LIABILITIES**			
(1)	Shareholders' Funds			
	(a) Share Capital	1	**1,925.88**	1,925.43
	(b) Reserves and Surplus	2	**5,207.90**	5,639.49
(2)	Minority Interest			
	(a) Share Capital		**13.43**	13.43
	(b) Reserves and Surplus		**353.36**	306.89
(3)	Non-current Liabilities			
	(a) Long-term Borrowings	3	**19,536.75**	22,213.20
	(b) Long-term Liabilities	4	**787.12**	679.61
	(c) Long-term Provisions	5	**285.18**	372.09
(4)	Current Liabilities			
	(a) Short-Term Borrowings	6	**216.00**	1,374.24
	(b) Trade Payables	7	**208.80**	250.29
	(c) Other Current Liabilities	8	**5,708.74**	6,324.93
	(d) Short-Term Provisions	5	**38.57**	46.16
	TOTAL		**34,281.73**	39,145.76
II.	**ASSETS**			
(1)	Non-current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	**1,368.14**	1,405.83
	(ii) Intangible Assets	10	**8.07**	7.71
	(iii) Capital work-in-progress		**2.96**	5.73
	(b) Goodwill on consolidation		**446.64**	446.64
	(c) Non-current Investments	11	**4,174.01**	5,272.78
	(d) Deferred Tax Assets (Net)	12	**1,072.70**	747.55
	(e) Long-term Loans & Advances			
	(i) Loans	13	**18,581.13**	22,365.57
	(ii) Others	14	**277.18**	268.84
	(f) Other non-current assets	15	**21.70**	20.18
(2)	Current Assets			
	(a) Current Investments	16	**976.36**	1,587.16
	(b) Inventories		**211.29**	226.39
	(c) Trade Receivables	17	**577.07**	742.91
	(d) Cash and Cash Equivalents	18	**2,213.46**	1,225.99
	(e) Short-term Loans and Advances			
	(i) Loans (Current Maturity of Long Term Loans)	13	**3,961.23**	4,266.75
	(ii) Others	14	**91.07**	131.43
	(f) Other Current Assets	15	**298.72**	424.30
	TOTAL		**34,281.73**	39,145.76

Accounting Policies and Notes (1 to 57) form an integral part of financial statements

For and on behalf of Board

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ crore)

		Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I.	**Revenue**			
	Revenue from Operations	19	**3,579.12**	4,458.34
	Other Income	20	**102.17**	175.31
	Total Revenue		**3,681.29**	4,633.65
II.	**Expenses**			
	Finance Cost	21	**2,379.75**	2,598.86
	Employee Benefits Expenses	22	**252.46**	231.98
	Depreciation and Amortization *		**60.62**	24.44
	Cost of Stock in trade		**37.88**	34.58
	Other Expenses	23	**300.01**	250.65
	Total Expenses		**3,030.72**	3,140.51
III.	**Profit/(Loss) before Provisions/ Write-off (I-II)**		**650.57**	1,493.14
IV.	Provision for Bad & Doubtful Assets and others (Net of Write-off)	24	**1,259.58**	992.19
V.	**Profit/(Loss) before Tax (III-IV)**		**(609.01)**	500.95
VI.	**Tax Expense**			
	– Current Tax		**53.64**	246.06
	– Taxation for earlier years		**(13.24)**	–
	– Deferred Tax (Net)		**(325.14)**	(123.69)
VII.	**Profit/(Loss) for the Year (V-VI)**		**(324.27)**	378.58
VIII.	Share of profit/ (loss) of associates		**16.04**	15.70
IX.	Minority interest		**69.30**	31.45
X.	**Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (VII+VIII-IX)**		**(377.53)**	362.83
XI.	Basic Earnings per share of ₹ 10.00 each (₹)		**(2.27)**	2.18
	Diluted Earnings per share of ₹ 10.00 each (₹)		**(2.27)**	2.18
	*Net of transfer from Revaluation Reserve		–	21.22

Accounting Policies and Notes (1 to 57) form an integral part of financial statements

For and on behalf of Board

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ crore)

			For the year ended March 31, 2017		For the year ended March 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/ (Loss) before Tax		**(609.01)**		500.95
	Adjustments for:				
	Depreciation	**60.62**		24.44	
	Provision/ write offs	**1,259.58**		992.19	
	Bond Issue Expenses charged to Share Premium Account	**(6.43)**		**–**	
	(Profit)/ Loss on Sale of Assets	**(19.99)**		(103.47)	
	Employee Stock Option Compensation Cost	**–**		**–**	
	Pre-acquisition profits	**–**	**1,293.78**	–	913.16
	Operating Profit before Working Capital Changes & Operating Activities		**684.77**		1,414.11
	Adjustments for Operating Activities:				
	(Increase)/ decrease in Investments *(incl. Current Investments)*		**1,423.68**		(543.87)
	(Increase)/ decrease in Loans & Advances *(incl. current maturities of long-term loans & advances)*		**3,098.49**		(2,582.59)
	Increase/ (decrease) in Borrowings *(incl. current maturities of long-term liabilities)*		**(4,566.23)**		2,189.87
	Operating Profit before Working Capital Changes		**640.71**		477.52
	Adjustments for:				
	(Increase)/ decrease in Current Assets		**337.35**		(76.87)
	Increase/ (decrease) in Current Liabilities		**86.88**		(16.06)
	Increase/ (decrease) in other bank balances		**(222.34)**		(229.46)
	Cash Flow before taxation		**842.60**		155.13
	Income Tax (paid)/ refund-Net		**(40.75)**		(160.43)
	Net cash flow from Operating Activities		**801.85**		(5.29)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of/ Advance for Fixed Assets (including Leased Assets)		**(29.94)**		(35.03)
	Sale proceed of Fixed Assets		**21.73**		111.54
	Net cash flow from Investing Activities		**(8.21)**		76.51
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Issue of Equity Shares by way of allotment to ESOP Trust		**0.45**		0.06
	Share Premium (net of expenses)		**0.40**		0.06
	CSR Expenditure		**–**		(8.11)
	Dividend paid		**(29.36)**		(308.26)
	Net cash flow from Financing Activities		**(28.51)**		(316.25)
	Net Change in Cash and Cash Equivalent (A+B+C)		**765.13**		(245.04)
	Opening Cash and Cash Equivalent		**535.83**		780.87
	Closing Cash and Cash Equivalent		**1,300.96**		535.83
	Increase/ (Decrease) in Cash and Cash Equivalent		**765.13**		(245.04)

Note: 1. Figures for previous year have been regrouped/ re-classified, wherever considered necessary.
2. For composition of cash & cash equivalents please refer Note No. 18 of the balance sheet.

Accounting Policies and Notes (1 to 57) form an integral part of financial statements

For and on behalf of Board

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared to comply with the generally accepted accounting principles in India (Indian GAAP), including the accounting standards notified under the relevant provisions of Companies Act, 2013. The applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework.

1.2 Principles of consolidation

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

(a) The financial statements of the Company and its subsidiary companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with accounting standards (AS)-21 ''Consolidated Financial Statements".

(b) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or capital reserve, as the case may be.

(c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

(d) Investment in associate companies has been accounted under the equity method as per accounting standard (AS) 23-Accounting for Investments in associates in consolidated financial statements".

(e) The company accounts for its share of post-acquisition changes in net assets of associates, after eliminating the unrealized profit and losses resulting from transactions between the company and its associates to the extent of its share, through its consolidated statement of profit and loss, to the extent such change is attributable to the associates profit and loss statements and through its reserve for the balance based on available information.

(f) The difference between cost of investment in the associates and share of net assets at the time of acquisition of share in the associates is identified in financial statements as goodwill or capital reserve as the case may be.

(g) The consolidated financial statements are prepared using uniform accounting policy for like transactions and other events in similar circumstances and are prepared in the same manner as the company's separate financial statements, except otherwise expressly stated in the notes to accounts.

2. Use of Estimates

The preparation of consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Revenue Recognition

(a) Interest and other dues and income from factoring services are recognized on accrual basis except in the case of income on Non-Performing Assets (NPA) and commission income on IPO and FPO where income is accounted on realisation basis as per the prudential norms prescribed by the RBI.

(b) Amount received against loans and advances to borrowers are appropriated towards other debits, interest overdue across the due dates and principal overdue across the due dates in that order.

(c) Processing fee received in respect of loans is accounted for in the year in which the loan is disbursed.

(d) 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.

(e) Income from Merchant Banking/ Loan Syndication Fees, Depository Services, once the right to receive is established.

(f) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees.

(g) Interest earned on fixed income bearing securities is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Dividends are accounted for as income, once the right to receive is established.

(i) The front-end fees/ underwriting commission/ commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.

(j) 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.

(k) Surplus/ gains on sale of investments is net of losses thereon.

(l) Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.

(m) 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.

(n) 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.

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

(p) Charges collected on cheques dishonoured/ 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.

(q) 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.

(r) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following:

(i) Actual cost incurred is not less than 25 percent of the total estimated project cost.

(ii) No significant uncertainty exists regarding receipt of consideration from the customers.

(iii) In case of overdue, on actual realisation basis.

(iv) All significant risks and rewards are transferred to the customer.

(s) Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(i) Revenue from external project services is recognized based on the Cost plus method. A fixed markup percentage is added to the cost incurred towards construction and the total is recognized as revenue. The stage of completion is determined on the basis of work completion certificate obtained from the engineer/ architect.

(ii) Revenue from sale of property held as stock-in-trade is recognized upon transfer of possession or execution of sale deed, whichever is earlier.

(t) 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.

(u) 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.

(v) 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.

(w) The dividend unclaimed on account of shares sold and outstanding in the books are recognized as income after the end of three years. i.e. the limitation period.

4. Stock-in-Trade

(a) Inventory comprises of lands (with or without removable structure) incl. existing/ added boundary walls, Land and Building/ Residential Complex, Built-up floor space acquired/ purchased for development and/or sale, other removable/ disposable assets existing thereon. These are valued at lower of Cost or net realizable value. Costs are determined by adding all considerations/ costs which are attributable to purchase/ acquisition, and other expenses incurred specifically thereto.

(b) Inventory of hospitality business comprises of closing balance of consumables purchased. FIFO method is followed for ascertaining the cost price considered for valuation. Closing inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.

(c) Securities held for trade and those devolved on SHCIL in the process of settlement are held as stock-in trade and are valued at lower of cost or net realisable value.

(d) Securities on Deposit receipts received as collateral or directly deposited by clients with stock exchanges are not recorded in the accompanying financial statements.

5. Investments

(a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and as per Accounting Standard (AS)-13 'Accounting for Investments' for non NBFC.

(i) 'Long term Investments' are carried at acquisition cost. 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.

(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)/ Securitization Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value (NAV is considered net of management fee & other expenses) obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

(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 cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹ 'Nil'.

(b) Cost includes purchase price and all other directly attributable costs of bringing the assets to the working condition for intended use. Costs of self-constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

(c) Depreciation is provided on the Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013.

Considering the nature of business and operations of the company, SHCIL and step down subsidiary of SHCIL considered shorter life for certain assets as detailed below:

Nature of Asset	Useful life adopted	Useful life as per Companies Act
Computer Servers and Networks	4 years	6 Years
Mobiles	2 Years	5 Years
Vehicles	3 Years	8 Years
Building	58 Years	60 Years

(d) Depreciation on revalued amount of Leasehold Land & Buildings is provided on SLM basis over the remaining useful life of asset. An amount equivalent to the 'depreciation on revalued amount' provided during the period is withdrawn from the revaluation reserve and credited to the General reserve.

(e) Leasehold Improvements are amortized over the remaining lease period. Except in case of one step down subsidiary of SHCIL where it is amortized over three years.

(f) Depreciation is calculated on a pro-rata basis, including the month of addition and excluding the month of sale/ disposal. Assets having individual value of less than ₹5,000/- are charged to statement of Profit and Loss in the year of purchase.

9. Intangible assets and amortization

(a) Intangible assets are recorded at the consideration paid for acquisition. Consideration includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

(b) Intangible assets include computer software having perpetual license and are amortized on Straight Line Method over the period of six year from the date of capitalization except in case of IFIN the computer software is identified as Intangible asset and has been amortized at the rate of 40% following WDV method.

(c) Intangible assets consisting of Computer software with indefinite period utility / user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition /period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.

(d) The consideration paid as non-compete fees is identified as an Intangible Asset and has been amortized as per terms of the agreement on straight line basis.

10. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the P&L statement in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimates of recoverable amount.

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

(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines as applicable to Non-Banking Financial Companies. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/ written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary. IFCI factors is making provisions for standard assets @ 0.50%.

(b) For restructured/ rescheduled assets, provision is made in accordance with the amended guidelines issued by RBI.

(c) Recovery against debts written off/ provided for is credited to revenue. Income is recognized where amounts are either recovered and/ or adjusted against securities/ properties or advances 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.

Additional provision is made against specific assets over and above what is stated above, if in the opinion of the management, increased provision is necessary.

12. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are charged to revenue.

13. Leases

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

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

14. Miscellaneous Expenditure

(a) Expenses on issue of Shares and Debentures/ Bonds are charged to Securities Premium Reserve in accordance with Section 52 of Companies Act, 2013.

(b) In the case of IFCI Infrastructure Development Ltd, pre-operative/ preliminary expenditure incurred by the company is written off over a period of 5 years.

15. Employee Benefits

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

(b) Prior to 01/04/2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme for employees existing on 01/04/2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

(c) IFCI, IVCF and IFIN group have a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

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

(d) Provision for leave encashment/ long term compensated absences and Leave Fare Concession is being made on actuarial valuation basis. However, short term compensated absences are provided based on estimates.

In case of IFIN Group employees are entitled to 24 days of earned leave per year and maximum of 15 days leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary calculated on the basic pay along with December/January month salary of immediate next calendar year. The expenses on account thus arising are recognized in the Statement of Profit & Loss.

(e) IFCI has a post-retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment. There is change in accounting policy during the financial year 2016-17 and accordingly provision is being made on acturial valuation in line with Accounting Standard 15.

(f) In case of IFIN, all short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

16. Employee Stock Option Plan

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

17. Taxation

Tax Expense comprises of current & deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. 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.

18. Provisions and Contingencies

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

19. Cash and Cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralised lending & borrowing obligations transactions.

B. NOTES ON ACCOUNTS

1. SHARE CAPITAL

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

Particulars	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)	As at March 31, 2016 Number of Shares	As at March 31, 2016 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	1,663.35
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)	**–**	**–**	(4,55,691)	(0.45)
TOTAL EQUITY	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59
(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		**1,925.88**		1,925.43

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

There has been no change in the Authorised, Issued and Subscribed Share Capital during the year:

Particulars	As at March 31, 2017 Number of Shares	As at March 31, 2017 Amount (₹ crore)	As at March 31, 2016 Number of Shares	As at March 31, 2016 Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**1,66,15,81,544**	**1,661.59**	1,66,15,22,859	1,661.53
Add: Shares issued to employees on exercise of employee stock options	**1,39,538**	**0.14**	58,685	0.06
Add: Sold in the open market pursuant to automatic cancelation of the unexercised options *(foot-note 1)*	**3,16,153**	**0.31**	–	–
Outstanding at the end of the period	**1,66,20,37,235**	**1,662.04**	1,66,15,81,544	1,661.59

1.3 Terms/ rights attached to equity shares:

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

Note 1 (Contd..)

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

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Share-holding %**	Number of Shares	Share-holding %
President of India	**92,30,00,000**	**55.53**	92,30,00,000	55.53

1.5 Reconciliation of the number of Preference shares and share capital:

There has been no change in the Authorised, Issued and Subscribed Share Capital during the Year

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Amount (₹ crore)**	Number of Shares	Amount (₹ crore)
Paid up Capital				
Outstanding at beginning of the period	**26,38,43,100**	**263.84**	26,38,43,100	263.84
Outstanding at the end of the period	**26,38,43,100**	**263.84**	26,38,43,100	263.84

1.6 Terms/ rights attached to Preference Shares:

The Preference Shares are cumulative redeemable at par on the dates as mentioned in Note 1.1 above.

1.7 Shareholders holding more than 5% of Preference shares as at the end of the year:

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	**Share-holding %**	Number of Shares	Share-holding %
State Bank of India	**7,00,00,000**	**26.53**	7,00,00,000	26.53
President of India	**6,00,00,000**	**22.74**	6,00,00,000	22.74
Punjab National Bank	**5,20,00,000**	**19.71**	5,20,00,000	19.71
Oriental Bank of Commerce	**3,06,61,200**	**11.62**	3,06,61,200	11.62
Canara Bank	**2,82,64,600**	**10.71**	2,82,64,600	10.71

1.8 Employee Stock Option Scheme:

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

	As at March 31, 2017		As at March 31, 2016	
	Number of Options	**Weighted Average Exercise Price (₹)**	Number of Options	Weighted Average Exercise Price (₹)
ESOP A				
Outstanding at the beginning of the period	**2,89,194**	**17.55**	3,31,506	17.55
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**1,16,677**	**17.55**	42,312	17.55
Less: Expired during the period	**1,72,517**	**17.55**	–	–
Outstanding at the end of the period *	**–**	**–**	2,89,194	17.55
** shares allotted to Employee Stock Option Trust (foot-note 1)*	**–**	**–**	*3,51,540*	*17.55*
ESOP B				
Outstanding at the beginning of the period	**78,840**	**23.40**	95,213	23.40
Add: Granted during the period	**–**	**–**	–	–
Less: Cancelled during the period	**–**	**–**	–	–
Less: Exercised during the period	**22,861**	**23.40**	16,373	23.40
Less: Expired during the period	**55,979**	**23.40**	–	–
Outstanding at the end of the period *	**–**	**–**	78,840	23.40
** shares allotted to Employee Stock Option Trust (foot-note 1)*	**–**	**–**	*1,04,151*	*23.40*

Foot-notes to Note No. 1

1 The remaining shares corresponding to expired options have been sold in the open market and the remaining monies in IFCI Employee Stock Options trust shall be transferred to Employee welfare Trust/scheme of the Company as per SEBI share based employee benefits regulations.

2. RESERVES AND SURPLUS

(₹ crore)

			As at March 31, 2017		As at March 31, 2016
(A)	**Capital Reserve** *(foot-note 1)*		**0.89**		0.89
(B)	**Amalgamation Reserve**		**0.98**		0.98
(C)	**Capital Redemption Reserve** *(foot-note 2)*				
	Opening Balance	**211.27**		211.27	
	Additions/ Deductions	**–**		–	
	Closing Balance		**211.27**		211.27
(D)	**Capital Reserve on consolidation**				
	Opening Balance	**9.10**		9.10	
	Additions/ Deductions	**(2.37)**		–	
	Closing Balance		**6.73**		9.10
(E)	**Securities Premium Reserve**				
	Opening Balance	**1,024.34**		1,024.34	
	Additions	**–**		–	
	Deductions	**(6.43)**		–	
	Closing Balance	**1,017.91**		1,024.34	
	Less: Amount Recoverable from ESOP Trust	**–**		(0.40)	
	(shares allotted to Trust)		**1,017.91**		1,023.94
(F)	**Debenture Redemption Reserve** *(foot-note 3)*				
	Opening Balance	**94.92**		18.84	
	Additions	**76.08**		76.08	
	Deductions	**–**		–	
	Closing Balance		**171.00**		94.92
(G)	**Revaluation Reserve**				
	Opening Balance	**810.60**		886.44	
	Additions on account of reversal of depreciation	**0.26**		–	
	Transfer to General Reserve	**(19.72)**		–	
	Deduction on account of depreciation	**–**		(21.22)	
	Deduction on account of transfer/ sale/ disposal of assets	**(7.94)**		(54.62)	
	Closing Balance		**783.20**		810.60
(H)	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961** *(foot-note 4)*				
	Opening Balance	**136.74**		81.74	
	Additions/ Transfers during the year	**–**		55.00	
	Closing Balance		**136.74**		136.74
(I)	**Reserve u/s 45IC of RBI Act** *(foot-note 5)*				
	Opening Balance	**920.16**		915.93	
	Additions/ Transfers during the year	**4.42**		4.23	
	Closing Balance		**924.58**		920.16
(J)	**General Reserve**				
	Opening Balance	**484.26**		479.03	
	Additions/ Transfers during the year	**19.72**		5.23	
	Closing Balance		**503.98**		484.26
(K)	**Profit & Loss Account**				
	Opening Balance	**2,575.48**		2,538.55	
	Less: WDV of the assets with no useful life	–		(0.09)	
	Add: Profit/ (loss) for the year (before minority interest and share of profits of associates)	(324.27)		378.58	
	Share of the profits/ (loss) in Associates	16.04		15.70	
	Less: Reduction in accumulated profits of the associates $	(31.45)		(0.08)	

Note 2 (contd..)

(₹ crore)

	As at March 31, 2017		As at March 31, 2016	
Appropriations:				
Reserve u/s 45IC of RBI Act	**(4.42)**		(4.23)	
Special Reserve u/s 36(1)(viii)	**–**		(55.00)	
Capital Redemption Reserve	**–**		–	
Debenture Redemption Reserve	**(76.08)**		(76.08)	
General Reserve	**–**		(5.23)	
Expenditure on Corporate Social Responsibility activities *	**–**		(8.11)	
Interim Dividend				
Equity @ ₹ 1.00 per share	**–**		(166.21)	
Preference @ ₹ 0.01 per share	**(0.26)**		(0.26)	
Dividend to minorities by subsidiaries	**(18.96)**		(6.55)	
Tax on Distributed Profits				
Equity	**–**		(33.84)	
Add: Dividend tax credit u/s 115O(1A) of Income Tax Act			2.39	
Preference	**(0.05)**		(0.05)	
Add: Dividend tax credit u/s 115O(1A) of Income Tax Act	**0.05**		–	
Dividend to minorities by subsidiaries	**(10.14)**		(4.01)	
Closing Balance		**2,125.94**		2,575.48
TOTAL		**5,883.22**		6,268.34
Less: Minority Interest		**353.36**		306.89
Less: Share of pre-acquisition reserves in Subsidiary Companies		**321.96**	–	321.96
TOTAL RESERVES AND SURPLUS		**5,207.90**		5,639.49

$ represents ₹ 1.61 crore in respect of HARDICON Ltd upon reduction in shareholding below 20% and ₹ 29.84 crore in respect of Tourism Finance Corporation of India Ltd upon partial disposal of investment. (In PY ₹ 0.08 crore in respect of RAJCON Ltd upon reduction in shareholding below 20%.)

Foot-notes to Note No. 2:

1. Capital Reserve represents proceeds of forfeited shares.
2. Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under Section 80 of the Companies Act, 1956.
3. Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd through public offer.
4. Section 36(1)(viii) of the Income Tax Act allows financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f. FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.
5. Pursuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reserve created u/s 45IC of RBI Act, 1934.

3. LONG-TERM BORROWINGS

(₹ crore)

	As at March 31, 2017		As at March 31, 2016	
3.1. RUPEE LOANS-UNSECURED	**Non-Current**	**Current**	Non-Current	Current
(A) Non-Convertible Debentures (NCDs)				
(i) 6.00% LIC-Redeemable on 28.12.2021	**200.00**	**–**	200.00	–
(ii) 6.00% SBI-Redeemable on 25.01.2022	**200.00**	**–**	200.00	–
(iii) 9.37% LIC-Redeemable on 01.04.2022	**418.19**	**–**	418.19	–
Sub-Total 'A'	**818.19**	**–**	818.19	–
(B) Bonds				
(i) Privately Placed Bonds *(refer foot note 1)*	**5,158.95**	**471.66**	5,688.80	190.84
(ii) Privately Placed Zero Coupon Bonds [Unamortised discount- ₹ 853.59 crore (PY- ₹ 895.05 crore)]	**187.36**	**–**	170.72	–
(iii) Infrastructure Bonds	**801.56**	**–**	930.69	–
(iv) Subordinate-Tier II Bonds	**1,313.30**	**–**	1,313.30	–
Sub-Total 'B' *(refer foot note 2)*	**7,461.17**	**471.66**	8,103.51	190.84

Note 3 (contd..)

(₹ crore)

3.1. RUPEE LOANS-UNSECURED	As at March 31, 2017 Non-Current	As at March 31, 2017 Current	As at March 31, 2016 Non-Current	As at March 31, 2016 Current
(C) Other Long Term Borrowings				
(i) Banks and FIs *(refer foot note 3)*	**7,574.90**	**3,232.43**	10,088.59	4,417.12
(ii) Financial Institutions *(repayable on 01/04/2022)*	**100.00**	**–**	100.00	**–**
(iii) Government of India under KfW Loans	**–**	**–**	2.70	20.43
Sub-Total 'C'	**7,674.90**	**3,232.43**	10,191.29	4,437.55
TOTAL RUPEE LOAN-UNSECURED	**15,954.26**	**3,704.09**	19,112.99	4,628.39

Foot-notes to Note No. 3.1

1. Privately placed Bonds of ₹ 5,630.61 crore shown at 3.1(B)(i) 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. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such rolled over erstwhile government guaranteed bonds are clubbed under Privately Placed Bonds as on March 31, 2017 above.
2. Out of the bonds of ₹ 7,461.17 crore disclosed as Non-current at 3.1(B) above, Put/ Call Option applicable on ₹ 1,927.88 crore (PY: ₹ 2,362.81 crore) of Bonds.
3. (a) Out of the bank borrowings disclosed at 3.1C(a) above Put/ Call Option applicable on ₹ 3,535.00 crore (PY: ₹3,670.00 crore)
   (b) Bank borrowings include loan of ₹ 300 crore (PY: ₹ 300 crore), against escrow of cash flow/ lien against certain identified loan assets.

(₹ crore)

3.2. RUPEE LOAN-SECURED	As at March 31, 2017 Non-Current	As at March 31, 2017 Current	As at March 31, 2016 Non-Current	As at March 31, 2016 Current
(A) Term Loan				
– From Banks *(foot note 1)*	**201.35**	**173.99**	232.48	91.25
– Others	**–**	**–**	–	–
(B) Privately Placed Bonds				
Tax-free Bonds *(foot note 2)*				
– subscribed by associates companies	**50.00**	**–**	50.00	–
– subscribed by others	**215.00**	**–**	215.00	–
Other Bonds *(foot note 3)*	**198.30**		198.30	
(C) Public Issue on NCDs				
Secured Reedemable Non Convertible Debentures *(foot note 4)*				
– subscribed by associates companies	**15.03**	**–**	15.02	–
– subscribed by others	**1,923.17**	**–**	**1,922.49**	–
(D) Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd & Lien on G-Sec)	**575.00**	**–**	–	–
TOTAL RUPEE LOAN-SECURED	**3,177.85**	**173.99**	2,633.29	91.25

Foot-notes to Note No. 3.2

1. Term Loan of ₹ 326.73 crore from Banks are secured by hypothecation of Book debts of IFCI Venture Capital Funds Ltd (PY ₹ 301.33 crore) on pari pasu basis and term loan of ₹ 48.61 crore (PY ₹ 22.40 crore) are secured by way of hypothecation of factored debt of IFCI Factors Ltd on pari pasu basis.
2. Tax free bonds of ₹ 265 crore (PY ₹ 265 crore) are secured by way of floating charge on the receivables of IFCI Ltd
3. Other secured bonds of ₹ 98.30 crore (PY ₹ 98.30 crore) are secured by way of pari pasu charge on the receivables of IFCI Venture Capital Funds Ltd and ₹ 100 crore (PY ₹ 100 crore) secured by way of hypothecation of factored receivables on pari pasu basis.
4. Secured redeemable NCDs of ₹ 1,938.20 crore (PY ₹ 1,937.51 crore) are secured by way of floating charge on the receivables of IFCI Ltd

(₹ crore)

3.3. FOREIGN CURRENCIES-UNSECURED	As at March 31, 2017		As at March 31, 2016	
(A) **KfW Line**-Guaranteed by Government of India	**404.64**	**24.49**	466.92	26.65
(repayment in half-yearly installments-earliest date of repayment 30/06/2017)				
TOTAL (FOREIGN CURRENCIES)	**404.64**	**24.49**	466.92	26.65
TOTAL LONG-TERM BORROWINGS	**19,536.75**	**3,902.57**	22,213.20	4,746.29

(₹ crore)

4. LONG-TERM LIABILITIES	As at March 31, 2017 Non-Current	As at March 31, 2017 Current	As at March 31, 2016 Non-Current	As at March 31, 2016 Current
(A) Funds placed with the Corporation				
(a) Scheduled Caste Credit Guarantee Enhancement Scheme (placed by Government of India)	**232.31**	**–**	214.48	–
(b) Jute Development Fund (placed by Government of India)	**–**	**–**	5.06	–
(c) Employees' Provident Fund	**61.86**	**9.13**	61.70	4.46
(d) Staff Welfare Fund	**–**	**–**	2.32	–
(B) Interest accrued but not due on bonds & borrowings	**454.30**	**474.67**	357.09	497.55
(C) Other Liabilities (security deposits)	**38.65**	**–**	38.96	–
TOTAL	**787.12**	**483.80**	679.61	502.01

(₹ crore)

5. PROVISION	As at March 31, 2017		As at March 31, 2016	
	Long-Term	**Short-Term**	Long-Term	Short-Term
(A) Provision for standard and securitised assets	**102.08**	**19.35**	192.75	24.77
(B) Sundry Liabilities (Interest Capitalisation)	**119.65**	**0.02**	129.78	0.05
(C) Employee Benefits	**37.84**	**12.48**	23.95	14.63
(D) Claims & Expenses	**25.61**	**6.72**	25.61	6.71
TOTAL	**285.18**	**38.57**	372.09	46.16

(₹ crore)

6. SHORT-TERM BORROWINGS	As at March 31, 2017	As at March 31, 2016
Secured		
(A) Loan from banks repayable on demand *(refer footnote 1)*	**175.00**	237.50
(B) Loans *(refer foot-note 2)*		
– from banks	**18.00**	20.00
– from others	**–**	–
(C) Collaterised Borrowings Lending Operations (CBLO) *(refer foot-note 3)*	**–**	121.60
(D) Cash Credit-From Banks *(refer foot-note 4)*	**15.85**	37.40
(E) Corporate Bond Repo *(refer foot-note 5)*	**–**	601.95
Unsecured		
(A) Bank Overdraft	**–**	50.00
(B) Loans		
– from banks	**–**	50.00
– from others	**7.15**	9.35
(C) Commercial Paper	**–**	246.44
TOTAL	**216.00**	1,374.24

Foot-notes

1. Loan from banks payable on demand of ₹ 175 crore (PY ₹ 237.50 crore) are secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd.
2. Other loan of ₹ 18 crore (PY ₹ 20 crore) from banks are secured by way of charge on the receivables of IFCI Venture Capital Funds Ltd.
3. Borrowing under collateralized Borrowing and Lending operations are secured against Treasury Bills book value amounting to Nil (PY ₹ 32.10 crore) and Govt. Securities of Nil (PY ₹ 90 crore).
4. Cash Credit of ₹ 3.24 crore (PY ₹ 28.65 crore) secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd and ₹ 11.31 crore (PY ₹ 5.00 crore) are secured by way of pari-passu charge on the book debts of IFCI Venture Capital Funds Ltd and ₹ 1.30 crore (PY ₹ 3.75 crore) secured by way of pledge of fixed deposit by Stock Holding Corporation of India Ltd.
5. Borrowing under Corporate Bonds Repo is secured against corporate bonds having book value of Nil (PY corporate bonds having book value ₹ 754.13 crore).

(₹ crore)

7. TRADE PAYABLES	As at March 31, 2017	As at March 31, 2016
(A) Sundry Creditors		
(i) Total outstanding dues to Micro, Small and Medium Enterprises	**0.19**	–
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	**152.81**	138.11
(B) Contractual Liability against Sundry Debtors Collection @	**55.80**	112.18
TOTAL	**208.80**	250.29

@ This represents the margin on debts factored and payable to the clients on collection of total debt. The total factored debts are shown under trade receivables.

8. OTHER CURRENT LIABILITIES		
(A) Current maturities of Long-term debt		
(i) Rupee *(refer notes 3.1 and 4 (c))*	**3,878.08**	4,719.64
(ii) Foreign Currencies *(refer note 3.3)*	**24.49**	26.65
SUB-TOTAL 'A'	**3,902.57**	4,746.29
(B) Others		
(i) Current maturity of provident fund placed with the company *(refer note 4(A))*	**9.13**	4.46
(ii) Interest accrued but not due on bonds and borrowings *(refer note 4(B))*	**472.88**	497.55
(iii) Income received in Advance	**23.71**	30.25
(iv) Unclaimed Dividend	**16.50**	19.03
(v) Unpaid Matured Debentures & Interest	**0.56**	0.65
(vi) Other Liabilities (trade deposits and other payables)	**1,283.39**	1,026.70
SUB-TOTAL 'B'	**1,806.17**	1,578.64
TOTAL (A+B)	**5,708.74**	6,324.93

9. FIXED ASSETS-TANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	As at 01-Apr-16	Additions	Disposals	**As at 31-Mar-17**	Revalued Amount	As at 01-Apr-16	For the Year	Disposals*	**As at 31-Mar-17**	**As at 31-Mar-17**	As at 31-Mar-16	Revalued Amount
Owned Assets												
Freehold Land	129.47	–	–	**129.47**	66.90	–	–	–	**–**	**129.47**	129.47	66.90
Leasehold Land	315.30	–	–	**315.30**	262.49	38.33	9.39	–	**47.72**	**267.58**	276.97	231.32
Buildings	1,010.94	0.29	11.31	**999.92**	570.71	146.55	21.10	2.51	**165.14**	**834.78**	864.39	484.98
Leasehold Improvements	2.96	1.43	–	**4.39**	–	2.14	0.29	–	**2.43**	**1.96**	0.82	–
Plant & Machinery	102.88	12.18	1.45	**113.61**	–	30.82	8.28	1.38	**37.72**	**75.88**	72.06	–
Furniture & Fixtures	58.86	1.70	0.67	**59.89**	–	30.04	6.69	0.61	**36.12**	**23.76**	28.82	–
Vehicles	6.55	0.17	0.44	**6.28**	–	4.48	0.99	0.41	**5.06**	**1.22**	2.07	–
Office Equipments	112.06	13.48	3.69	**121.85**	–	96.28	7.65	3.35	**100.58**	**21.27**	15.78	–
Electrical Installations and Equipments	28.37	0.09	0.12	**28.34**	–	13.72	3.24	0.04	**16.92**	**11.42**	14.65	–
Leased Assets												
Leased Assets-Plant & Machinery	197.92	–	–	**197.92**	–	197.92	–	–	**197.92**	**–**	–	–
TOTAL	1,965.31	29.34	17.68	**1,976.97**	900.10	560.28	57.63	8.30	**609.61**	**1,367.34**	1,405.03	783.20
Previous Year	2,028.67	26.29	89.65	**1,965.31**	909.42	543.36	43.88	26.96	**560.28**	**1,405.03**	1,485.31	810.60

Foot-notes to Note No. 9

The additional charge of depreciation of ₹ 19.72 crore for the year ended March 31, 2017 (PY ₹ 21.22 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10, has been charged to Statement of Profit & Loss.(refer Note No. 31).

Above includes following assets which are held for sale as on March 31, 2017

(₹ crore)

Particulars	Gross Block	Revalued Amount	Accumulated Depreciation	Net Block	Revalued Amount
Freehold Land	5.03	4.88	–	**5.03**	4.88
Leasehold Land	3.74	3.65	0.38	**3.36**	3.28
Buildings	21.20	17.89	10.19	**11.01**	9.09
TOTAL	**29.97**	**26.42**	**10.57**	**19.40**	**17.25**

10. FIXED ASSETS-INTANGIBLE ASSETS

(₹ crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-Apr-16	Additions	Disposals	**As at 31-Mar-17**	As at 01-Apr-16	For the Year	Disposals	**As at 31-Mar-17**	**As at 31-Mar-17**	As at 31-Mar-16
Computer Softwares	40.16	3.37	0.04	**43.49**	32.45	2.99		**35.44**	**8.07**	7.70
Non-compete Fee	0.99	–	–	**0.99**	0.99	–	–	**0.99**	**–**	–
Membership Card	0.32	–	–	**0.32**	0.32	–	–	**0.32**	**–**	–
TOTAL	41.47	3.37	0.04	**44.80**	33.76	2.99	–	**36.75**	**8.07**	7.71
Previous Year	34.70	6.77	–	**41.47**	31.97	1.79	–	**33.76**	**7.71**	2.72

(₹ crore)

11. NON-CURRENT INVESTMENTS	As at March 31, 2017	As at March 31, 2016
(A) QUOTED		
1. Equity Shares		
(a) Associates	**166.52**	204.02
(b) Assistance under financing	**146.37**	158.09
(c) Others *(Refer foot-note 1)*	**499.05**	583.26
	811.94	945.37
2. Bonds	**30.57**	30.95
3. Government Securities $	**30.56**	108.07
(B) UNQUOTED		
1. Equity Shares		
(a) Associates	**14.48**	15.47
(b) Joint-Venture	**0.01**	0.01
(c) Assistance under financing	**1,901.30**	2,087.07
(d) Others	**86.88**	95.54
	2,002.67	2,198.09

Note 11 (contd..)

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
2.	**Preference Shares**	**265.82**	321.47
3.	**Debentures/ Bonds**		
	(a) Joint-Venture	**0.00**	2.64
	(b) Others *(Refer foot-note 2)*	**223.98**	1,005.86
4.	**Security Receipts**	**1,000.09**	641.15
5.	**Government Securities**	**400.00**	400.00
6.	**Units**	**314.01**	274.84
TOTAL		**5,079.64**	5,928.44
Less: Provision for Diminution in value		**905.63**	655.66
TOTAL		**4,174.01**	5,272.78
QUOTED:			
(1)	Total Book Value	**873.07**	1,084.39
	– Equity Shares	***811.94***	*945.37*
	– Others	***61.13***	*139.02*
(2)	Total Market Value	**796.57**	810.26
	– Equity Shares	***678.54***	*614.89*
	– Others	***118.03***	*195.37*
UNQUOTED:			
(1)	Total Book Value	**4,206.57**	4,844.05
	– Equity Shares	***2,002.67***	*2,198.09*
	– Preference Shares	***265.82***	*321.47*
	– Others	***1,938.08***	*2,324.49*

$ includes securities of ₹ 30.56 crore (PY ₹ 29.72 crore) placed on Margin with CCIL.

Foot-notes:

1. The above balances include:

– Equity Shares of ₹14.91 crore (PY ₹33.91 crore) lent under Securities Lending & Borrowing Scheme within SEBI guidelines as indicated below:

As on March 31, 2017

Name	No. of Shares Lent	Cost (₹ crore)
Bharti Airtel Ltd	4,38,680	9.70
Indian Oil Corporation Ltd	10,00,000	4.49
		14.19

As on March 31, 2016

Name	No. of Shares Lent	Cost (₹ crore)
Bharti Airtel Ltd	2,22,800	8.65
Cairn India Ltd	50,000	1.66
ICICI Bank Ltd	1,00,000	3.11
Idea Cellular Ltd	2,50,000	4.23
NMDC Ltd	2,00,000	3.22
State Bank of India	3,54,114	8.85
Steel Authority of India Ltd	1,00,000	1.06
Tata Steel Ltd	60,000	3.13
		33.91

2. Includes corporate bonds having value of ₹ Nil (March 31, 2016: ₹ 754.13 crore) sold under Repo Transactions.

(₹ crore)

NON-CURRENT INVESTMENTS-DETAILS	As at March 31, 2017 No. of Shares/Units	As at March 31, 2017 Amount	As at March 31, 2016 No. of Shares/Units	As at March 31, 2016 Amount
QUOTED				
Equity Shares (Associates)				
i) Tourism Finance Corporation of India Ltd	**2,34,32,875**	**58.89**	3,15,58,613	79.31
Add : Capital Reserve		**6.53**		8.80
Add : Share of accumulated profits/ reserves*		**106.49**		123.20
Less : Other adjustments/ distribution of profits		**(5.39)**		(7.29)
		166.52		204.02

[*including share of current year's profit ₹ 20.42 crore (P.Y. ₹ 20.96 crore)]

Note 11 (contd..)

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
	NON-CURRENT INVESTMENTS-DETAILS	**No. of Shares/Units**	**Amount**	No. of Shares/Units	Amount
	UNQUOTED				
	Equity Shares (Associates)				
(i)	HIMCON Ltd	**735**	**0.07**	735	0.07
	Add : Share of accumulated profits/ reserves*		**1.17**		1.61
	Less : Other adjustments/ distribution of profits		**(0.01)**		(0.04)
			1.23		1.64
	[*including share in current year's loss ₹ 0.40 crore (P.Y. profit ₹ 0.17 crore)]				
(ii)	HARDICON Ltd	**–**	**–**	4,550	0.28
	Add : Capital Reserve		**–**		0.10
	Add : Share of accumulated profits/ reserves*		**–**		1.70
	Less : Other adjustments/ distribution of profits		**–**		(0.09)
			–		1.99
	[*including share in current year's profit Nil (P.Y. ₹ 0.45 crore)]				
(iii)	NITCON Ltd	**9,750**	**0.13**	9,750	0.13
	Add : Capital Reserve		**0.20**		0.20
	Add : Share of accumulated profits/ reserves*		**1.66**		1.45
	Less : Other adjustments/ distribution of profits		**(0.05)**		(0.04)
			1.94		1.74
	[*including share in current year's profit ₹ 0.25 crore (P.Y. ₹ 0.32 crore)]				
(iv)	KITCO Ltd	**19,950**	**0.04**	19,950	0.04
	Add : Share of accumulated profits/ reserves*		**11.64**		10.44
	Less : Other adjustments/ distribution of profits		**(0.37)**		(0.39)
			11.31		10.09
	[*including share in current year's profit ₹ 1.59 crore (PY ₹ 1.65 crore)]				
	Equity Shares (Joint Venture)				
(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	**–**	**–**	450,000	2.64

12. DEFERRED TAX ASSET (NET)

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
(A)	Provision against Loans/ Advances & other Assets	**1,147.25**	868.11
(B)	DTL on Timing difference in Depreciable Assets	**(77.72)**	(90.69)
(C)	DTL on Special Reserve u/s 36(i)(viii)	**(46.72)**	(46.72)
(D)	Other Timing Differences	**49.89**	16.85
	TOTAL	**1,072.70**	747.55

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
13.	**LOANS**	**Non-Current**	**Current**	Non-Current	Current
(A)	Loans to Assisted Concerns	**18,685.17**	**3,906.35**	21,994.06	3,691.34
(B)	Debentures	**1,833.22**	**102.32**	1,699.27	600.08
(C)	Loan to Associates	**–**	**–**	–	–
(D)	Lease Rental Receivable	**0.05**	**–**	2.44	–
		20,518.44	**4,008.67**	23,695.77	4,291.42
	Less: Allowance for bad and doubtful assets				
	– Loans	**1,715.33**	**47.44**	1,262.28	24.67
	– Lease Rental Receivable	**0.05**	–	2.44	–
	– Debentures	**221.93**	**–**	65.48	–
		1,937.31		1,330.20	
	TOTAL	**18,581.13**	**3,961.23**	22,365.57	4,266.75
	Classification of Loans				
(i)	Secured	**20,041.00**	**3,878.84**	22,522.51	4,161.99
(ii)	Unsecured	**477.44**	**129.83**	1,173.26	129.43
		20,518.44	**4,008.67**	23,695.77	4,291.42

14. LOANS & ADVANCES-OTHERS

(₹ crore)

		As at March 31, 2017		As at March 31, 2016	
		Non-Current	**Current**	Non-Current	Current
(A)	Capital Advances	**3.34**	**–**	5.53	–
(B)	Security Deposits	**93.14**	**–**	79.38	–
(C)	Advance Tax paid (net of provision)	**75.50**	**5.04**	57.67	4.96
(D)	MAT Credit Entitlement	**54.79**	**–**	72.36	–
(E)	Other Deposits/ Loan				
	– Considered good	**23.25**	**50.00**	23.25	95.00
	– Considered doubtful	**0.26**	**12.12**	0.26	12.12
	Less: Allowance for bad and doubtful debts	**(0.26)**	**(12.12)**	(0.26)	(12.12)
(F)	Other Loans and advances				
	(a) Loans to Staff (Secured-considered good)	**10.48**	**2.85**	13.34	1.55
	(b) Others (Unsecured)	**–**	**–**	–	–
	– Considered good	**16.68**	**33.18**	17.31	29.92
	– Considered doubtful	**0.04**	**7.71**	0.04	7.73
	Less: Allowance for bad and doubtful debts	**(0.04)**	**(7.71)**	(0.04)	(7.73)
	TOTAL	**277.18**	**91.07**	268.84	131.43

15. OTHER ASSETS

(A)	Accrued Income				
	(i) Interest and commitment charges on Loans	**–**	**77.47**	–	119.85
	(ii) Interest on Debentures	**–**	**25.69**	–	72.31
	(iii) Interest on Investments	**15.93**	**32.46**	14.43	43.53
	(iv) Other Income	**5.14**	**54.38**	5.28	53.21
(B)	Sundry Deposits	**0.36**	**5.55**	0.35	9.98
(C)	Forward Deal Outstanding	**–**	**–**	–	22.27
(D)	Pre-paid Expenses	**0.27**	**7.35**	0.12	7.60
(E)	Advance receivable in cash or in kind	**–**	**95.82**	–	95.55
	TOTAL	**21.70**	**298.72**	20.18	424.30

16. CURRENT INVESTMENTS

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
(A)	**QUOTED**		
	Fully paid-up, non-trade Investment		
	1. Equity Shares	**65.22**	26.67
	2. Bonds	**0.39**	10.19
	3. Treasury Bills #	**–**	31.54
	4. Government Securities	**5.35**	26.56
	5. Units of Mutual Funds	**76.00**	24.48
		146.96	119.44
(B)	**UNQUOTED**		
	FULLY PAID-UP, NON-TRADE INVESTMENT		
	1. Equity Shares	**107.21**	0.01
	2. Bonds	**69.43**	75.10
	3. Commercial Paper	**197.08**	405.22
	4. Certificate of Deposit	**392.21**	981.44
	5. Units of Mutual Funds	**138.22**	15.07
		904.15	1,476.84
(C)	**APPLICATION MONEY**		
	1. **Equity Shares**		
	(i) Subsidiaries (IFCI Financial Services Ltd)	**0.02**	0.02
	(ii) Others	**–**	31.91
	2. **Preference Shares**	**0.08**	15.66
		0.10	47.59
	TOTAL	**1,051.21**	1,643.87
	Less: Provision for Mark to Market	**74.85**	56.71
	TOTAL	**976.36**	1,587.16
QUOTED			
(1)	Total Book Value	**146.57**	109.25
	– Equity Shares	***65.22***	*26.67*
	– Others	***81.35***	*82.58*
(2)	Total Market Value	**114.55**	110.73
	– Equity Shares	***33.06***	*17.59*
	– Others	***81.49***	*93.14*

Note 16 (contd..)

(₹ crore)

		As at March 31, 2017	As at March 31, 2016
UNQUOTED:			
(1)	Total Book Value	**1,808.40**	3,001.27
	– Equity Shares	**107.21**	0.01
	– Others	**1,701.19**	3,001.26

Treasury bills having book value of ₹ Nil (March 31, 2016: ₹ 32.10 crore) and Government Securities of ₹ Nil (March 31, 2016: ₹ 90.00 crore) are placed with CCIL as collateral under Collateralised Borrowings Lending Operations (CBLOs).

17. TRADE RECEIVABLES

(A)	**Secured**		
	–More than 6 months	**23.97**	23.57
	–Others	**90.02**	192.72
(B)	**Unsecured**	**–**	–
	– More than 6 months	**341.81**	293.22
	– Others	**380.52**	457.07
		836.32	966.58
	Less: Allowance for bad and doubtful debts	**(259.25)**	(223.67)
	TOTAL	**577.07**	742.91
	Out of the above,		
	(i) Considered good	**501.78**	678.02
	(ii) Considered doubtful	**334.54**	288.56
	Less: Allowance for bad and doubtful debts	**(259.25)**	(223.67)
		577.07	742.91

18. CASH AND CASH EQUIVALENT

(A)	**Cash and Cash Equivalent**		
	(i) Balances with Banks		
	– Bank balance	**638.69**	387.00
	– Bank deposits	**143.24**	91.99
	(ii) Collateralised Borrowings Lending Operations (CBLOs) (secured against Treasury Bills)	**499.80**	10.29
	(iii) Cheques on hand & under collection & remittances in transit	**12.27**	38.53
	(iv) Cash in hand (including postage stamps)	**6.96**	8.02
		1,300.96	535.83
(B)	**Other Bank Balances**		
	(i) Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
	– Bank balance	**0.13**	0.20
	– Bank Deposits	**231.71**	213.86
	(ii) Unclaimed dividend Account	**16.47**	18.97
	(iii) Balances with Banks held as margin money/ security against guarantees *	**279.92**	231.18
	(iv) Bank Deposits under directions of Court & Tribunal etc.	**384.27**	225.95
		912.50	690.16
	TOTAL	**2,213.46**	1,225.99
	* includes Bank deposits with more than 12 months remaining maturity	**275.22**	207.16

19. REVENUE FROM OPERATIONS

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(A)	**Interest Income**		
	(i) Loans	**2,416.81**	3,059.56
	(ii) Debentures	**44.35**	289.32
	(iii) Income from deployment of funds	**144.96**	164.91
	(iv) Interest on Bonds/ Government Securities/ other contractual obligation	**105.22**	118.51
	(v) Lease Rentals etc.	**–**	1.52
	SUB-TOTAL (A)	**2,711.34**	3,633.82
(B)	**Other Financial Services**		
	(i) Income from Acquired Non-performing Assets	**–**	33.40
	(ii) Dividend (Gross)		
	– Investments-non-current	**62.69**	44.01
	– Investments-current	**5.16**	2.12
	(iii) Profit on sale of Long term Shares/ Debentures (Net)		
	– Assistance under financing-non-current	**98.01**	244.42
	– Investments-non-current	**159.29**	42.89
	– Investments-current	**5.78**	0.83

Note 19 (contd..)

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(iv)	Business Services Fees and Commission (including guarantee commission)	**167.16**	127.01
(v)	Custodial & Depository Participant Services	**119.17**	122.35
(vi)	Brokerage & Commission	**164.52**	131.83
(vii)	Exchange Fluctuation Gains/ (Loss)	**6.01**	14.27
(viii)	Income from Hospitality Business	**11.49**	10.23
(ix)	Provision/ Liability no longer required written back	**0.48**	1.30
SUB-TOTAL (B)		**799.76**	774.66
(C)	**Sale proceeds of stock in trade**	**68.02**	49.86
TOTAL (A)+(B)+(C)		**3,579.12**	4,458.34

20. OTHER INCOME

(A)	Interest on staff advances	**0.73**	0.82
(B)	Profit on sale of fixed assets (Net)	**19.99**	103.47
(C)	Rental Income	**33.28**	38.40
(D)	Dividend from Associates	**2.59**	6.07
(E)	Miscellaneous Income	**45.58**	26.55
	TOTAL	**102.17**	175.31

21. FINANCE COST

(A)	Interest on Rupee Bonds and Borrowings	**2,347.50**	2,512.89
(B)	Interest on Foreign Currency Borrowings	**20.58**	70.83
(C)	Interest on Bank Overdraft	**1.09**	1.42
(D)	Other Interest (Jute Development Fund, Provident Fund & Corporate Social Resposibility)	**5.83**	5.51
(E)	Commitment Charges, Brokerage, Commission and other costs	**4.75**	8.21
	TOTAL	**2,379.75**	2,598.86

22. EMPLOYEE BENEFIT EXPENSES

(A)	Salaries and Allowances	**204.31**	186.44
(B)	Contribution to Retirement Funds	**24.39**	34.06
(C)	Staff Welfare Expenses	**23.76**	11.48
	TOTAL	**252.46**	231.98

23. OTHER EXPENSES

(A)	Rent	**14.59**	13.49
(B)	Rates and Taxes	**5.84**	8.17
(C)	Insurance	**2.20**	1.86
(D)	Repairs and Maintenance	**–**	–
	– Buildings	**12.95**	14.84
	– IT	**20.84**	17.04
	– Others	**1.89**	2.05
(E)	Electricity & Water Charges	**18.04**	17.43
(F)	Security	**2.54**	2.39
(G)	Payment to Auditors *(refer note 42)*	**1.92**	1.31
(H)	Directors' Fee & Expenses	**1.03**	1.20
(I)	Publications, Advertisement & Business Development	**7.59**	9.49
(J)	Consultation and Law Charges	**54.09**	38.56
(K)	Commission	**18.65**	16.88
(L)	Travelling & Conveyance	**8.36**	8.58
(M)	Training & Development	**11.35**	16.30
(N)	Postage & Telephone	**13.53**	12.77
(O)	Printing & Stationery	**6.37**	5.10
(P)	Listing/ Filing/ Custody Fee	**1.82**	1.83
(Q)	Library/ Membership Subscription	**1.88**	1.81
(R)	Expenses on CSR Activity *(refer note 30)*	**10.38**	–
(S)	Outsourcing Expenses	**46.08**	26.32
(T)	Depository Participant & Custodian Fee	**12.41**	9.15
(U)	Expenses related to Hospitality Business	**1.72**	1.68
(V)	Other Miscellaneous Expenses	**23.94**	22.40
	TOTAL	**300.01**	250.65

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

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(A)	Loans & Advances		
	– Provision Reversal on recovery from NPAs	**(106.26)**	(80.91)
	– Write-off	**420.72**	479.00
	Less: transfer from provision held for bad & doubtful debts	**(427.26)**	(471.90)
	– Provision for assets	**1,104.49**	958.08
(B)	Investments		
	– Provision Reversal	**(85.64)**	–
	– Write-off	**28.36**	119.40
	Less: Transfer from provision held	**(29.03)**	(26.88)
	– Provision made	**355.51**	12.52
(C)	Debtors		
	– Write-off	**0.47**	0.85
	– Provision Reversal	**(1.78)**	–
	– Provision made	**–**	2.03
	TOTAL	**1,259.58**	992.19

25.1 The consolidated financial statements comprise the individual financial statements of IFCI Ltd and its following subsidiaries as on 31.03.2017 and for the year ended on that date:

Name of the Subsidiary	Proportion of Ownership Interest (%)
Direct Subsidiary	
IFCI Financial Services Limited (IFIN)	94.78
IFCI Venture Capital Funds Limited (IVCF)	98.59
IFCI Infrastructure Development Limited (IIDL)	100.00
IFCI Factors Limited (IFL)	99.74
MPCON Limited	79.72
Stockholding Corporation of India Limited (SHCIL)	52.86
Step-Down Subsidiary *	
Subsidiary of IFIN	
IFIN Commodities Limited-Wholly owned subsidiary of IFIN	100.00
IFIN Credit Limited-Wholly owned subsidiary of IFIN	100.00
IFIN Securities Finance Limited-Wholly owned subsidiary of IFIN	100.00
Subsidiary of IIDL	
IIDL Realtors Pvt. Limited-Wholly owned subsidiary of IIDL.	100.00
Subsidiary of SHCIL	
SHCIL Services Limited-wholly owned subsidiary of SHCIL	100.00
Stockholding Document Management Services Limited-Wholly owned subsidiary of SHCIL	100.00

* % of ownership represents shareholding of respective immediate holding company.

25.2 The following associate companies are considered in consolidation based on equity method as provided in AS-23 and the Company's ownership interest therein are as under:

Name of the Associate	Proportion of Ownership Interest (%)
Tourism Finance Corporation of India Ltd	29.03
Himachal Consultancy Organisation Ltd (HIMCON)	49.00
North India Technical Consultancy Organisation Ltd (NITCON)	48.75
KITCO Ltd	20.26

All the subsidiaries and associates are incorporated in India.

25.3 Pursuant to the sale of our complete stake, HARDICON Ltd has ceased to be an Associate Company of IFCI w.e.f. March 06, 2017. In view of this HARDICON Ltd has not been considered for consolidation.

25.4 Un-audited accounts of KITCO Ltd and Tourism Finance Corporation of India Ltd have been compiled to include all their components and the management takes complete responsibility for the correctness and appropriateness of these accounts.

26. List of Associates / Joint Venture not Consolidated:

26.1

Sl. No.	Name of the Associate
1	ABG Energy (GUJARAT) Ltd
2	Gati Infrastructure Bhasmey Power Pvt Ltd
3	Gayatri HI-Tech Hotels Ltd
4	Nagai Power Private Ltd
5	Raichur Power Corporation Ltd
6	Shiga Energy Private Ltd
7	Sravanthi Energy Private Ltd

IFCI Ltd has acquired shares in above companies as a part of regular business activity of financing through equity participation with firm buy-back commitment for such shares with the promoters/ group companies of the investee companies at pre-determined rate of return after a pre-determined period. Since, the shares have been acquired with the intention to dispose-off at a pre-determined rate of return, share in net-worth of the investee company following 'equity method' is not appropriate indicator of the real economic interest of IFCI Ltd In certain Companies, buy-back due within 12 months reducing the shareholding of IFCI Ltd below 20%. Therefore, the investment in these companies has been considered in 'Consolidated Financial Statements' following AS-13.

26.2

Sl. No.	Name of the Joint Venture
1	IFCI Sycamore Capital Advisors (P) Limited (ISCAPL)

The Company has 50% interest in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited (ISCAPL) incorporated in India in November 2011 which is under voluntary liquidation and official liquidator has been appointed. The investment of IFCI Ltd in IFCI Sycamore Capital Advisors (P) Limited as on March 31, 2015 was at ₹ 0.01 crore Class A Equity Shares against which adequate provision has been made considering the probability and quantum of share in distribution upon liquation of the Company. The Fully Convertible Debentures of ₹ 2.64 crore has been redeemed during the year.

26.3 Additional Disclosure under Schedule III of Companies Act, 2013.

Name of the Entity	Net Assets		Share in Profit or Loss	
	% of Consolidated Net Assets	Amount (₹ crore)	% of Consolidated Profit or Loss	Amount (₹ crore)
Indian Parent Company				
IFCI Ltd *	89.73	6,730.33	150.95	(489.48)
Indian Subsidiary Company				
IFCI Venture Capital Funds Ltd	2.90	217.77	(6.02)	19.51
IFCI Factors Ltd	2.18	163.46	9.61	(31.17)
MPCON Limited	0.10	7.14	(0.19)	0.63
IFCI Infrastructure Development Ltd (including step down-subsidiary)	7.86	589.83	(8.50)	27.56
Stock Holding Corporation of India Ltd (including step down-subsidiary)	10.14	760.65	(45.12)	146.32

Note 26.3 (contd..)

Name of the Entity	Net Assets		Share in Profit or Loss	
	% of Consolidated Net Assets	Amount (₹ crore)	% of Consolidated Profit or Loss	Amount (₹ crore)
IFCI Financial Services Ltd (including step down-subsidiary)	1.48	111.13	(0.73)	2.37
Minority Interest	4.89	366.79	(21.37)	69.30
* profit of IFCI Ltd is net of ₹ 12.07 crore dividend received from subsidiary companies				
Indian Associate Company (investment as per equity method)				
Tourism Finance Corporation of India Ltd	2.22	166.52	(4.64)	15.03
Himachal Consultancy Organisation Ltd	0.02	1.23	0.13	(0.41)
North India Technical Consultancy Organisation Ltd	0.03	1.94	(0.06)	0.20
KITCO Ltd	0.15	11.31	(0.38)	1.22

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

27.1 Contingent Liabilities:

(₹ crore)

	As at	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Bank Guarantees Provided	**103.14**	88.78
(ii)	Guarantee Issued	**68.49**	62.67
(iii)	Export obligations under EPCG Licenses	**16.12**	18.29
(iv)	Claims not acknowledged as debts*	**326.31**	327.73
(v)	Tax Matters		
	Income Tax	**45.00**	39.42
	Service tax	**16.44**	15.55

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2017.

* The claims not acknowledged as debts includes ₹ 311.78 crore) in respect of Blue Coast Hotels. For details, please refer note-35.

27.2 Commitments:

(₹ crore)

	As at	Year ended 31.03.2017	Year ended 31.03.2016
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**13.68**	12.91
(ii)	Estimated amount of contract remaining to be executed on revenue account (net of advances)	**7.32**	15.76
(iii)	Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	**2,258.01**	2,321.53

28. Company has made the provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as on March 31, 2017.

29. In terms of RBI Guidelines DBR. No.BP.BC.34/21.04.132/2016-17 dated 10th November, 2016, unrealised interest of ₹ 126.50 crore in respect of SDR/ S4A cases has been reversed during 2016-17 in the books of IFCI Ltd, of which ₹ 61.36 crore pertain to previous financial year(s).

30. In IFCI Ltd during the financial year 2016-17, the accounting policy for recognising expenditure towards Corporate Social Responsibility activities as an appropriation of profits has been revised to recognition of the expenditure as a charge to the Profit and Loss Account, in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India in this regard. The profit has been reduced by ₹ 8.22 crore because of this change in policy.

31. In IFCI Ltd during the financial year 2016-17, the extant accounting policy of withdrawing an amount equivalent to the depreciation on revalued amount provided during the period from the revaluation reserve account and adjusting the same against the depreciation cost in the Profit and Loss Account, has been revised, to be credited to the General Reserve, in accordance with the provisions of Schedule-II to the Companies Act, 2013 and the Guidance Note of the Institute of Chartered Accountants of India, in this regard. The profit for the current year has been reduced by ₹ 19.72 crore because of this change in policy.

32.1 In IFCI Ltd during the financial year 2016-17, the accounting policy for recognising liability on account of post-retirement medical benefit scheme has been changed to charging the expenses on the basis of actuarial valuation in accordance with Accounting Standard-15, Employee Benefits, as against on the basis of actual expenses incurred in earlier years. The profit for the current year has been reduced by ₹ 8.07 crore because of this change in policy.

32.2 In IFCI Ltd during the financial year 2016-17, the accounting policy for recognising expenditure on account of Leave Fare Concession benefit scheme has been changed to charging the expenses on the basis of actuarial valuation in accordance with Accounting Standard-15, Employee Benefits, as against on the basis of actual expenses incurred in earlier years. The profit for the current year has been reduced by ₹ 2.04 crore because of this change in policy.

33. In IFCI Ltd an amount of ₹ 19.73 crore is reduced from borrowing cost which was charged in previous financial year, following confirmation from the lender institution regarding applicable rate of interest.

34. Disclosure of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016-30/12/2016 as provided in below table:

Particulars	SBN's Amount (₹ Lakhs)	Other Denomination Amount (₹ Lakhs)	Total Amount (₹ Lakhs)
Closing Cash in hand as on 08/11/2016	496.17	14.83	510.99
Add: Receipts from permitted transactions	597.40	4,756.99	5,354.39
Less: Paid for permitted transactions	0.11	15.07	15.18
Less: Deposit in Bank accounts	1,093.46	4,588.05	5,681.51
Closing Cash in hand as on 30/12/2016	–	168.70	168.70

35. IFCI had sanctioned a Corporate loan of ₹ 150 crore to Blue Coast Hotels Ltd in year 2010, which was secured by way of charge on the movable fixed assets and immovable property. IFCI had also taken an equity exposure to the extent of ₹ 85 crore in Silver Resorts Hotel (I) Pvt. Ltd, a group company of Blue Coast Hotels Ltd Blue Coast Hotel Ltd had entered into Buy Back Agreement for buying back the equity shares and to secure the performance of the Buy-Back, a charge by way of mortgage was created on the aforesaid property. Consequent to the default committed by the Company, both in repayment of the loan as well as honoring the buy-back obligation, IFCI initiated legal proceedings against the company, by issuing a 13(2) notice under the SRFA&ESI Act, 2002 on the company on 26th March, 2013. Pursuant to the aforesaid notice, IFCI undertook recovery action by selling mortgaged assets through a public auction to ITC Ltd at a price of ₹ 515.44 crore for recovery of IFCI dues and other secured creditors in the matter. Entire transaction was concluded in FY 2014-15. Blue Coast Hotels Ltd had challenged the said sale and filed Writ Petitions before the Hon'ble HC of Bombay. The High Court in its final Order dated 23rd March, 2016, set aside the sale conducted by IFCI and disposed of the Writ Petitions in favour of Blue Coast Hotels Ltd Immediately, on receipt of the above judgement, IFCI had filed a Special Leave Petition challenging the Judgement of the Bombay High Court on 12th April, 2016. The Hon'ble SC was pleased to admit the petition and directed the issuance of notice to Blue Coast Hotels Ltd The Hon'ble Supreme Court also permitted IFCI to retain the sale proceeds. In view of the above, the share of IFCI in the total sale proceeds amounting to ₹ 311.78 crore is being shown as contingent liability. The next hearing is due on 25th July 2017.

36. SHCIL had during the year 2000-01 undertaken a transaction of ₹ 24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount alongwith compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from 1st August 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit ₹ 3,000 lakh with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalised bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The Revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹ 30.00 crore. Accordingly, the Company made the deposit. The amount of ₹ 60.00 crore, deposited by the Company in the High Court (₹ 30.00 crore) and Supreme Court (₹ 30.00 crore) is shown under the heading

"Long Term Loans and Advances" under the sub heading "Security and other deposits" in the Statement of Balance Sheet as on March 31, 2017. The bank was granted liberty to withdraw ₹ 30.00 crore along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹ 38.04 crore was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹ 15.00 crore along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹ 15.45 crore was released to the Bank. The case has been converted from Special Leave petition to a Civil Appeal by the Hon'ble Supreme Court. The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honourable Supreme Court and also in view of the legal opinion obtained by SHCIL, in the opinion of the SHCIL, no provision is required to be made in the statement of Profit and Loss for financial year 2016-17.

37. In terms of RBI circular No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012, the IFCI Factors Ltd has identified and reported to Reserve Bank of India four fraud accounts amounting to ₹ 32.33 crore during the current year (PY ended March 2016-₹ 8.37 crore). Apart from this, there are 11 suspected fraud cases in which criminal complaints have been filed by the company against borrower companies and other related persons at various police authorities for detection of frauds. These cases shall be reported to RBI on detection of fraud if any.

38. 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 Chandigarh. The High Court has dismissed the writ petition and the company has filed the SLP in the Hon'ble Supreme Court. Pending final outcome from the Hon'ble Supreme Court, no adjustment has been made in the books.

(b) Inventories includes two properties acquired from IFCI Ltd for consideration other than cash amounting to ₹26.59 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.

39. MPCON has continued to act as Nodal Agency for the implementation of Counselling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, National Handicapped Finance & Development Corp., Ministry of Textile, Govt. of India, M.P State open School Bhopal, Entrepreneurship Development Institute of India. The Government of India has sanctioned grant amounting to ₹10.85 crore in 2016-17 (PY ended March 2016: ₹ 8.78 crore).

40. SHCIL has an amount of ₹ 19 lakhs payable to suppliers under Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/payable by the Company to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006.

41. Expenditure/ Earnings in Foreign Currencies:

(₹ crore)

	Year ended 31.03.2017	Year ended 31.03.2016
41.1 Expenditure in Foreign Currency:		
Interest on borrowings	**3.69**	3.82
Import Factor Commission	**0.53**	0.90
Other matters	**1.07**	1.82
TOTAL	**5.29**	6.54
41.2 Earnings in Foreign Currency:		
Hospitality Services	**–**	4.78

42. Payment to Auditors:

Audit Fees	**1.04**	1.20
Taxation Matters	**0.04**	0.08
Certification and other Services	**0.17**	0.10
Reimbursement of Expenses	**0.06**	0.07
TOTAL	**1.31**	1.45

43. Certain balances appearing under, trade receivables and payables are subject to confirmation.

44. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 read with RBI guidelines.

45. IIDL is constructing a campus for MDI, Gurgaon at Jangipur, Murshidabad Distt, West Bengal. The financials relating to the contract are as under:

(₹ crore)

Contract	**Amount**
Contract revenue recognized during the year	Nil
Contract expenses recognized during the year	Nil
Recognized Profits	Nil
Estimated Contract Cost	90.91
Amount recoverable from MDI	0.46

Cost-plus contract method has been used to determine the contract revenue recognized in the period.

46. IIDL is developing residential complex at Ghaziabad & Kochi, revenue from construction contract recognized during the year is ₹ 4.62 crore. Percentage completion method is used to determine the revenue. The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/ architect.

47. The Company operates in India and hence it is considered to operate only in domestic segment. More than 90% of revenue for the Company comes from a single segment of Financing. Accordingly, segment reporting as required under Accounting Standard-17, is not required.

48. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18,- "Related Party Disclosures" is as under:

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

Nature of Relationship	**Name of the Related Party**
Assosciates	Tourism Finance Corporation of India Ltd
	Himachal Consultancy Organisation Ltd
	North India Technical Consultancy Organisation Ltd
	HARDICON Ltd (upto March 6, 2017)
	KITCO Ltd
Joint Venture	IFCI Sycamore Capital Advisors Pvt Ltd
Trust incorporated for CSR activity	IFCI Social Foundation

2. Transaction with the related party during the period:

(₹ crore)

Nature of Transaction	**Year ended 31.03.2017**	Year ended 31.03.2016
Associates		
Tourism Finance Corporation of India Ltd		
Bonds issued by IFCI-outstanding	**65.00**	65.00
Interest paid/ payable by IFCI	**5.80**	5.79
Rent & Maintenance received by IFCI	**3.59**	4.07
Dividend Received	**2.23**	5.68
Dividend Paid on Preference Shares	**₹20,000**	₹20,000
Himachal Consultancy Organisation Ltd		
Dividend Received	**0.01**	0.03
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.25**	0.25
HARDICON		
Dividend Received	**0.01**	0.01
Valuation fee paid	**–**	0.02
North India Technical Consultancy Organisation Ltd		
Rent & Maintenance received	**0.16**	0.16
Valuation fee paid	**–**	0.02
Dividend Received	**0.04**	0.04
KITCO		
Dividend Received	**0.30**	0.30
Trust incorporated for CSR activity		
IFCI Social Foundation		
Contribution for CSR activities	**1.89**	2.33
Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**0.36**	0.30

49. Earnings per share:

(₹ crore)

	Particulars	**Year ended 31.03.2017**	Year ended 31.03.2016
(a)	Profit Computation for Equity shareholders		
	Net profit as per Statement of Profit & Loss	**(377.53)**	362.83
	Less: Preference Dividend	**(0.26)**	(0.31)
	Net profit for Equity Shareholders	**(377.79)**	362.52
(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235

Note 49 (contd..)

(₹ crore)

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
(a)	Profit Computation for Equity shareholders (including potential shareholders)		
	Net profit as per Statement of Profit & Loss	**(377.53)**	362.83
	Less: Preference dividend	**(0.26)**	(0.31)
	Net profit for equity shareholders (including potential shareholders) *	**(377.79)**	362.52
(b)	Weighted Average Number of Equity Shares outstanding	**1,66,20,37,235**	1,66,20,37,235
	Earnings Per Share (Weighted Average)		
	Basic (₹)	**(2.27)**	2.18
	Diluted (₹)	**(2.27)**	2.18

* There are no potential equity shares outstanding as on March 31, 2017

50. In terms of Accounting Standard 19 on 'Leases'

(a) The Company has entered into lease agreement at nine centers and lease rent is charged to the Statement of Profit & Loss.

(b) Office premises of IFCI Factors is on operating lease with tenor upto 12 months and renewable on such terms and conditions as may be mutually agreed with the company and the Lessor.

(c) The year wise break up of future minimum lease payments in respect of leased premises are as under:

(₹ crore)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Minimum Lease payments:		
(a) Not later than one year	**0.87**	0.69
(b) Later than one year but not later than five years	**1.81**	1.42
(c) Later than five years	**0.39**	0.46
Rentals charged during the Period	**1.44**	1.05

51. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28- "Impairment of Assets". As on March 31, 2017 there were no events or changes in circumstances which indicate any impairment in the assets.

52. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.006 million (Previous Year ended March 2016: USD 0.059 million) and EURO 0.053 million (Previous Year ended March 2016: EURO 0.011 million), equivalent to ₹ 0.41 crore (Previous Year ended March 2016: ₹ 0.47 crore).

53. In case of SHCIL, Unhedged Foreign Currency Exposure:

As at	Year ended 31.03.2017	Year ended 31.03.2016
Trade payables	**USD12,522**	USD 54,314
	₹0.08 crore	₹0.36 crore
	YEN 10,800	GBP 4,000
	₹6,264	₹0.04 crore

54. Open interest in the Currency Futures as at 31/03/2017- ₹ Nil (PY ended March 2016: ₹ NIL)

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

As at	Year ended 31.03.2017	Year ended 31.03.2016
Cash and Bank Balances		
Euro	**Nil**	1,30,999.68
	Nil	(₹ 0.96 crore)
USD	**Nil**	4,83,249.42
	Nil	(₹ 3.15 crore)
Sundry Creditor		
Euro	**Nil**	1,759.35
	Nil	(₹ 0.01 crore)
USD	**Nil**	48,020.67
	Nil	(₹ 0.32 crore)

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

Particulars		Maximum O/s during the Year	Daily Average O/s during the Year	O/s as on Mar 31, 2017
Securities sold under Repo:				
1.	Govt. Securities	Nil	Nil	Nil
2.	Corporate Bonds	601.95	210.83	Nil
Securities purchased under reverse repo:				
1.	Govt. Securities	Nil	Nil	Nil
2.	Corporate Bonds	Nil	Nil	Nil

Maximum & average outstanding is based on face value of securities.

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

SANJEEV KAUSHIK
Deputy Managing Director
DIN 02842527

PROF ARVIND SAHAY
Director
DIN 03218334

B N NAYAK
Executive Director & Chief Financial Officer

RUPA SARKAR
Company Secretary

In terms of our Report of even date

For **ASA & ASSOCIATES LLP**
Chartered Accountants
ICAI FRN 009571N/ N500006

PARVEEN KUMAR
M. No. 088810

For **KPMR & ASSOCIATES**
Chartered Accountants
ICAI FRN 02504N

S M YAMIN QURESHI
M. No. 081750

Place: New Delhi
Date : May 19, 2017

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

To The General Manager MCS Share Transfer Agent Limited, Unit: IFCI F-65, Okhla Industrial Area, Phase-I New Delhi-110 020 **(In case of Physical Holding)**	To The Depository Participant Concerned **(In case of Electronic Holding)**

Dear Sir

FORM FOR NATIONAL ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Master Folio No.								

For office use only

NECS Ref. No.

Name of First Holder	
Bank Name	
Branch Name	
Branch Code	(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank) Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number.

Account Type →	Savings		Current		Cash Credit	

Ac. No. (as appearing in the cheque book) →																

Effective date of this mandate →								

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, IFCI Ltd / MCS Share Transfer Agent Ltd will not be held responsible. I agree to avail the NECS facility provided by RBI, as and when implemented by RBI.

I further undertake to inform the company any change in my Bank/Branch and account number.

Date: (Signature of First Holder)

ATTENDANCE SLIP

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
Website : www.ifciltd.com
CIN : L74899DL1993GOI053677
E-mail : complianceofficer@ifciltd.com
Tel: +91-11-4173 2000 Fax: +91-11-2623 0201

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

DP. Id. *	
Client Id.	

Folio No. *

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the Company being held on Monday, October 30, 2017 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019

NAME OF THE SHAREHOLDER .....

NAME OF PROXY # .....
To be filled in case proxy attends instead of Shareholder

SIGNATURE OF THE SHAREHOLDER/PROXY*
* Strike out whichever is not applicable

NOTE: NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING

IFCI LIMITED
आई एफ सी आई लिमिटेड
(A Government of India Undertaking)
(भारत सरकार का उपक्रम)

PROXY FORM

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
Website : www.ifciltd.com
CIN : L74899DL1993GOI053677
E-mail : complianceofficer@ifciltd.com
Tel: +91-11-4173 2000 Fax: +91-11-2623 0201

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

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

(1) Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him/her

(2) Name: ..... Address: .....

E-mail Id: ..... Signature: ....., or failing him/her

(3) Name: ..... Address: .....

E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company, to be held on Monday, October 30, 2017 at 10:30 A.M. at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions Matter	For	Against
1.	To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017 and the reports of the Auditors' and Board's thereon.		
2.	To confirm the interim dividend already paid on Preference Shares as Final Dividend.		
3.	To appoint a Director in place of Ms Kiran Sahdev (DIN: 06718968), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
4.	To fix remuneration of the Statutory Auditor of the Company in terms of the provisions of Sections 139 (5) and 142 of the Companies Act, 2013.		
5.	To authorise Board of Directors for making offer(s) or invitation to subscribe to securities, including but not limited to bonds and non convertible debentures, by way of private placement in one or more tranches, up to an amount not exceeding ₹ 5000 crore.		
6.	To authorise Board of Directors to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the insertion of Article 79 A with marginal notes in the existing Articles of Association of the Company.		

Affix

Revenue Stamp

Signed this ..... day of 2017

Signature

Signature of Shareholder(s)

Signature of proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.**
2. For the resolutions, Explanatory Statements and Notes, please refer to the notice of the 24th Annual General Meeting.
3. For any other item of business, if any (permitted under the Companies Act, 2013), which may be taken up for consideration at the 24th Annual General Meeting, may please refer to our website i.e. www.ifciltd.com.
4. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in the box before submission.

OFFICES OF IFCI

As on 31st March, 2017.

Registered Office
IFCI Ltd

IFCI Tower, 61 Nehru Place, New Delhi-110019
Tel: +91-11-4179 2800, 4173 2000, 2648 7444, 2648 7622
Fax No.: +91-11-2648 8471, 2623 0201
Website : www.ifciltd.com
CIN: L74899DL1993GOI053677

REGIONAL OFFICES

AHMEDABAD

501, IFCI Bhawan
Near Lal Bunglow
C G Road, Navrangpura
PIN-380 006
Tel: +91-79-2640 5984, 2644 5376, 2646 8433
Fax: +91-79-2640 4980

BHOPAL*
Ground Floor, MPCON Part
Rajeev Gandhi Bhawan, Parisar-2
35, Shyamala Hills
PIN-462 002
Tel: +91-755-427 9113

BHUBANESWAR*

Office No. 4, Block 1 & 2
1st Floor. BMC Bhawani Mall, Shaheed Nagar
PIN-751 007
Tel: +91-0674-254 9166
Fax: +91-0674-254 9166

BENGALURU

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

CHANDIGARH

IFCI Bhawan
1-C, Sector 27-A, Madhya Marg
PIN-160 019
Tel: +91-172-265 6096, 265 0878, 265 0743
Fax: +91-172-265 6734

CHENNAI

Continental Chambers
(2nd Floor), 142 M G Road
Nungambakkam
PIN-600 034
Tel: +91-44-2833 4110-11
Fax: +91-44-2833 4109

DELHI

IFCI Tower
61 Nehru Place
PIN-110 019
Tel: +91-11-4173 2000, 2648 7055

HYDERABAD

Taramandal Complex
(8th Floor), 5-9-13 Saifabad
PIN-500 004
Tel: +91-40-6662 3642-44
Fax: +91-40-2324 1138

JAIPUR

Anand Bhawan (1st Floor)
Sansar Chandra Road
PIN-302 001
Tel: +91-141-236 3448
Fax: +91-0141-237 8387

KOCHI*

39/5165, Krishna Empire
(Ist Floor), Main Avenue
Panampilly Nagar
PIN-682 036
Tel: +91-484-407 0522

KOLKATA

Chatterjee International Center
(3rd Floor) 33-A
Jawaharlal Nehru Road
PIN-700 071
Tel: +91-33-2226 2672, 2265 3344
Fax: +91-33-2217 1618

LUCKNOW*
Unit No. 501, 5th Floor,
Cyber Heights, Vibhuti Khand,
Gomti Nagar
PIN-226 010.

MUMBAI

Earnest House
(9th Floor), NCPA Marg
Nariman Point
PIN-400 021
Tel: +91-22-6129 3400
Fax: +91-22-6129 3440/3441

PATNA*

Maurya Lok Commercial Complex,
Block 'C' (3rd Floor)
Dak Bungalow Road
PIN-800 001
Tel: +91-612-223 2027

PUNE

#307, (3rd Floor)
Amar Neptune Building
Behind Big Bazaar
Baner
PIN-411 045
Tel: +91-20-2729 1731

RAIPUR*

F-6 & 7, Block B-1, (1st Floor)
Pujari Commercial Complex
Pachpedi Naka
Tel: +91-771-407 5005
PIN - 492 001

VIJAYAWADA*

54-15-13, BSR Hill View
(2nd Floor), Srinivasa Nagar
Bank Colony
PIN - 520 008
Tel: +91-866-254 0321

* These Regional Offices have since been closed.

REGISTRAR & TRANSFER AGENTS

For Equity Shares & Family Bonds:
MCS Share Transfer Agent Ltd
Ist Floor, F-65, Okhla Industrial Area
Phase-I, New Delhi-110 020
Tel: +91-11-4140 6149/50-51
Fax: +91-11-4170 9881
E-mail: helpdeskdelhi@mcsregistrars.com
admin@mcsdel.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
Karvy Selenium Tower-B
Plot No. 31 & 32, Gachibowli
Financial District
Hyderabad -500 032
Tel: +91-40-6716 2222
Fax: +91-40-2342 0814
E-mail: support@karvy.com
einward.ris@karvy.com

For Subordinate Bonds (Series I & III) :
Link Intime India Pvt Ltd
C-101, 247 Park,
LBS Marg, Vikroli West,
Mumbai - 400 083
Tel: +91-22-4918 6000
Fax: +91-22-4918 6060
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 Ltd
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: +91-22-4325 3000
Website: Axistrustee.com
E-mail: debenturetrustee@axistrustee.com

DEBENTURE TRUSTEE FOR – INFRASTRUCTURE BONDS SERIES III, IV & V
IDBI Trusteeship Services Ltd
Regd. Office: Asian Building, Ground Floor.
17, R. Kamani Marg, Ballard Estate,
Mumbai-400 001
Tel: +91-22-4080 7000-01
Fax: +91-22-6631 1776
Website: www.idbitrustee.in
E-mail: itsl@idbitrustee.com

DEBENTURE TRUSTEE FOR – REGULAR BONDS SERIES NO. 47, 50 & 51
Centbank Financial Services Ltd
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