31st Annual Report 2018-19

IFCI VENTURE

IFCI Venture Capital Funds Limited

BOARD OF DIRECTORS

Dr. Emandi Sankara Rao, Non-Executive Chairman
Mr. Subhash C. Kalia, Non-Executive Director
Mr. V S V Rao, Nominee Director
Mr. Shakti Kumar, Managing Director
Mr. Lalit K. Patangia, Non-Executive Director
Ms. Anjali Kaushik, Non-Executive Director
Mr. Ravindra Nath, Additional Director

CHIEF FINANCIAL OFFICER

Ms. Indu Gupta

COMPANY SECRETARY

Ms. Priyanka Munjal

AUDITORS

STATUTORY AUDITORS

Lunawat & Co.
Chartered Accountants
54, Daryaganj
New Delhi-110 002

SECRETARIAL AUDITORS

Saurabh Agrawal & Co.
Company Secretaries
403, Nirmal Tower,
26 Barakhamba Road,
Connaught Place,
New Delhi-110 001

BANKERS

Axis Bank Ltd
HDFC Bank Ltd
Karur Vysya Bank
State Bank of India
South Indian Bank

REGISTRAR

MCS Share Transfer Agent Limited
F-65, 1st floor Okhla Industrial Area, Phase I,
New Delhi -110 020

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C-22, G Block,
Bandra-Kurla Complex,
Bandra East, Mumbai-400 051

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor
17. R. Kamani Marg , Ballard Estate
Mumbai - 400 001

REGISTERED OFFICE

IFCI Tower,
61, Nehru Place,
New Delhi - 110 019.
Tel (011) 26444932, 26453346
Fax (011) 26453348
Website: www.ifciventure.com
E-Mail: cs@ifciventure.com

CONTENTS

NOTICE

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED (IFCI VENTURE) will be held on Tuesday, September 24, 2019 at 3:00 P.M., at the Registered Office of the Company situated at IFCI Tower, 61, Nehru Place, New Delhi - 110 019, to transact the following business(es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2019 and the Profit & Loss Account for the year ended March 31, 2019, and the Reports of the Board of Directors and Auditors thereon, as presented to the Members.

2. To appoint Director in place of Mr. Lalit K. Patangia (holding DIN 01892842), Non-Executive Director who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Director in place of Mr. Subhash C. Kalia (holding DIN 00075644), Non-Executive Director who retires by rotation and being eligible offers himself for re-appointment.

4. To fix the remuneration of Auditors and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company, be and is hereby, authorized to fix the remuneration including out of pocket expenses, if any, to be payable to the Statutory Auditors as may be appointed by the Comptroller and Auditor General of India for the Financial Year 2019-20."

   "**RESOLVED FURTHER THAT** reimbursement to be made towards out of pocket expenses incurred by the statutory auditors in the course of conducting statutory audit of IFCI Venture Capital Funds Limited for the Financial Year 2019-20, be and is hereby, ratified."

SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to the provisions of Section 152 read with Section 161 and any other provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory amendment(s), modification(s), variation or re-enactment thereof, for the time being in force), Mr. Ravindra Nath (DIN: 02815496), who was appointed as an Additional Director under the category of Non-Independent Director liable to retire by rotation on the Board of the Company w.e.f. 11th January, 2019, to hold office up to the date of this Annual General Meeting of the Company and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company."

"**RESOLVED FURTHER THAT** Managing Director and Company Secretary, be and are hereby, authorized to do all such acts, deeds and things necessary in this behalf and to file necessary particulars with the Registrar of Companies, NCT of Delhi & Haryana."

By order of the Board of Directors
For IFCI Venture Capital Funds Ltd.

Sd/-
(Priyanka Munjal)
Company Secretary

Place : New Delhi
Date :July 26, 2019

Inspection of Documents

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 and Rules made thereunder, are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 10:00 a.m. to 1:00 p.m. upto the date of this Annual General Meeting.

Notes:

1. Members/Proxies attending the meeting are requested to bring the Attendance Slip (duly completed and signed) to the Meeting.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

   The instrument of proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

4. Members are requested to kindly communicate immediately change in their address, if any, to the Managing Director/Company Secretary at the Registered Office of the Company.

5. Explanatory Statement as per Section 102 of the Companies Act, 2013 is mentioned below.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013)

Item No. 5

Mr. Ravindra Nath (DIN: 02815496) aged 60 years is a Non-Executive Non-Independent Director of the Company. Mr. Nath was appointed as an Additional Director by the Board of Directors of the Company w.e.f. January 11, 2019 and is also a Chairman of Audit Committee and Risk Management Committee of Directors and a member of the Executive Committee of Directors, Review Committee of Directors for Non Cooperative Borrowers and Review Committee on Wilful Defaulters.

Under Section 161 of the Companies Act, 2013 read with Article 110(10)(a) of the Articles of Association of the Company, Mr. Nath holds office only up to the date of this Annual General Meeting of the Company. A notice has been received proposing candidature of Mr. Nath for the office of Director of the Company and the same has been recommended by Nomination and Remuneration Committee.

Mr. Ravindra Nath, served as Chairman and Managing Director of National Small Industries Corporation, a Public Sector Enterprise of Government of India, till September 2018. Besides this, Mr. Nath has held senior positions of corporate head of finance in public and private sectors. Mr. Nath has over three decades of experience in various areas of Finance, Accounts and Management. Mr. Nath besides holding Degree in Commerce is a qualified Chartered Accountant and a Fellow member of ICAI of India. The Board considers that given his vast and diverse experience, the Company would benefit under his guidance. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nath as a Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on Board of the Company, for the approval of the shareholders of the Company.

He will be eligible for the sitting fees for attending Board and Committee Meetings, in compliance with the provisions of the Companies Act, 2013 and directions of the Board prevailing from time to time. He is not holding any shares in the Company. He is not having any relationship with other directors, Manager and Key Managerial Personnel of the Company. He has attended two Board Meetings during the FY 2018-19. Details of his other Directorships and Membership/ Chairmanship of Committees of other Boards are given separately in the section of Report on Corporate Governance.

Except Mr. Nath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relative(s) is/ are concerned or interested, financially or otherwise, in the resolution set out in Item No. 5.

Note: Articles of Association of the Company and all other documents related to appointment of Mr.Ravindra Nath will be available for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays between 10:00 a.m. to 1:00 p.m. up to the date of this Annual General Meeting.

By order of the Board of Directors
For IFCI Venture Capital Funds Ltd.

Sd/-
(Priyanka Munjal)
Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED
CIN: U65993DL1988GOI030284
Regd. Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019
Website: www.ifciventure.com; E mail: cs@ifciventure.com; Tel No. 011-4173 2525

Attendance Slip

(Please complete this Attendance Slip and hand it over at the venue of the meeting)

Folio No.

I hereby record my presence at the Thirty First Annual General Meeting of IFCI Venture Capital Funds Ltd. to be held on Tuesday, September 24, 2019 at 3:00 P.M. at IFCI Tower, 61 Nehru Place, New Delhi - 110 019, and at any adjournment thereof.

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

IFCI VENTURE CAPITAL FUNDS LIMITED
CIN: U65993DL1988GOI030284
Regd. Office: IFCI Tower, 61 Nehru Place, New Delhi - 110 019
Website: www.ifciventure.com; E mail: cs@ifciventure.com; Tel No. 011-4173 2525

FORM MGT-11 - PROXY FORM
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:

Name of the company:

Registered office:

Name of the member (s):
Registered address:
E-mail Id:
Folio No:

I/We, being the member (s) of ……………… share(s) of IFCI Venture Capital Funds Limited, hereby appoint

1. Name: ……………………
Address:………………………………….
E-mail Id:……………………………….
Signature:……………., or failing him

2. Name: ……………………
Address:………………………………….
E-mail Id:……………………………….
Signature:……………., or failing him

3. Name: ……………………
Address:………………………………….
E-mail Id:……………………………….
Signature:……………., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual general Meeting of the company, to be held on Tuesday, September 24, 2019 at 3:00 P.M. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	**Resolution/s Matter**	**Optional***	
Ordinary Business		For	Against
1.	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon, as presented to the Members.		

2.	To appoint Director in place of Mr. Lalit K. Patangia (holding DIN 01892842), Non-Executive Director who retires by rotation and being eligible offers himself for re-appointment.		
3.	To appoint Director in place of Mr. Subhash C. Kalia (holding DIN 00075644), Non-Executive Director who retires by rotation and being eligible offers himself for re-appointment.		
4.	To fix the remuneration of Statutory Auditors of the Company;		
Special Business			
5.	To appoint Mr. Ravindra Nath (DIN: 02815496) as Non-Executive Director under the category of Non-Independent Director liable to retire by rotation on the Board of the Company.		

Signed this………… day of………………… 2019.

Signature of shareholder..

Signature of Proxyholder(s)...

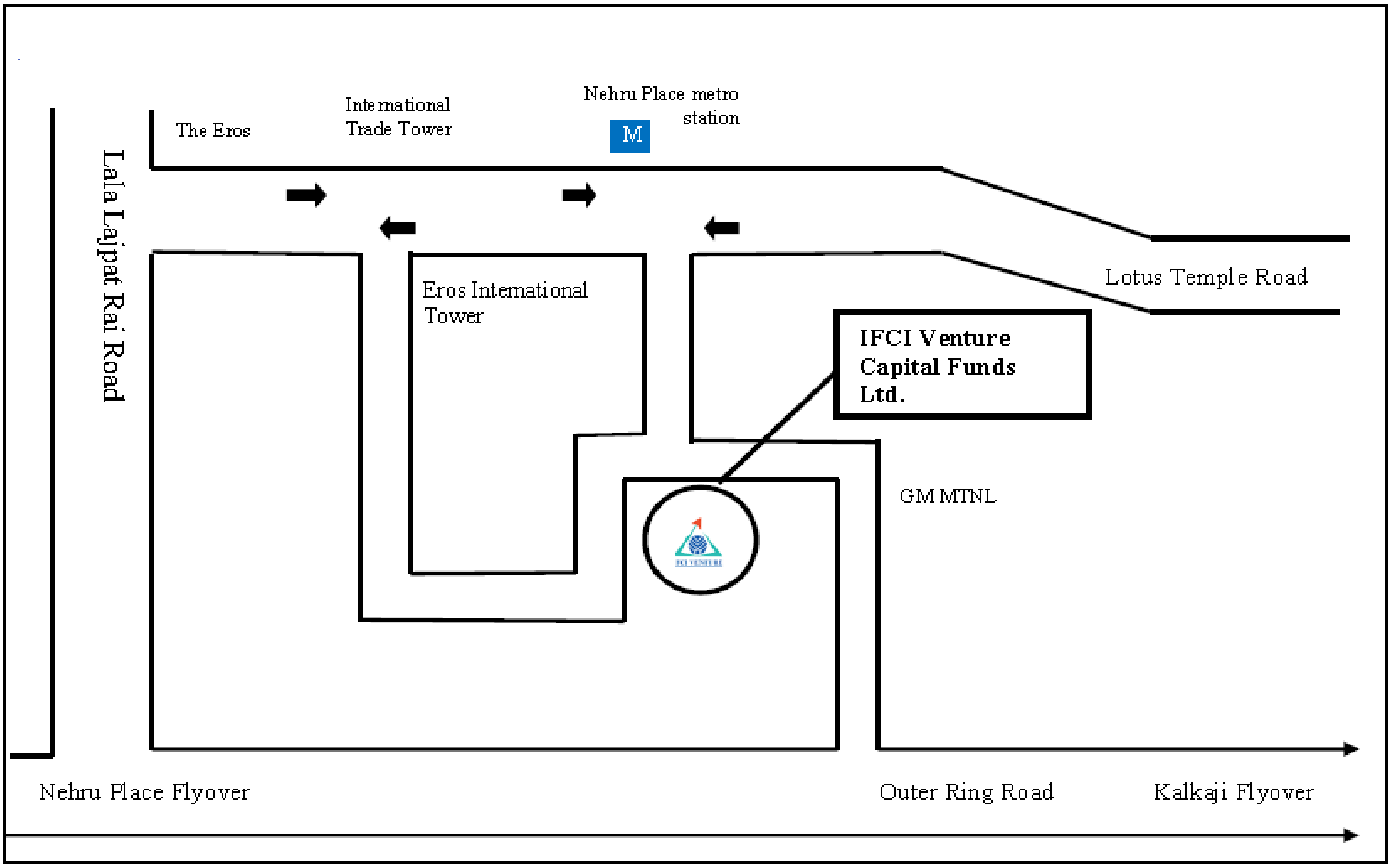
Note:

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 the commencement of the Meeting.

2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* 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.

ROUTE MAP OF THE VENUE OF THE MEETING IS AS UNDER:



DIRECTORS' REPORT

TO THE MEMBERS OF IFCI VENTURE CAPITAL FUNDS LIMITED

The Board of Directors of your Company has the pleasure of presenting the Thirty First Annual Report of IFCI Venture Capital Funds Limited (the Company) together with the Management Discussion and Analysis, Report on Corporate Governance and Audited Financial Statements for the Financial Year ended March 31, 2019.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

The financial results of your Company for the Financial Year 2017-18 (Restated under IND AS) and 2018-19 under review are summarised in the following table:

(Rs. in lakh)

Financial Year	**2018-19**	**2017-18 (Restated under IND AS)**
Total Income	**9,282.84**	**8,167.44**
Expenditure		
- Finance Cost	**2460.83**	**4,331.71**
- Fees and Commission Expense	**70.99**	**146.30**
- Net loss on Fair value changes	**710.01**	**2157.66**
- Employee Benefit Expense	**450.60**	**431.11**
- Impairment on Financial instruments	**-**	**932.13**
- Depreciation	**1.01**	**1.81**
- Other Expenses	**7309.48**	**390.82**
Total Expenditure	**11,002.92**	**8391.56**
Profit/(loss) Before Tax	**(1,720.07)**	**(224.12)**
Less: Tax Expenses	**1,573.29**	**(209.83)**
Profit/(loss) for the period	**(3,293.37)**	**(14.30)**
Add: Other Comprehensive Income	**(0.91)**	**(11.20)**
Total Comprehensive Income for the period	**(3,294.28)**	**(25.49)**

2. CHANGE IN NATURE OF BUSINESS & MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There has been no change in the nature of business of your Company during the reporting period. Further, there have been no material changes and commitments which affect the financial position between the end of the Financial Year and date of Directors' Report.

3. DIVIDEND

No interim or final dividend has been declared for the Financial Year 2018-19.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves u/s 45IC of the RBI Act, 1934 during the Financial Year ended March 31, 2019 as your company has incurred loss during the year.

5. CAPITAL STRUCTURE/CHANGE IN SHARE CAPITAL

The capital structure of your Company is given as under:

Authorized Share Capital	Issued, Subscribed and Paid-up Share Capital
15,00,00,000 Equity Shares of Rs.10/- each aggregating to Rs.150,00,00,000/-	6,03,71,008 Equity Shares of Rs.10/- each aggregating to Rs.60,37,10,080/-

* *During the Financial Year 2018-19, there was no change in authorised, issued, subscribed and paid-up share capital of the company.*

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

During the Financial Year, the following changes have occurred in the composition of the Board of Directors and in the KMP of your Company:

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, during the Financial Year 2018-19, upon nomination by IFCI Ltd. the holding company, Mr. Vasantharao Satya Venkatarao was appointed as a Nominee Director in place of Mr. B N Nayak w.e.f. July 19, 2018. Another Director, Mr. RN Dubey tendered his resignation and ceased to act as Director w.e.f. September 19, 2018.

Ms. Anjali Kaushik was appointed as an Additional Director w.e.f. May 08, 2018 and was subsequently regularized by the shareholders at the Annual General Meeting held on September 10, 2018 as Non-Executive Director under the category of Non-Independent Director whose office is liable to retire by rotation.

IFCI Ltd., the holding company, had withdrawn the nomination of Mr. Alok Sabharwal as Managing Director of your company w.e.f. September 26, 2018 and nominated Mr. Shakti Kumar to be appointed as Nominee Director and designated him as Managing Director on the Board of your Company w.e.f. October 1, 2018.

Mr. Ravindra Nath was appointed as an Additional Director w.e.f. January 11, 2019 and is proposed to be regularized as Non-Executive Director under the category of Non-Independent Director whose office is liable to retire by rotation at the forthcoming Annual General Meeting.

During the Financial Year 2018-19, Mr. Mukesh Girdhar tendered his resignation from the post of Company Secretary w.e.f. March 11, 2019. In his place, the Board appointed Ms. Priyanka Munjal as Company Secretary of your Company w.e.f. March 12, 2019.

During the year, no other changes took place in the composition of the Board of Directors of the Company. The composition of the Board of Directors of the Company is not in compliance with the applicable norms of the Companies Act, 2013, since in terms of the Act, 1/3rd of the total number of Board of Directors of IFCI Venture shall be Independent Directors and as per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government, which is administratively in charge of the Company or as the case may be, the State Government, is required, that the person intending to act as Independent Director shall be a person of integrity and possesses relevant expertise and experience. Accordingly, in view of the above, a letter to Department of Financial Services, Ministry of Finance, Government of India was forwarded by IFCI Ltd. on the request of your company and reply to the same is awaited.

7. DIRECTOR LIABLE TO RETIRE BY ROTATION

Mr. Lalit K. Patangia (holding DIN 01892842) and Mr. Subhash C. Kalia (holding DIN 00075644), Non-Executive Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

8. SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2018-19, in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, 5 (five) meetings of the Board of Directors were conducted, and the details of such meetings forms part of the Report on Corporate Governance, appearing separately in the Annual Report.

10. COMPOSITION OF AUDIT COMMITTEE OF DIRECTORS

Your Company has in place an Audit Committee of Directors, as required under the provisions of Companies Act, 2013 and other applicable regulations. However, the composition of the Audit Committee is not in compliance with the provisions of the Companies Act, 2013. Reasons of such non-compliance and detailed composition of Audit Committee of Directors forms part of Report on Corporate Governance, appearing separately in the Annual Report.

Your Directors would further like to inform that there has been no matter where the Board has not accepted the recommendations of the Committee.

11. DISCLOSURE OF NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of the Companies Act, 2013, your Company has put in place a Nomination & Remuneration Policy. The Policy has also been placed on the website of your Company at www.ifciventure.com. The terms of reference of the Nomination & Remuneration Committee and attendance of the members are mentioned in the Report on Corporate Governance, appearing separately in the Annual Report.

As per Notification dated June 05, 2015, issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of sub section (2), (3) and (4) of Section 178 of the Companies Act, 2013. Accordingly, your Company being a Government Company is not required to disclose the Nomination and Remuneration Policy in the Directors' Report.

12. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Your Company has formulated a Related Party Transactions Policy, for the purpose of identification and dealing with related parties. The Policy on dealing with Related Party Transactions as approved by the Board has been uploaded on your Company's website at www.ifciventure.com and is also enclosed at **Annexure I**.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions were placed before the Audit Committee of Directors for approval. Prior approval of the Audit Committee was obtained on quarterly basis for the transactions which were of foreseen and repetitive nature. None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company.

Disclosure on Related Party Transactions during FY 2018-19 in the prescribed format of Form AOC-2 is given at **Annexure II**.

14. EXTRACT OF ANNUAL RETURN - FORM MGT - 9

Pursuant to the provisions of the Companies Act, 2013, the extract of the Annual Return in the prescribed format of Form MGT - 9 is enclosed at **Annexure III** and the same is available on the Company's website i.e. www.ifciventure.com.

15. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013 and Rules made thereunder, the brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure IV** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

16. PARTICULARS OF EMPLOYEES AND REMUNERATION

As per Notification dated June 5, 2015, issued by the Ministry of Corporate Affairs, Government Companies are exempt from complying with the provisions of section 197 of the Companies Act, 2013, read with Rules made thereunder. Accordingly, your Company being a Government Company is exempt from disclosing the information required under the said section read with Rules made thereunder in the Board's Report.

17. PERFORMANCE EVALUATION

The Board of Directors and Nomination & Remuneration Committee of Directors has put in place an evaluation framework for the evaluation of the Board, its Committees and of the individual Directors, in compliance with the provisions of the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Directors' functioning such as delegation of responsibilities to the Committees, level of Directors' integrity and ability to handle conflict constructively, Directors acting in accordance with the provisions of Articles of Association of the Company and the Committees' functions in accordance with terms of reference prescribed by the Board, etc.

The Directors expressed their satisfaction with the evaluation process.

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

Your Company has a policy on Prevention of Sexual Harassment at Workplace and is complying with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year 2018-19, no complaint was received on this ground.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

As your Company is primarily engaged in the business of financing of 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 your Company.

20. RISK MANAGEMENT

Disclosure on Risk Management in your Company is provided separately in the Management Discussion and Analysis Report forming part of this Report.

21. DEPOSITS

Your Company being a Non-Deposit Accepting Company has not accepted any deposits during the Financial Year 2018-19. There were no public deposits outstanding as at the beginning or end of the Financial Year 2018-19.

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

During the Financial Year 2018-19, no significant or material orders were passed by any regulators or court impacting the going concern status of your Company and Company's operations.

23. VIGIL MECHANISM

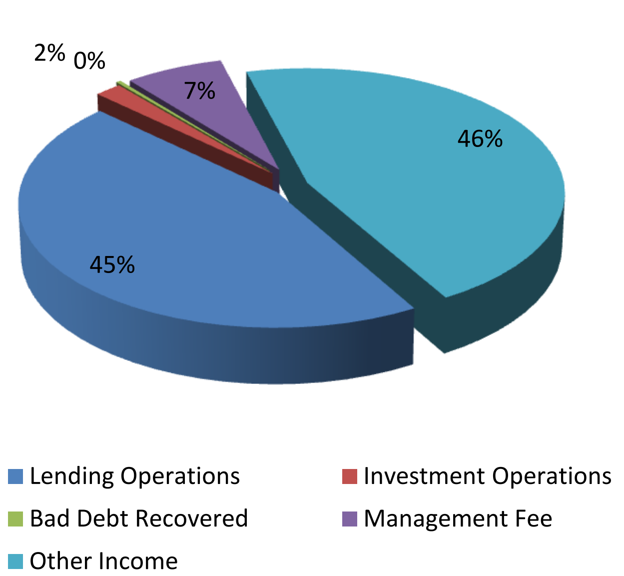
Your Company has in place a Vigil Mechanism Policy, in compliance with the provisions of Companies Act, 2013, under which the Directors and employees can report to the Management their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct and to provide adequate safeguards to them against any sort of victimization on raising an alarm. During the Financial Year under review, no instance of the secured disclosure has been made to the Designated Authority or to the Chairman of the Audit Committee of Directors.

The details of the Vigil Mechanism Policy are posted on the website of the Company i.e. www.ifciventure.com.

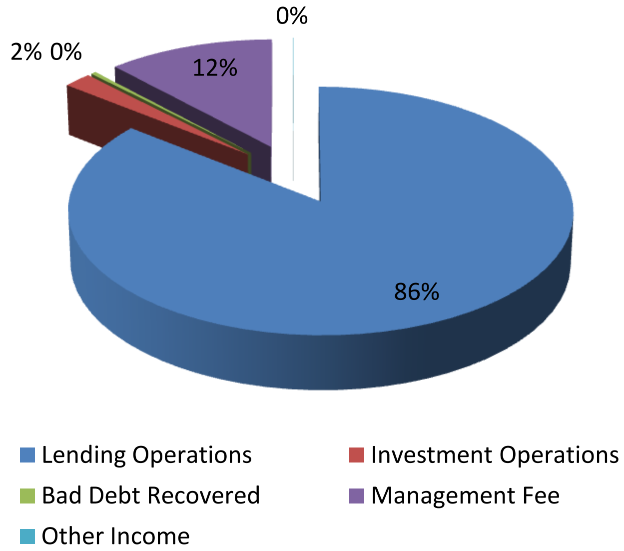
24. INCOME AND EXPENDITURE COMPONENTS

i) Income Components

FY 2018-19



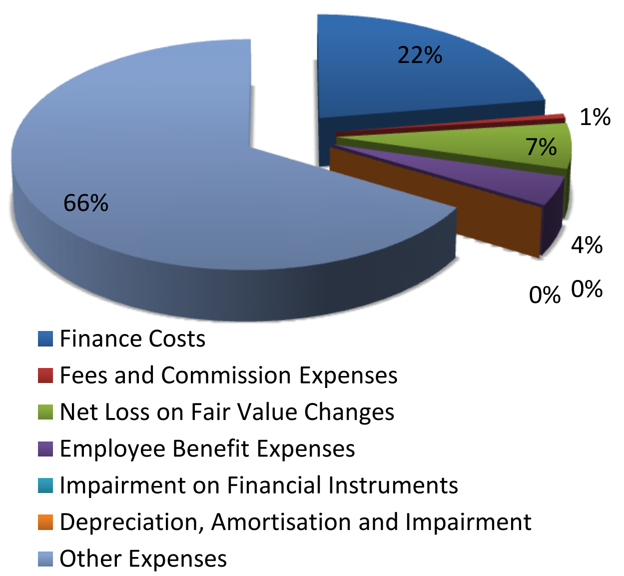
FY 2017-18



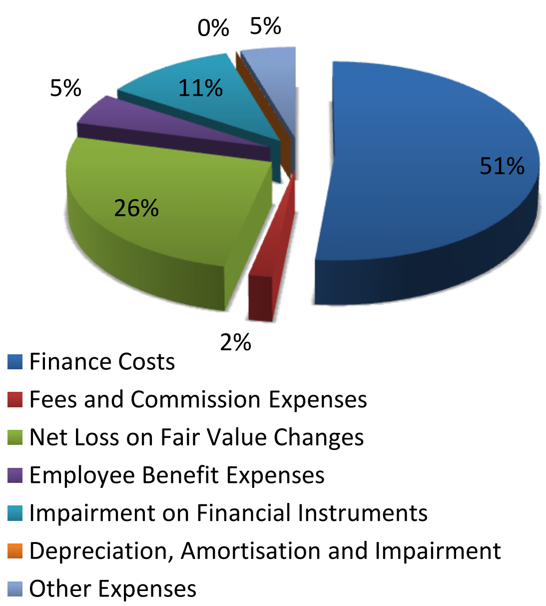
*Other income includes Rs. 4241.52/- Lakh on account of ECL reversal

ii) Expenditure Component

FY 2018-19



FY 2017-18



*Other Expenses includesRs.6868.11/- Lakh on account of Bad Debt written off

25. INDUSTRY AND BUSINESS OF THE COMPANY

I. INDUSTRY STRUCTURE & DEVELOPMENTS

i. Introduction

The global growth outlook for financial year 2018-19 remained steady although the underlying downside risks had risen.

On domestic front, growth of gross domestic product showed slight moderation in second quarter of financial year 2018-19 while inflation remained contained. In domestic financial markets, structural shifts in credit intermediation and the evolving interconnectivity between banks and the non-banks called for greater vigilance.

As per the available data, the GDP of India grew at 6.8% in 2018-19 as against 7.1% during 2017-18. The economy of India is a developing mixed economy. It is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). The country ranks 139th in per capita GDP.

A. <u>Banking Sector</u>

The Indian banking system consists of 27 public sector banks, 21 private sector banks, 49 foreign banks, 56 regional rural banks, 1,562 urban cooperative banks and 94,384 rural cooperative banks, in addition to cooperative credit institutions.

As of Q3 FY19@ total credit extended by commercial banks surged INR 93,751.17 billion (US$ 1,299.39 billion) and deposits grew to INR 120,818.92 billion (US$ 1,866.22 billion). Assets of public sector banks stood at US$ 1,557.04 billion in FY18.

Indian banks are increasingly focusing on adopting integrated approach to risk management. Banks have already embraced the international banking supervision accord of Basel II, and majority of the banks already meet capital requirements of Basel III, which had a deadline of March 31, 2019.

Credit growth of scheduled commercial banks (SCBs) has improved between March 2018 and September 2018, driven largely by private sector banks (PVBs). The asset quality of banks showed an improvement with the gross NPA ratio of SCBs declining from 11.5% in March 2018 to 10.8% in September 2018. The banking stability indicator showed that deteriorating profitability and asset quality pose elevated risk to overall banking sector stability. The financial stability report highlighted that large borrowers accounted for 54.8% of gross advances and 85.6% of GNPAs. Top 100 large borrowers accounted for 15.2% of gross advances ad 26% of GNPAs of SCBs.

B. <u>NBFC Sector</u>

Non-banking Finance Companies (NBFCs) has been consistent in forming an integral part by increasing their share in the Indian financial system. NBFCs are the third largest segment in the Indian financial sector after commercial banks and insurance companies and account for 9% of the total financial assets. But unlike the shadow banking entities in other countries, NBFCs are regulated by the RBI that has been working towards bringing them at par with the banking regulations. NBFCs hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies.

C. Private Equity

Private equity in India had a good year in 2018. Investment momentum was robust for a second consecutive year, with total investment of $26.3 billion from approximately 793 deals during the year.

The top 15 deals constituted about 40% of total deal value, demonstrating that most funds are valuing deal quality more than quantity. The number of deals greater than $50 million increased from the previous year. The investment in consumer tech at $7 billion, was less than $9 billion in 2017. Over the last couple of years, there were many deals in this sector such as horizontal e-tailing (Flipkart), vertical e-tailing (Bigbasket, Lenskart, Pepperfry), food (Zomato, Swiggy) and travel/hospitality (OYO Rooms, Ola). As a result, over the past few years, there have been fewer but higher-quality deals in consumer tech with investors backing winners to scale further.

Investors are looking at attractive opportunities in financial services and consumer/ retail, even though valuations are perceived to be high. Interest is also strong in healthcare and technology.

Exits have increased consistently in the last two years in India, with 265 exits in 2018 valued at nearly $33 billion. The $16 billion Flipkart sale to Walmart, was one of the highlights in 2018.

ii. Regulatory Changes

NBFCs operate under certain regulatory constraints, which put them at a disadvantage vis-à-vis banks. The Reserve Bank of India released the 'Revised Regulatory Framework for NBFCs on November 10, 2014 based on which NBFCs require higher minimum capital, have less time to declare bad loans, and a board-approved fit and proper criteria for appointment of Directors.

The new asset classification norms issued by RBI have brought NBFCs at par with banks. Thus, an asset would be classified as NPA and fall under sub-standard category if the deafualt continues for more than 90 days. The asset would remain in sub-standard category for next 12 months and would become doubtful after 12 months.

II. BUSINESS OVERVIEW

i. Lending Operations

Interest Income on lending operations has been the major source of revenue for your Company, which accounted for 84.04% of the Operating Revenue for the Financial Year 2018-19. Your Company disbursed Rs.1015 lakhs during the year. The lending portfolio stood at Rs.30882.89 lakh as at March 31, 2019 against Rs.47416.02 lakh as at March 31, 2018.

In line with approved General Lending Policy during the year under review, your Company continued its exposure limits to an individual company of upto Rs.25 crore (11.85% of Owned Funds as at March 31, 2018) and to a Group of upto Rs.40 crore (18.96% of Owned Funds as at March 31, 2018 – Rs.210.87 crore). The tenor of loans has also generally been kept at 4 years. However, in order to attract companies having credit rating of A and above, marginal relaxation has been allowed in tenor of loans to 5 years coupled with relaxation in security margins. Further, to ensure proper risk evaluation of proposals, the internal risk rating process continues to be outsourced to CARE Ratings and the same is linked to pricing of loans.

ii. Private Equity/Venture Capital Funds

One of the core activities of your company is management of private equity/venture capital funds.

Your Company started management of three funds in 2008 viz. Green India Venture Fund, India Automotive Component Manufacturers Private Equity Fund 1 – Domestic and India Enterprise Development Fund with the corpus of funds raised from 38 investors including Public Sector Banks/Financial institutions/Insurance Companies/retail individuals etc. Your Company steadily moved forward by investing in various deals across India across Energy Efficiency, Renewable Energy, Auto-components and Hospitality Sector etc. These funds are in the exit mode and exits are happening by way of IPO, Second round of Private Equity Investments, Promoter's Buyback, sale of investments etc.

Your Company has earned management fee @ 2% p.a. on 3 funds viz. IACM-1D, IEDF and GIVF on the outstanding fund corpus of about Rs.221.52 crore upto 30/6/2018. Besides, the Company is entitled to profit sharing on divestments since it is also an investor in all the three funds.

These funds were set up originally in 2008 with a total tenure of ten years (with permissible extensions). Therefore, the tenure of all the three funds was due for closure by June 2018. The total corpus of the three funds (Rs.508 Crore) was invested in 29 Companies. There have been exits from majority of the investments. However, there were few deals which were difficult and required longer time for exit, therefore, the tenure of 3 funds was extended for one more year (i.e. upto June 2019) after obtaining approvals from 75% of the investors (% calculated by amount invested).

In 2015, your company, in association with Ministry of Social Justice and Empowerment, GOI and IFCI Ltd., launched Venture Capital Fund for Scheduled Castes (VCF-SC) with an initial corpus of Rs.250 crore. Present corpus of the fund is Rs.340.01 Crore. IFCI Venture has sanctioned investment of Rs.322.80 crore in 90 Companies being promoted by Scheduled Caste entrepreneurs as on 31st March, 2019. IFCI Venture earns an annual management fee @ 1.5% p.a. on the fund corpus of VCF-SC and an amount of Rs.4.95 Crore was booked as income towards management fee from VCF-SC during the year.

To increase the scope and coverage of "Venture Capital Fund for Scheduled Castes" (VCF-SC), IFCI Venture has participated in conferences and conventions on pan-India basis. It has successfully generated deals from 17 states viz. Punjab, Gujarat, Maharashtra, Delhi NCR, Telangana, Andhra Pradesh, Uttar Pradesh, Uttarakhand, Tamil Nadu, Karnataka, Pondicherry, West Bengal, Assam, Haryana, Chattisgarh, Himachal Pradesh and Bihar. Efforts are being made to expand the reach of the Fund.

In March 2018, your company, again in association with Ministry of Social Justice and Empowerment, GOI and IFCI Ltd., has launched Venture Capital Fund for Backward Castes (VCF-BC). The fund has received an initial commitment of Rs.40 crore by GOI out of which Rs.10 Crore was received from GOI in the year 2017-18. IFCI Venture has also committed Rs.10 crore in the fund as sponsor and investor and presently has invested Sponsor capital of Rs.5 crore. IFCI Venture has already sanctioned Rs.12.43 crore in 4 companies as on 31st March 2019. Your company is actively sourcing deals under the fund. Your company earns management fee @ 0.5% p.a. on the fund corpus of VCF-BC and an amount of Rs.0.05 Crore was booked as income towards management fee from VCF-BC.

III. NEW INITIATIVES BY YOUR COMPANY:

Your company has been actively involved in the fund raising process for already registered 2 funds with SEBI under AIF category II, from the domestic investors, which are as under:

i. Green India Venture Fund – II (GIVF – II)

This Fund proposes to promote projects in Clean-tech and Renewable Energy space.

ii. Small and Medium Enterprises Advantage Fund (SMEAF)

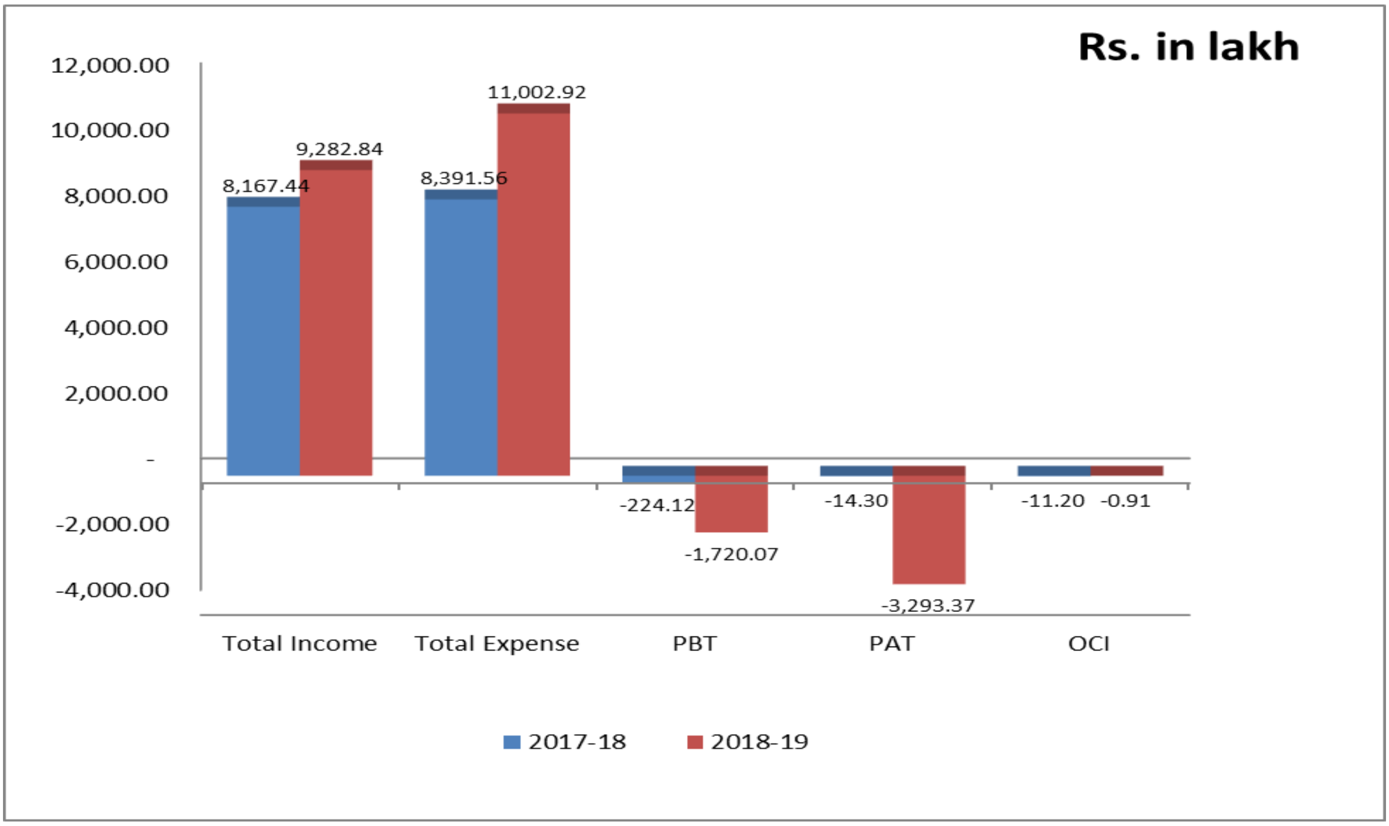
Seeing the larger thrust of the Government of India to promote the SME segment in the Indian economy, your Company has conceptualized the Small and Medium Enterprises Advantage Fund (SMEAF). SMEAF shall majorly focus in growth oriented & government focused sectors of the economy like Auto-Component, Chemical & Fertiliser, Food Processing, FMCG, Leather Industry, Health Care & Pharmaceutical and Textiles and Indian Engineering Industry.

26. PERFORMANCE OF YOUR COMPANY

In addition to the management of PE/ VC Funds, your Company continued its business of corporate lending, during the Financial Year under report. Your Company's approach towards lending and investments was guided by maximization of return on investments, while ensuring adequate security cover, adequate risk containment and helping your Company achieve an appropriate trade-off between returns and risk during the Financial Year.

i. Financial Performance

During FY 2018-19 your Company has incurred loss of Rs.3,293.37 lakh as compared to loss of Rs.14.30 lakh in FY 2017-18 (IndAS restated). The book value per share decreased to Rs.26.93 per share in FY 2018-19 from Rs.32.69 per share in FY 2017-18.



ii. Sanctions and Disbursements

Your Company has undertaken NBFC activities providing Corporate Loan to credit-worthy companies. During the Financial Year 2018-19, your Company sanctioned and disbursed corporate loans of only Rs.1000 lakh and Rs.1015 lakh, respectively. The corporate loan portfolio of your Company reduced to Rs.30882.89 lakh as on March 31, 2019 from Rs.47416.02 lakh as on March 31, 2018 due to scheduled repayments and prepayments of approx. Rs.4100 lakh in 6 loan accounts during the year on account of higher interest rates and security cover.

Consequently, it was decided to consolidate operations and particularly focus on maintaining comfortable liquidity position with focus on timely repayment of loans of IFCI and group companies. As a result, the lending operations were slowed down with increased focus on NPA recovery and recovery of investments under the 3 PE/VC funds being managed by it which are due for closure by 30th June 2019. Thus, the disbursements during FY 2018-19 were less due to focus being mainly on recovery from NPA cases as well as closure of the three funds.

iii. Management of Private Equity/Venture Capital Funds

As you are aware, your company has been acting as an Asset Manager for managing Venture Capital Funds since 1991. Your Company has been managing 5 PE/ VC funds viz. India Automotive Component Manufacturers Private Equity Fund-1-Domestic (IACM-I-D), Green India Venture Fund (GIVF), India Enterprise Development Fund (IEDF), Venture Capital fund for Scheduled Castes (VCF-SC) and Venture Capital fund for Backward Classes (VCF-BC) with an aggregate fund corpus of Rs.863.01 crore.

The status of fund corpus, sanction, disbursement and outstanding investment under the five PE/ VC funds managed by your Company as on March 31, 2019 is as under:

Particulars	IACM-1-D	GIVF	IEDF	VCF-SC	VCF-BC	Total
Objective	To invest mainly in Automotive Component companies, besides other sectors.	To fund environment friendly projects.	To invest in projects in emerging sectors with potential of high growth prospects.	To promote entrepreneurship among the scheduled castes and to provide concessional finance to them.	To promote entrepreneurship among the backward class and to provide concessional finance to them.	
Fund Corpus (Rs. in crore)	190.00	220.00	98.00	340.01	15.00	863.01
Sanctioned Deals (in nos.)	9	14	6	90	4	123
Amounts Sanctioned (Rs. in crore)	182.92	210.75	93.49	322.80	12.43	822.39
Amounts Disbursed (Rs. in crore)	182.92	210.75	93.49	202.59	Nil	689.75
Investments Exited (Rs. in crore)	124.71	121.28	30.84	NA	NA	276.83
Equity Shares received in lieu of accrued premium (Rs. in crore)	NIL	NIL	3.29	NA	NA	3.29

Percentage of Investment exited	68.25%	74.15%	53.67%	NA	NA	-
Investments Outstanding (Rs. in crore)	58.21	54.37	43.31	NA	NA	155.89
Total Consideration Received (Rs. in crore)	252.96	210.16	64.17	NA	NA	527.29

Note:_The difference in fund corpus and sanctions is due to the expenditures incurred against management fees & set up cost under the three funds._

Thus, at present your company is managing five funds namely GIVF, IACM-1D, IEDF, VCF-SC and VCF-BC. The total amount of funds under management in year 2019-20 is Rs.863.01 crore. Your Company has a team of young and experienced professionals having considerable length of experience, exposure and knowledge.

27. DOCUMENTS PLACED ON THE WEBSITE (www.ifciventure.com)

The following documents have been placed on the website of your Company in compliance with the SEBI Regulations:

- Corporate Social Responsibility Policy as per section 135(4)(a) of the Companies Act, 2013.
- Financial Statements of the Company along with the relevant documents as per third proviso to section 136(1) of the Companies Act, 2013.
- Details of vigil mechanism for Directors and employees to report genuine concerns as per proviso to section 177(10) of the Companies Act, 2013.
- Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons.
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Handling of Price Sensitive information for Legitimate Purposes.
- Related Party Transactions Policy as per guidelines issued by Reserve Bank of India (RBI).
- Guidelines on Corporate Governance, as per guidelines issued by Reserve Bank of India (RBI).
- Code of Business Conduct & Ethics for Board Members, KMPs and Senior Management, in compliance with the applicable rules and regulations.

28. CORPORATE GOVERNANCE

A detailed report on Corporate Governance is appearing separately in the Annual Report.

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

As your Company's operations do not involve any manufacturing or processing activities, the particulars as per Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not applicable. The Company is also not engaged in any activity relating to exports. During Financial Year 2018-19, your Company neither incurred nor received any amount in foreign currency.

30. QUALIFICATIONS OR OBSERVATIONS OR OTHER REMARKS MADE BY THE STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, M/s Lunawat& Co., Chartered Accountants (Firm Registration No. 000629N), were appointed as Statutory Auditors of your Company by the Comptroller & Auditor General of India. There were no qualification(s) or observation(s) or other remarks made by the Statutory Auditors, in the Independent Auditors' Report of your Company for the Financial Year 2018-19, submitted by the Statutory Auditors.

31. QUALIFICATIONS OR OBSERVATIONS OR OTHER REMARKS MADE BY THE SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, the Board of Directors of your Company appointed M/s Saurabh Agrawal & Co. as the Secretarial Auditors of the Company. The observations of the Secretarial Auditors and replies of the management for FY 2018-19, are given below:-

S.No.	Observation	Management's Reply
1.	As per section 149(4) of the Companies act, 2013 read with the Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 the company shall have at least two directors as Independent Directors, however the Company has not complies the provisions of the said section and rule as company is not having any independent director on the Board.	As per notification dated June 05, 2015 for the induction of Independent Director on the Board of a Government Company, opinion from concerned Ministry or parent Department of the Central Government which is administratively in charge of the Company or as the case may be, the State Government, is required, that the person intending to act as Independent Director shall be a person of integrity and possesses relevant expertise and experience. Accordingly, in view of the above, a letter to Department of Financial Services, Ministry of Finance, Government of India was forwarded by IFCI Ltd. on the request of your company and reply to the same is awaited.
2.	The composition of the Board of Directors is not as per the provisions of Section 149 of the Companies act, 2013 w.r.t. appointment of Independent of Directors.	Same as Point 1 above.
3.	As per Section 149(8) of the Companies act, 2013 read with Schedule IV of the Companies act, 2013 separate meeting of the Independent Directors was not convened for the period under review.	Same as Point 1 above.
4.	As per Section 134, Annual evaluation of Independent Director shall be done by the entire Board of director; however the company was not having Independent director in the company hence same was not done.	Same as Point 1 above.
5.	As per the provisions of Section 135, 177, 178 of the Companies Act, 2013, constitution of CSR	Same as Point 1 above.

	Committee, Audit Committee and Nomination and Remuneration Committee respectively is not proper with respect to appointment of independent directors.	
6.	The Company is having approx 51.13% Loan amount as substandard/NPA as on 31st March, 2019.	Considerable reduction in book size in last 2 years coupled with few fresh NPA cases has led to increase in Gross and Net NPA percentage. Efforts are underway to resolve these NPA's and bring down the Gross and Net NPA levels.
7.	In terms of the master circular for NBFC Corporate Governance (Reserve Bank) Directions, 2015 the company is required to induct Information System Audit in every two years. However the company has not conducted the said audit during the financial year 2018-19	Information System Audit has been conducted in June 2019 and the report is being placed before the Committees of Directors and the Board of Directors.

Copy of the Secretarial Audit Report is annexed as **Annexure V**.

32. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Companies Act, 2013, during the Financial Year 2018-19, there were no Independent Directors on the Board of the Company, for the reasons detailed in Point No. 6 of this Report.

33. INTERNAL FINANCIAL CONTROLS

Your Company has in place an Internal Financial Controls (IFC) Framework driven by the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliablefinancial information.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the Management, the Directors hereby confirm that**:**

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

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud, and other irregularities;

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

(v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. "Internal Financial Controls" mean the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds, and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information; and

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

35. AUDITORS

M/s Lunawat & Co., Chartered Accountants (Firm Registration No. 000629N) were appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of your Company for FY 2018-19.

36. MANAGEMENT AND DISCUSSION ANALYSIS

A Report on Management and Discussion Analysis is annexed as **Annexure VI** to this Report.

37. SUBSIDIARIES/ JOINT VENTURE/ ASSOCIATE

Your Company does not have any subsidiary/ joint venture/ associate company.

38. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller and Auditor General of India (C&AG) has informed that on the basis of statutory audit conducted, C&AG has conducted the supplementary audit of the financial statements of your Company for the Financial Year ended March 31, 2019 under section 143(6)(b) of the Companies Act, 2013. The comments of C&AG and reply of the management is as below:

S.No.	Comment	Management's Reply
1.	Gross loans amount of the company as on 31st March 2019 was Rs. 308.83 crore after adjustment of Rs. 6.39 crore on account of interest received from five parties (Trinethra Infra, Vix Infra, Ashwini Infra, VVA Developers and CRS Builders). However Audit observed that out of Rs. 6.39 crore, Rs. 4.65 crore was incorrectly adjusted for Ashwini Infra against which no amount of loan was outstanding as on 31.03.2019. Further, during the year, the company has written off loan account of Viz Infra. However, while writing of the outstanding loan account of Viz Infra, a receipt of Rs. 0.81 crore from Viz Infra was not adjusted, leading to excess written off during the year. The above has resulted in understatement of interest income by Rs. 4.65 crore and overstatement of expenses by Rs. 0.81 crore. Consequently, loss for the period has been overstated and loan has been understated by Rs. 5.46 crore.	As this was the 1st year of IndAS adoption and due to complicacies involved in preparation of IndAS Financial Statements, there was an inadvertent error. Going forward, care will be taken that such discrepancies do not arise.

The report given by C&AG is annexed as **Annexure VII**.

39. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

40. ACKNOWLEDGEMENTS

Your Directors wish to express gratitude for the cooperation, guidance and support from the Ministry of Finance, Ministry of Social Justice & Empowerment and various other Ministries and Departments of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, other regulatory bodies, Comptroller & Auditor General of India, Statutory Auditors, Internal Auditors and Secretarial Auditors and State Governments. Your Directors also acknowledge the valuable assistance and continued cooperation received from all banks, financial institutions, 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.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Shakti Kumar	V S V Rao
Managing Director	Nominee Director

Place: New Delhi
Date: July 26, 2019

ANNEXURE I

Policy on Dealing with Related Party Transactions

A. Approvals

I. Approval by Audit Committee

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

   a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of IFCI Venture and such approval shall be applicable in respect of transactions which are repetitive in nature.

   b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of IFCI Venture.

   c. Such omnibus approval shall specify:
      i. The name(s) of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
      ii. The indicative base price/current contracted price and the formula for variation in the price if any, and
      iii. Such other conditions as Audit Committee may deem fit.

   d. Audit Committee shall review, on a quarterly basis, the details of RPTs entered into by IFCI Venture pursuant to each of the omnibus approval given.

   e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Proviso:

The above clause will not be applicable in the following cases:

i. Transactions entered into between 2 Government Companies.
ii. 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.

Explanation: All entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

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 Venture 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 Related Party Transactions;
(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 Venture in its ordinary course of business other than transactions which are not on an arm's length basis.

{Ordinary Course of Business shall include those business which forms part of the Main Object of the Memorandum of Association of the Company}

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 Venture 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 Venture 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. <u>Approval by Shareholders</u>

1) Except with the prior approval of the company by a special resolution, IFCI Venture shall not enter into a transaction or transactions, where the transaction or transactions to be entered into-

(a) as contracts or arrangements with respect to clause(a) to (e) of subsection (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, exceeding 10% of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten percent of the net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

(iii) leasing of property of any kind exceeding ten percent of the net worth of the company or ten per cent of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;

(iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188;

Explanation- It is hereby clarified that the limit specified in sub-clauses (i) to (iv) 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 two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one per cent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

Explanation:- (1) The Turnover of 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 holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.

3) All Material RPTs shall require approval of the shareholders through Special Resolution and the related parties shall abstain from voting on such resolutions.

4) No Member of IFCI Venture shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

<u>Proviso:</u>

The above clause will not be applicable in the following cases:

(i) Transactions entered into between 2 Government Companies.

(ii) 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.

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)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions 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 the contracts/arrangements/transactions;
(d) Salient terms of the contracts or arrangements or transactions including the value, if any;
(e) Justification for entering into such contracts or arrangements or transactions;
(g) Date(s) of approval by the Board;
(h) Amount paid as advances, if any;
(i) Date on which the special resolution was passed in general meeting as required under first proviso to section 188.

2. Details of material contracts or arrangement or transactions at arm's length basis:

S No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	IFCI Ltd, Holding Company	Rent & Maintenance paid to IFCI Ltd.	Agreement(s) for 11 months	Rent @ Rs. 256.20 per sq. feet per month plus taxes	N.A.	Advance payable before 7th of every month
2.		Salaries paid to IFCI for employees deputed by IFCI Ltd. including PLI	As per terms approved by IFCI Ltd.	On deputation from IFCI Ltd.	N.A.	N.A.
3.		Paid towards other expenses to IFCI	Ongoing basis	Transactions in the ordinary course of business	N.A.	N.A.
4.		Paid towards IT Services taken from IFCI	Ongoing basis	Transactions in the ordinary course of business	N.A.	N.A.
5.		Final Dividend paid	N.A.	@2.5% i.e. Rs. 0.25/- per share for the Financial Year Ended March 31, 2018.	N.A.	N.A.
6.		Interest Received and accrued on Bonds subscribed	As per terms of Offer Document issued by IFCI Ltd.	For Rs. 5.00 crore investment interest @ 8.39% p.a. For Rs. 10 crore investment interest @ 9.40% p.a.	N.A.	As per terms of Offer Document issued by IFCI Ltd.
7.		Brokerage/ Professional fee paid-LOC	Till the duration of loans	0.75% p.a. on outstanding loans	N.A.	N.A.

8.		Interest received and accrued on Bonds subscribed	As per terms of Offer Document issued by IFCI Ltd.	For Rs. 5.00 crore investment interest @ 8.39% p.a. For Rs. 10 crore investment interest @ 9.40% p.a.	N.A.	N.A.
9.	IFCI Financial Services Ltd.	Brokerage/Professional fee paid	Ongoing basis	AMC : Rs. 1000/- Transaction fee- @0.01% of transaction value plus applicable taxes	N.A.	N.A.
10.	IFCI Social Foundation, Trust formed by IFCI Ltd., the Holding Company	CSR contribution	As per terms approved by the Board of Directors.	2% of the average net profit of preceding 3 years was transferred to ISF for undertaking CSR activities.	08/05/2018	N.A.
11.	Stock Holding Corporation of India Ltd.	Brokerage/Professional fee paid	Ongoing basis	AMC : Rs. 1200/- Transaction fee- @0.03% of transaction value plus applicable taxes	N.A.	N.A.
12.	Green India Venture Fund	Management Fee Received	As per Investment Management Agreement	2% of the outstanding corpus received only for Q1 as fund is due for closure.	N.A.	N.A.
13.	India Enterprise Development Fund	Management Fee Received	As per Investment Management Agreement	2% of the outstanding corpus	N.A.	N.A.
14.	India Automotive Component Manufacturers-1-D	Management Fee Received	As per Investment Management Agreement	2% of the outstanding corpus	N.A.	N.A.
15.	Venture Capital Fund for Backward Classes	Management Fee Received	As per Investment Management Agreement	0.5% p.a. of the o/s corpus	N.A.	N.A.

Form shall be signed by the people who have signed the Director's Report.

Sd/-	Sd/-
Shakti Kumar	V S V Rao
Managing Director	Nominee Director

Place: New Delhi
Date: July 26, 2019

ANNEXURE III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	U65993DL1988GOI030284
ii	Registration Date	12/01/1988
iii	Name of the Company	IFCI Venture Capital Funds Limited
iv	Category/Sub-category of the Company	Company limited by shares/ Union Government Company
V	Address of the Registered office & contact details	IFCI Tower, 61, Nehru Place, New Delhi – 110019, Tel No. 26453346
vi	Whether listed company	Yes (Only Debentures are Listed)
vii	Name, Address & contact details of Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited, F-65, 1st floor, Okhla Industrial Area, Phase I, New Delhi-110020, Tel No. (011) 5140 6149

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 & Description of main product/services	NIC code of the product/services	% of total turnover of the company
1.	Lending Operations	649	45%
3.	Other Incomes	649	46%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IFCI Limited IFCI Tower, 61, Nehru Place, New Delhi - 110019	L74899DL1993GOI053677	Holding	98.60	2(46)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

a) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1)Indian									
a)Individual/HUF	-	4	4	0.00	-	4	4	0.00	-
b) Central Govt.									
c) State Govt.									
d) Bodies Corporate									
e)Bank/FI	-	5,95,21,004	5,95,21,004	98.60	-	5,95,21,004	5,95,21,004	98.60	-
f) Any other.									

SUB TOTAL:(A) (1)	-	5,95,21,008	5,95,21,008	98.60	-	5,95,21,008	5,95,21,008	98.60	-
(2)Foreign									
a)NRIs-Individuals									
b)Other Individuals									
c)Bodies Corporate									
d)Banks/FI									
e)Any other									
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+ (A)(2)	**-**	**5,95,21,008**	**5,95,21,008**	**98.60**	**-**	**5,95,21,008**	**5,95,21,008**	**98.60**	**-**
B.PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f)Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Other (specify)									
SUB TOTAL (B) (1):	-	-	-	-	-	-	-	-	-
(2)Non Institutions									
a) Bodies Corporate	-	8,50,000	8,50,000	1.40	-	8,50,000	8,50,000	1.40	-
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto` 1 Lakh									
ii) Individual shareholders holding nominal share capital in excess of` 1 Lakh									
c) Others (specify)									
SUB TOTAL (B) (2):	**-**	**8,50,000**	**8,50,000**	**1.40**	**-**	**8,50,000**	**8,50,000**	**1.40**	-

Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**8,50,000**	**8,50,000**	**1.40**	**-**	**8,50,000**	**8,50,000**	**1.40**	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		**6,03,71,008**	**6,03,71,008**	**100.00**	**-**	**6,03,71,008**	**6,03,71,008**	**100.00**	

(ii) SHAREHOLDING OF PROMOTERS

Sl. No.	**Shareholders Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			**% Change on Shareholding during the year**
		No. of Shares	**% of total shares of the company**	**% of pledged/ encumbered to total shares**	**No. of Shares**	**% of total shares of the company**	**% of pledged / encumbered to total shares**	
1	IFCI Limited	5,95,21,008	98.60%	-	5,95,21,008	98.60%	-	-
Total		**5,95,21,008**	**98.60%**	**-**	**5,95,21,008**	**98.60%**	**-**	**-**

(iii) CHANGE IN PROMOTER'S SHAREHOLDING

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of Shares	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
1.	At the beginning of the year	No Change		No change	
2.	Date wise Increase/Decrease In Promoters Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment/ Transfer/bonus/sweat equity etc)	No Change		No change	
3.	At the end of the year	No Change		No change	

(iv) SHAREHOLDINGPATTERN OF TOP TEN SHAREHOLDER (OTHER THAN DIRECTORS, PROMOTERS & HOLDER OF GDRS & ADRS)

SI. No.	**Name of Shareholders**	**Shareholding at the beginning of the year as on 01.04.2018**		**Change in shareholding during the year**		**Shareholding at the end of the year as on 31.3.2019**	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Tata Global Beverages Ltd.	2,50,000	0.41	Nil	Nil	2,50,000	0.41
2.	Tata Chemicals Ltd.	2,50,000	0.41	Nil	Nil	2,50,000	0.41
3.	IL&FS Financial Services Ltd.	2,50,000	0.41	Nil	Nil	2,50,000	0.41
4.	Tata Steel Ltd.	1,00,000	0.17	Nil	Nil	1,00,000	0.17

(v) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sl. No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Directors & KMP*	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the**

					company
1.	At the beginning of the year	0	0.00	0	0.00
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0.00	0	0.00
3.	At the end of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs.)(in lakhs)

	Secured Loans/Bonds excluding deposits	Unsecured Loans/Bonds	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,769	2,106	-	29,875
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	263	20	-	283
Total (i+ii+iii)	**28,031**	**2,126**	**-**	**30,158**
Change in Indebtedness during the financial year				
•Additions	0	0	-	0
•Reduction	14,795	0	-	-14,795
Net Change	14,795	0	-	14,795
Indebtedness at the end of the financial year				
i) Principal Amount	13,017	2,106	-	15,123
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	220	20	-	240
Total (i+ii+iii)	**13,237**	**2,126**	**-**	**15,363**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

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

(in lakhs)

Sl. No.	Particulars of Remuneration	Mr. Alok Sabharwal, Managing Director (Apr. 2018 – Sep 2018)	Mr. Shakti Kumar, Managing Director (Oct. 2018 – March 2019)	Total Amount
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	20.03#	26.19*	46.22
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
2.	Stock option			
3.	Sweat Equity			
4.	Commission-as % of profit -others (specify)			

5.	Others, please specify			
	Total (A)	**20.03**	**26.19**	**46.22**

\# Mr. Alok Sabharwal ceased to act as Director w.e.f. September 26, 2018.
* Mr. Shakti Kumar was appointed as Managing Director w.e.f. October 1, 2018.

B. Remuneration to other director:-

(in Rs.)

SI. No.	Name of the Directors	Fee for attending Board/ Committee meetings	Conveyance Charges	Total
1.	Mr. Lalit K. Patangia	1,64,500	-	1,64,500
2.	Mr. J. Venkateswarlu	1,90,000	-	1,90,000
3.	Mr. Subhash C. Kalia	1,26,500	-	1,26,500
4.	Ms. Anjali Kaushik	62,500	6,000	68,500
5.	Mr. Ravindra Nath	25,000	2000	27,000

* No Commission was paid during the year.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
1	**Gross Salary**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	11.97	31.97	43.94
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(3) Income Tax Act, 1961			
	(c) Profits in lieu of salaryunder section 17(3) Income taxAct, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission -as % of profit -others, specify			
5	Others, please specify			
	Total	**11.97**	**31.97**	**43.94**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
A.COMPANY					
Penalty	**None**				
Punishment	**None**				
Compounding	**None**				
B.DIRECTORS					
Penalty	**None**				
Punishment					
Compounding					
C.OFFICCERS IN DEFAULT					
Penalty	**None**				
Punishment					
Compounding					

ANNEXURE IV

CORPORATE SOCIAL RESPONSIBILITY

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

- Pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder, the company has formulated a CSR Policy as stated in: http://www.ifciventure.com/pages/by4hm8ur/91/1.pdf.

- In alignment with the vision of the company, IFCI Venture, through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a *Socially Responsible Corporate*, with environmental concern.

- The main objectives of CSR Policy are:
  i) To directly or indirectly take up programs that benefit the communities in and around its workplace and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
  ii) To generate through its CSR initiatives, a community goodwill for IFCI Venture and help reinforce a positive & socially responsible image of IFCI Venture as a corporate entity and as a good Corporate Citizen.
  iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders

- The terms of reference of the CSR Committee is as under:
  i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013;
  ii) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
  iii) To monitor the Corporate Social Responsibility Policy of the company from time to time.

2. Composition of the CSR Committee

- CSR Committee of Directors consisted of following members as on March 31, 2019:-
  i. Mr. Lalit K. Patangia, Non-Executive Director as Chairman;
  ii. Mr. VSV Rao, Nominee Director as Member;
  iii. Mr. Shakti Kumar, Managing Director as Member.

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

- Average Net Profit: Rs.35,67,40,375.97/-.

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

- The Company was required to spend Rs. 71,34,808 (rounded off to Rs. 71,35,000/-) towards CSR activities.

5. Details of CSR spend for the financial year:

a. Total amount spent for the year: Rs. 71,35,000/-*
b. Amount unspent: Nil*
c. Manner in which the amount spent during the financial year:

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others 2. Specify the state and district where project/ Proggramme was undertaken	Amount outlay (budget) project or Programme wise	Amount spent on the project/ programme 1.Direct expenditure on project or programmes 2.Overheads (in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent: Direct/ through implementing agency*
1.	Construction of 13 Nos of toilets for girls in Swami Dayanand Rotary Matriculation School through AIM for SEVA	Sanitation/ Healthcare	Kadalur Village, Cheyyur Taluk, Kancheepuram District, T.N.	Rs. 20,85,250/-	Nil	5,85,250/-	Through IFCI Social Foundation
2.	Construction of 10 toilets and 10 bathrooms in AnudanitAshramshala in Hiradpada Village through social upliftment and Development for Health Action	Sanitation/ Healthcare	Palgarh district, Maharashtra	Rs. 14,96,000/-	Nil	7,48,000/-	Through IFCI Social Foundation
3.	Project to build drought resilience and address water crisis in selected villages in partnership with Actionaid Association	Water conservation	District Deogarh, Jharkhand	Rs. 31,97,000/-	Nil	10,00,000/-	Through IFCI Social Foundation

* Amount was transferred to IFCI Social Foundation, a Trust to undertake the CSR Activities on behalf of IFCI Venture.

6. Reasons for not spending two per cent of the average net profit of the last three financial years or any part thereof: N.A.

7. Pursuant to the provisions of Companies Act, 2013 and Companies Rules (Corporate Social Responsibility Policy) Rules, 2014, Mr. Shakti Kumar, Managing Director and Mr. Lalit K. Patangia, Chairman of CSR Committee, do confirm that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the Company.

Sd-	Sd-
(Shakti Kumar)	(Lalit K. Patangia)
Managing Director	Chairman of CSR Committee

ANNEXURE-V

Form No. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
IFCI Venture Capital Funds Limited
CIN: U65993DL1988GOI030284
IFCI Tower, 61, Nehru Place,
New Delhi - 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by IFCI Venture Capital Funds Limited (herein after 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 thereon.

Based on our verification of the Company 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, 2019 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, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1956 and the regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of the Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;[Not applicable to the Company during the audit period].
   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; *[Not applicable to the Company during the audit period].*
   d. 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 dealings with the client; *[Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review]*.
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *[Not applicable as the Company has not delisted/proposed to delist its equity shares from any stock exchange during the financial year under review]* and
h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;*[Not applicable as the Company has not bought back/proposed to buy back any of its securities during the financial year under review].*

(vi) The company has complied with other Laws as applicable to the Industry as per the undertaking given by the company:
1. The Reserve Bank of India Act, 1934;
2. Prevention of Money Laundering Act, 2002
3. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952;
4. Payment of Gratuity Act, 1972;

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) The Listing Agreements entered into by the Company with the Bombay Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:-

i. *As per Section 149(4) of the Companies Act, 2013 read with Rule 4(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 the company shall have at least two directors as Independent Directors, however the Company has not complied the provisions of the said section and rule as Company is not having any Independent Director on the Board;*
ii. *The composition of the Board of Directors is not as per the provisions of Section 149 of the Companies Act, 2013 w.r.t. appointment of Independent Directors;*
iii. *As per Section 149(8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 separate meeting of the Independent Directors was not convened for the period under review;*
iv. *As per section 134, Annual evaluation of Independent Director shall be done by the entire Board of director; however the company was not having Independent director in the company hence the same was not done;*
v. *As per the provisions of Section 135, 177 and 178 of the Companies Act, 2013, constitution of CSR Committee, Audit committee and Nomination and Remuneration Committee respectively is not proper with respect to appointment of independent directors;*
vi. *The Company is having approx 51.13% Loan amount as substandard/NPA as on 31st March, 2019;*
vii. *In terms of the master circular for NBFC Corporate Governance (Reserve Bank) Directions, 2015 the company is required to induct Information System Audit in every two years. However the Company has not conducted the said audit during the financial year 2018-2019.*

In respect of other laws specifically applicable to the company, we have relied on information/data provided by the Company during the course of audit and reporting is limited to that extent.

We further report that
The Board of Directors of the Company is not duly constituted with proper balance of Independent Directors as per Section 149 of the Companies Act, 2013. 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 Meetings, Agenda and detailed notes on agenda were sent within prescribed time limit, 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.

All the decisions of Board of Directors and Committee Meeting were carried unanimously.

We further report that based on the review of compliance mechanism established by the Company, we are of the opinion that there is scope to improve the systems and processes in the Company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following event has occurred which had a major bearing on the Company's Affair in pursuance of the laws, rules, regulations and standards etc:

- *A fraud was reported on the loan given to the Ashapura Intimates Fashion Limited (AIFL) on 28th September, 2018. Loan was against the security of listed shares and Share price of the borrower company continue to fall and Company has been defaulting of servicing of loan since 31st December, 2018. As the price of the shares already started decreasing, therefore the Company has provided 100% ECL against this account;*
- *The Company is having approximately 51.13% Loan Amount as Substandard/NPA as on 31st March, 2019.*

Place: New Delhi
Date: 19/07/2019

Signature: Sd/-
Saurabh Agrawal
(Saurabh Agrawal & Co.
Company Secretaries)
FCS No.: 5430
C.P. No.: 4868

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 Venture Capital Fund Limited
CIN: U65993DL1988GOI030284
IFCI Tower, 61 Nehru Place
New Delhi – 110019

Our Secretarial Audit Report for the financial year 31st March, 2019 is to be read along with this letter.

- ***Management Responsibility***

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively;

- ***Auditor's Responsibility***

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances;

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion;

4. 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;

5. Wherever required we have obtained the management's representation about the Compliance of laws, rules and regulations and happening of events etc;

- ***Disclaimer***

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;

7. We have not verified the correctness and appropriations of financial records and books of accounts of the Company.

Sd/-
Saurabh Agrawal & Co.
(Company Secretaries)
Saurabh Agrawal
(Partner)
FCS: 5430
CP No.: 4868

Place: New Delhi
Date: 19/07/2019

ANNEXURE VI

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure & Developments

The global growth outlook for financial year 2018-19 remains steady although the underlying downside risks have risen.
On domestic front, growth of gross domestic product showed slight moderation in second quarter of financial year 2018-19 while inflation remains contained. In domestic financial markets, structural shifts in credit intermediation and the evolving interconnectivity between banks and the non-banks call for greater vigilance.
As per the available data, the GDP of India grew at 6.8% in 2018-19 as against 7.1% during 2017-18. The economy of India is a developing mixed economy. It is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). The country ranks 139th in per capita GDP.

B. Opportunities & Threats

NBFCs have emerged as the largest net receiver of funds from the rest of the financial system. Owing to the challenges domestic businesses as well as individuals face in sourcing credit from traditional banking institutions, they are increasingly turning to NBFCs to meet their funding needs.

NBFC has taken most of its baggage in 2019 but the ground reality remained more or less same as was in 2018. Outlook for the sector for the sector for the next year is still looking weak. NBFCs are going to take a bigger bite in the credit pie at the cost of the non-performing assets saddled banking sector. Although the share of NBFCs in total credit is projected to rise to 19% by 2020 from 12% in 2014. This projection takes into account improvement in public banks due to the government's bank recapitalisation programme and a decent improvement in private banks.

Further, raising fund is becoming more and more difficult with flow from banks almost drying up. Stringent competition from banks offering finer pricing could constrain NBFC credit growth. In addition, increase in bank deposit base post demonetisation and steep reduction in lending rates is expected to result in migration of some large-ticket and relatively better quality NBFC borrowers to banks. Additionally, NBFCs faced with higher delinquencies in some key asset classes and their categorisation as high-risk financial institutions by the Finance Ministry are expected to focus more on recovery & compliances, which would also impact incremental business volumes in the near to medium-term.

NBFC's liquidity problem could be alleviated if RBI opens a separate repo window under the liquidity adjustment facility for banks for onward-lending to NBFCs.

C. Segment wise Performance

The total revenue comprises of mainly interest received from lending operations and Management Fee received from management of PE/ VC funds. During the year, income from lending operations was Rs.4,383.69 lakh out of total income of Rs.5,007.69 lakh and Rs.624 lakh was received from management of funds. Other income mainly includes profit on sale of shares/units and Reversal of ECL.

D. Industry Outlook

The Indian economy started the FY 2018-19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth alleviated to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting.

Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped to nurture an environment to boost investments and ease banking sector concerns. By 2019, India may become the fifth largest economy, and possibly the third largest in 25 years.

The Government is likely to focus on faster policy implementation in the year ahead, with a great focus on infrastructure development. Continuing improvements in infrastructure are further expected to aid growth.

India's GDP grew moderately at about 7.1% in Year 2018 and is expected to accelerate moderately to 7.5% in 2019-20.

Growth in India is expected to be balanced with both rural and urban consumption projected to support the economic activity. Private investment is also expected to revive on account of expansion in formal economy due to GST, increase in infrastructure spending, subsidy reforms, fiscal consolidation and stable balance of payment situation. The present situation of higher debt in capital intensive sectors is expected to be mitigated with the help of the efforts of the Government and the Reserve Bank of India. In addition, Government's focus on enhancing ease of doing business is expected to create conducive environment to attract higher level of Foreign Direct Investment.

The recapitalization package for public sector banks announced by the Government of India is expected to strengthen the balance sheets of public sector banks so that they can continue to provide their support to various sectors of the economy. However, the major risks to the aforesaid outlook include fiscal slippage, further deterioration in asset quality of public sector banks, rise in crude oil prices and tightening of global liquidity.

E. Risks and Concerns

Financial institutions (FIs) involved in lending operations, are susceptible to risks arising out of changes in the credit quality of the borrowers or counter parties. To address these risks, systems and controls have been put in place. For the purpose of identification, evaluation and mitigation of strategic, operational, regulatory and external risks, the General Lending Policy is reviewed periodically keeping in view the changing economic and business environment. A Risk Management Committee of Directors has also been constituted in your company.

The market and liquidity risk is monitored by the Asset Liability Committee of Executives (ALCO) through analysis of dynamic liquidity position, structural liquidity gaps and interest rate sensitivity positions.

In the future, risk management is expected to play a more prominent role because of liberalization, deregulation and global integration of financial markets, which would add newer dimensions to risks faced by Banks and NBFC's.

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

F. Internal Control Systems and their adequacy

Your Company has in place adequate systems of internal control commensurate with the size of its operations. Internal audit is being conducted by Internal Audit department internally with the assistance of an Independent Chartered Accountant Firm duly appointed by the Board on recommendation of the Audit Committee. All the Internal Audit Reports along with management replies and corrective measures, if any, have been regularly placed and reviewed by the Audit Committee.

G. Discussion on Financial Performance with respect to Operational Performance

During the year ended March 31, 2019 IFCI Venture has incurred net loss of Rs. 3,294.28 lakh compared to net loss of Rs. 25.49 lakh (Restated under IND-AS) during the previous year. The overall performance of your Company for the year ended March 31, 2019 has decreased as compared to previous year.

The reason for decline in profitability can be attributed mainly to following factors;

- Decline in interest income due to lower disbursements in last 2 years leading to smaller Loan book
- Management fees being lower as 3 Funds reached closure stage.
- Write – off of 6 Credit impaired cases
- Increase in ECL due to addition of 4 Stage III cases during FY 18-19
- Impairment in fair value of Investment in Venture funds

Your Company has not paid interim or final dividend for the year ended March 31, 2019.

The major highlights of operations for the year ended March 31, 2019 are as under:

(Rs. in lakh)

Particulars	FY 2018-19	FY 2017-18
Operations		
Sanction - Loan / Investment	1000	5650
Disbursement - Loan / Investment	1015	5734
Borrowings		
Loan /Bonds	-	7150

H. Resource Mobilization

IFCI Venture has not availed any fresh loans from banks during the year. The total borrowings of your Company stood at Rs.15363.38 lakh as at March 31, 2019 as compared to Rs.30157.94 lakh as at March 31, 2018, comprising of bank borrowings and bonds.

I. Material Developments in Human Resources/ Industrial Relations front, including no. of people employed.

During the year, there were no material developments in human resources/ industrial relations front.

ANNEXURE VII

संख्या / No.: MAB-II/CAD-I/66-2/2019-20/150
भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड–II
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-II, NEW DELHI

दिनांक / DATE 22/7/2019

सेवा में,

प्रबंध निदेशक
आई. एफ. सी. आई. वेंचर कैपिटल फण्डस लिमिटेड
आई.एफ.सी.आई. टावर,
61, नेहरू प्लेस,
नई दिल्ली-110019

विषय- कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2019 को समाप्त वर्ष के लिए आई. एफ. सी. आई. वेंचर कैपिटल फण्डस लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एंव महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2019 को समाप्त हुए वर्ष के लिए आई. एफ. सी. आई. वेंचर कैपिटल फण्डस लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एंव महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीया,

प्राची पी.
22.7.2019
(प्राची पाण्डेय)
प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-II
नई दिल्ली

संलग्नक:- यथोपरि

4th & 5th Floor, Annexe Building, CAG Office, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel. : 011-23239438 Fax : 011-23239433 E-mail : mabnewdelhi2@cag.gov.in

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 VENTURE CAPITAL FUNDS LIMITED, FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of IFCI Venture Capital Funds Limited for the year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April, 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Venture Capital Funds Limited for the year ended 31 March, 2019 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor 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 matter under Section 143(6)(b) of the Act which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comment on Financial Position

A1. Balance Sheet
Assets
Financial Assets
Loans (Note 4) ₹ 21594.63 lakh

Gross loans amount of the company as on 31 March 2019 was ₹308.83 crore after adjustment of ₹6.39 crore on account of interest received from five parties[1]. However Audit observed that out of ₹6.39 crore, ₹4.65 crore was incorrectly adjusted for Ashwini Infra against which no amount of loan was outstanding as on 31.03.2019.

1 **Trinethra Infra, Viz Infra, Ashwini Infra, VVA Developers and CRS Builders.**

Further, during the year, the Company has written off loan account of Viz Infra. However, while writing of the outstanding loan account of Viz Infra, a receipt of ₹0.81 crore from Viz Infra was not adjusted, leading to excess written off during the year.

The above has resulted in understatement of Interest income by ₹4.65 crore and overstatement of expenses by ₹0.81 crore. Consequently, loss for the period has been overstated and Loans has been understated by ₹ 5.46 crore.

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

Prachi Pandey
22.7.2019

(Prachi Pandey)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-II,
New Delhi.

Place: New Delhi
Date: 22.07.2019

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

IFCI Venture Capital Funds Limited (IFCI Venture) has been adhering to Good Corporate Governance Principles and Practices to maintain a professional approach, transparency, accountability, all of which have enabled it to ensure equity in dealing with all the stakeholders, viz. Shareholders, Government institutions & departments, Regulatory bodies, Bankers, Employees, and others. As a good corporate citizen, IFCI Venture is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

2. BOARD OF DIRECTORS

A. Composition, Category and Attendance of the Board of Directors

As on March 31, 2019, the Board of the Company consists of 8 (eight) Directors, out of which 3 (three) Directors were the nominees of Holding Company, IFCI Ltd. (IFCI), consisting of a Non-Executive Chairman, a Managing Director and a Non-Executive Director. Remaining 5 (five) Directors were Non-Executive Directors appointed under the category of Non-Independent Directors.

The composition of the Board, number of Board Meetings held, attendance of the Directors at the Board Meetings, last Annual General Meeting and number of Directorship and Chairmanship/ Membership of the Committees in other Companies in respect of each Director for Financial Year 2018-19 is given below:-

S. No.	Name of Director	Category	Attendance Particulars			No. of Directorship/ Committee Memberships/ Chairmanship in other companies		
			No. of Board Meetings during the year 2018-19		At AGM held on September 10, 2018	Other directorship	Committee Membership	Committee Chairmanships
			Held	Attended				
1.	Dr. Emandi Sankara Rao	Non-Executive Chairman	5	5	Attended	4	1	-
2.	Mr. B N Nayak*	Nominee Director	1	1	-	2	-	-
3.	Mr. Alok Sabharwal*	Managing Director	2	2	Attended	0	-	-
4.	Mr. J. Venkateswarlu	Non-Executive Director	5	5	-	2	2	1
5.	Mr. Lalit Kumar Patangia	Non-Executive Director	5	5	-	0	-	-
6.	Mr. Subhash Chander Kalia	Non-Executive Director	5	4	Attended	3	3	1
7.	Vasantharao Satya Venkatarao##	Nominee Director	4	4	Attended	0	0	0

7.	Ms. Anjali Kaushik**	Non-Executive Director	5	5	-	0	-	-
8.	Mr. Ravindra Nath**	Additional Director	2	2	-	0	0	0
9	Mr. Shakti Kumar#	Managing Director	3	3	-	0	-	-
10	Mr. Raghvendra N. Dubey**	Non-Executive Director	-	-	Attended	0	-	-

#Mr. Shakti Kumar was appointed as Managing Director w.e.f. October 01, 2018.
**Ms. Anjali Kaushik, Mr. Raghvendra N. Dubey and Mr. Ravindra Nath were appointed as Non-Executive Directors w.e.f. May 08, 2018, August 08, 2018 and Januray 11, 2019, respectively. Pursuant to resignation, Mr. Raghvendra N. Dubey ceased to act as a Director w.e.f. September 19, 2018.
##Mr. Vasantharao Satya Venkatarao was appointed as Nominee Director w.e.f. July 19, 2018.
*Mr. B N Nayak and Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. July 19, 2018 and September 26, 2018, respectively.

Notes:

1. Number of Meetings represents the Meetings held during the period in which the Director was Member of the Board.
2. In case of Director(s) retired/ resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director(s).
3. The details of Committee Memberships considered for the above purpose are Audit Committee and Stakeholders' Relationship Committee of all companies in which he/she is a 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 held directorship in more than 10 Public Limited Companies.
6. 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 he/ she is a Director.
7. Necessary disclosures regarding the positions in other public companies as on March 31, 2019 have been made by the Directors.
8. The independence of a Director is determined by the criteria stipulated under section 149(6) of the Companies Act, 2013.

B. Number of Board Meetings held and dates:

During the Financial year 2018-19, the Board of Directors met 5 (five) times including 1(one) adjourned meeting, the dates of the Meetings were May 08, 2018, August 08, 2018, November 30, 2018 [December 03, 2018 (Adjourned)], February 04, 2019, and March 27, 2019.

3. AUDIT COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Audit Committee is (a) to examine the financial statement and the auditors' report thereon; (b) to approve or any subsequent modification of transactions of the company with related parties; (c) scrutiny of inter- corporate loans and investments; (d) valuation of undertakings or assets of the company, wherever it necessary; (d) to evaluate internal financial controls and risk management systems; (f) to monitor the end use of funds raised through public offers and related matters; (g) to review and monitor the auditor's independence and performance and effectiveness of audit process; and (h) to recommend for appointment, remuneration and terms of appointment of auditors of the company.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Audit Committee and attendance of Directors at the Meetings, during the F.Y. 2018-19 is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. J. Venkateswarlu	Non-Executive Director	5	5
2.	Mr. B N Nayak*	Non-Executive Director	1	1
3.	Mr. Subhash Chander Kalia	Non-Executive Director	5	5
4.	Mr. Lalit Kumar Patangia	Non-Executive Director	3	3

* Mr. B N Nayak ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. July 19, 2018.

Note: Number of Meetings represents the Meetings held during the period in which the Director was Member of the committee. The composition of Audit Committee is not in compliance with the relevant provisions of the Companies Act, 2013 due to not having Independent Director on the Board of the Company.

The Statutory Auditors and other senior executives were invited to participate in the Meetings of the Audit Committee wherever necessary, as decided by the Committee. The Company Secretary acts as the secretary of the Audit Committee.
During the Financial year 2018-19, the Audit Committee met 5 (five) times, the dates of the Meetings were May 07, 2018, August 08, 2018, November 30, 2018, February 04, 2019, and March 27, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of Nomination and remuneration committee is identifying persons who are qualified to become directors and who may be appointed as Key Managerial Persons (KMP) as per criteria stipulated and recommending to the Board their appointment and removal, evaluating the performance of every director and to formulate the criteria for determining qualifications, positive attributes and independence of a Director/ KMP.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Nomination and Remuneration Committee and attendance of Directors at the Meetings, during the F.Y. 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. B N Nayak*	Nominee Director	1	1
2.	Mr. Vasantharao Satya Venkatarao**	Nominee Director	1	1
4.	Mr. Lalit Kumar Patangia	Non-Executive Director	3	3
5.	Mr. J. Venkateswarlu	Non-Executive Director	3	3

* Mr. B N Nayak ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. July 19, 2018
** Mr. Vasantharao Satya Venkatarao was appointed as Nominee Director w.e.f. July 19, 2018.

Note: Number of Meetings represents the Meetings held during the period in which the Director was Member of the committee. The composition of Nomination & Remuneration Committee is not in compliance with the relevant provisions of the Companies Act, 2013 as the Company is not having Independent Director on the Board of the Company.

During the Financial year 2018-19, the Nomination and Remuneration Committee of Directors met 3 (three) times, the dates of the Meetings were May 07, 2018, August 08, 2018 and November 30, 2018.

5. EXECUTIVE COMMITTEE

A. TERMS OF REFERENCE

Executive Committee of Directors was constituted to consider matters such as corporate/ project loans proposals, one time settlement, restructuring of dues, etc. to enable the Board to oversee routine matters and concentrate on policy/ strategic issues including the matters which require approval of the Board.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Executive Committee and attendance of Directors at the Meetings, during FY 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. J. Venkateswarlu	Non-Executive Director	4	4
2.	Mr. Lalit Kumar Patangia	Non-Executive Director	2	2
3.	Mr. Alok Sabharwal*	Managing Director	2	2
4.	Mr. Vasantharao Satya Venkatarao**	Nominee Director	2	2
5	Mr. Subhash Chander Kalia	Non-Executive Director	2	2
6.	Mr. Shakti kumar#	Managing Director	2	2

* Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. September 26, 2018.
** Mr. Vasantharao Satya Venkatarao was appointed as Nominee Director w.e.f. July 19, 2018.
#Mr. Shakti Kumar was appointed as Managing Director w.e.f. October 01, 2018.

Note: The number of Meetings represents the Meetings held during the period in which the Director was a Member of the committee.

During the Financial Year 2018-19, the Executive Committee of Directors met 4 (four) times, the dates of the meetings were May 07, 2018, August 08, 2018 and February 04, 2019 and March 27, 2019.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. TERMS OF REFERENCE

The terms of reference of the Corporate Social Responsibility (CSR) Committee are to recommend the aggregate amount of expenditure to be incurred on the prescribed activities, to approve the CSR Activities involving the prescribed limit as approved by the Board and to monitor the Corporate Social Responsibility Policy of the Company, from time to time.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Corporate Social Responsibility Committee and attendance of Directors at the Meetings, during the FY 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. J. Venkateswarlu	Non-Executive Director	1	1
2.	Mr. B N Nayak*	Nominee Director	1	1
3.	Mr. Alok Sabharwal*	Managing Director	1	1
4.	Mr. Lalit Kumar Patangia	Non-Executive Director	-	-
5.	Mr. Vasantharao Satya Venkatarao	Nominee Director	-	-
6.	Mr. Shakti Kumar	Managing Director	-	-

*Mr. B N Nayak and Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. July 19, 2018 and September 26, 2018, respectively.

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the Committee. The composition of CSR Committee is not in compliance with the relevant provisions of the Companies Act, 2013 due to not having Independent Director on the Board of the Company.

During the Financial year 2018-19, the Corporate Social Responsibility (CSR) Committee of Directors met once on May 07, 2018.

7. E-GOVERNANCE COMMITTEE OF DIRECTORS

A. TERMS OF REFERENCE

The terms of reference of the E-Governance Committee (i) To guide Information Technology Department of the Company to develop and implement all IT policies and procedures, including those of network security and disaster recovery; (ii) To oversee streamlining operations of IT in the Company; (iii) To oversee the deployment of long-term strategic plans for acquiring and enabling efficient and cost-effective information processing and communication technologies; (iv) To review performance of IT System to determine upgrade requirements and maintenance required from time to time; (v) To review and make recommendations for the improvement of the IT infrastructure and IT systems of the Company; (vi) To oversee accusation, deployment, monitoring, maintenance, developmental and support of all hardware and software based on departments needs; (vii) To seek IT solutions that support business operations.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the E-Governance Committee of Directors and attendance of Directors at the Meetings, during the FY 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Subhash Chander Kalia	Non-Executive Director	1	1
2.	Mr. Lalit Kumar Patangia	Non-Executive Director	1	1
3.	Mr. Alok Sabharwal*	Managing Director	1	1

4.	Ms. Anjali Kaushik	Non-Executive Director	-	-
5.	Mr. Shakti Kumar	Managing Director	-	-

* Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. September 26, 2018.

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the Committee.
During the Financial year 2018-19, the E-Governance Committee of Directors met once on August 08, 2018.

8. RECOVERY AND NPA MANAGEMENT COMMITTEE

A. TERMS OF REFERENCE

The Board of Directors constituted Recovery and NPA Management Committee. The terms of reference of Recovery and NPA Management Committee is to have more effective control on the recovery of both Standard Accounts as well as NPA Accounts, to monitor the recovery efforts in all accounts and also to ensure that all accounts are properly identified for classification as NPA.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Recovery and NPA Management Committee and attendance of Directors at the Meetings, during the FY 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. Subhash Chander Kalia	Non-Executive Director	1	1
2.	Mr. Lalit K. Patangia	Non-Executive Director	1	1
3.	Mr. Alok Sabharwal*	Managing Director	1	1
4.	Mr. Shakti Kumar	Managing Director	-	-

* Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. September 26, 2018.

Note: The number of Meetings represents the Meetings held during the period in which the Director was Member of the committee.
During the Financial year 2018-19, the Recovery and NPA Management Committee met once on May 07, 2018.

9. RISK MANAGEMENT COMMITTEE

A Risk Management Committee was constituted with a view to identify, evaluate and mitigate all internal and external risks associated with IFCI Venture Capital Funds Limited, from time to time.

B. COMPOSITION, MEETINGS AND ATTENDANCE OF THE COMMITTEE

The composition of the Risk Management Committee and attendance of Directors at the Meeting, during the FY 2018-19, is shown below:

S. No.	Name of Member	Category	No. of Meetings	
			Held	Attended
1.	Mr. J. Venkateshwarlu	Non-Executive Director	2	2

2.	Mr. Lalit K. Patangia	Non-Executive Director	2	2
3.	Mr. Alok Sabharwal*	Managing Director	2	2
4.	Mr. Subhash Chander Kalia	Non-Executive Director	-	-
5.	Mr. Vasantharao Satya Venkatarao	Nominee Director	-	-
6.	Mr. Shakti Kumar	Managing Director	-	-

* Mr. Alok Sabharwal ceased to act as Director pursuant to the withdrawal of nomination by IFCI Ltd. w.e.f. September 26, 2018.

Note: The number of Meeting represents the Meeting held during the period in which the Director was Member of the committee.
During the Financial year 2018-19, the Risk Management Committee of Directors met 2 (two) times, the dates of the meetings were May 07, 2018 and August 08, 2018.

10. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As the number of shareholders of the Company being nine including four shareholders representing beneficial interest of IFCI Ltd., Stakeholders' Relationship Committee is not required to be constituted in IFCI Venture. This is to confirm that no complaints/grievances were received from the Shareholders during the FY 2018-19.

11. GENERAL BODY MEETINGS

A. Date, Venue and Time for the last three General Body Meetings:

AGM Date	Venue	Time
05/09/2016	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	12.00 noon
29/09/2017	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	03.00 P.M
10/09/2018	Board Room, IFCI Tower, 61 Nehru Place, New Delhi-110019	11.30 A.M.

B. Details of Special Resolutions passed in the previous three Annual General Meetings:

AGM DATE	As per Companies Act	Particulars of Special Resolution
05/09/2016	No special resolution was passed by the shareholders of IFCI Venture.	
29/09/2017	No special resolution was passed by the shareholders of IFCI Venture.	
10/09/2018	No special resolution was passed by the shareholders of IFCI Venture.	

12. DISCLOSURES

Transactions with the related part(ies) during the period ended March 31, 2019:-

Nature of Relationship	Name of the Related Party
Holding Company	IFCI Ltd. (IFCI)
Key Managerial Personnel (on deputation from IFCI)	Mr. Alok Sabharwal (MD) Mr. Shakti Kumar (MD)
Other subsidiaries of Holding company	IFCI Infrastructure Development Ltd. (IIDL) IFCI Financial Services Ltd. (IFIN) IFIN Securities Finance Ltd. (ISFL) IFCI Factors Ltd.

Type of Transaction – **1. IFCI**	**Current Year (Rs.)**	**Previous Year (Rs.)**
Loan taken	-	50,00,00,000
Loan paid back	-	72,00,00,000
Interest on Loan Paid to IFCI	-	1,67,68,668
Rent & Maintenance paid to IFCI Ltd.(Exclusive of taxes and cess)	1,66,55,747	1,59,31,051
Salaries paid to IFCI for employees deputed by IFCI Ltd. including PLI	1,35,36,908	54,48,144
Paid towards other expenses to IFCI	1,43,001	1,38,155
Paid towards IT Services taken from IFCI.(Exclusive of taxes)	6,00,000	6,00,000
Final Dividend paid	1,48,80,252	--
Interest Received and accrued on Bonds subscribed	1,72,51,759	1,65,61,332
Brokerage/ Professional fee paid-LOC	65,48,614	1,36,52,520
2. IFCI Factors Ltd.		
Loan taken	-	15,00,00,000
Loan Repaid	-	15,00,00,000
Interest on Loan Paid	-	23,15,342
3. IFIN Securities Finance Ltd.		
Loan taken	-	4,50,00,000
Loan Repaid	-	4,50,00,000
Interest on Loan Paid	-	6,15,822
4. IFCI Social Foundation – CSR contribution	71,35,000	76,24,000
5. IFCI Financial Services Ltd.		
Brokerage/Professional fee paid	58,000	79,675
6.Stock Holding Corporation of India Ltd.		
Brokerage/Professional fee paid	680	1,83,978
7. Green India Venture Fund		
Management Fee Received	52,40,067	2,26,10,104
8. India Enterprise Development Fund		
Management Fee Received	40,02,615	1,60,10,460
9. India Automotive Component Manufacturers-1-D		
Management Fee Received	31,25,600	1,45,87,388
10.Venture Capital Fund for Backward Classes		
Management Fee Received	5,30,137	0

Balance Outstanding with the related part(ies) during the period: -

Outstanding Balances – IFCI	**Current Year**	**Previous Year**
Payable to IFCI towards salary of employees deputed by IFCI	14,31,649	289,299
Interest accrued on Bonds - IFCI Ltd.	4,55,75,454	3,25,18,696
Bonds Subscribed & outstanding	15,00,05,000	15,00,05,000
Loan taken from IFCI- outstanding	-	-

Interest on Loan Paid to IFCI- outstanding	-	-
Brokerage/Professioanl fee paid-LOC	38,86,332	
Other Expense payable	-	27,88,760
Outstanding Balances – Stock Holding Corporation of India Ltd.		
Brokerage/Professioanl fee paid	2,841	-

The Company is dealing with related parties at Arm's Length basis.

Except for the above, there were no materially significant related party transactions i.e. transactions material in nature with its Promoters, Directors or the management, their subsidiaries or relatives etc. that may potentially conflict with the interests of the Company at large.

(ii) There has been no non-compliance by IFCI Venture nor any penalties imposed on the Company by any authority(ies).

(iii) In view of the size and operations of IFCI Venture, the Company has adopted the Vigil Mechanism Policy, in line with the Companies Act, 2013.

(iii) As IFCI Venture is not under obligation to comply with the mandatory clauses, the report is being prepared as a Good Corporate Governance Policy.

11. MEANS OF COMMUNICATION

The Annual Report and other statutory information are being sent to shareholders.

In compliance of the provisions of the Listing Agreement of Debt Securities, the financial results of the company are generally published in Financial Express newspaper and posted on company website www.ifciventure.com.

12. GENERAL SHAREHOLDERS INFORMATION

As per the notice attached to this Annual Report, the Annual General Meeting of the Company will be held on September 24, 2019.

a) The Financial Year of IFCI Venture is from April 1, 2018 to March 31, 2019.

b) Shareholding Pattern as on March 31, 2019 and March 31, 2018 are given as under:-

	As on March 31, 2019		As on March 31, 2018	
	No. of shares	**(%)**	**No. of shares**	**(%)**
IFCI Ltd.#	5,95,21,008#	98.60	5,95,21,008#	98.60
Other Body Corporates	8,50,000	1.40	8,50,000	1.40
Total	**6,03,71,008**	**100.00**	**6,03,71,008**	**100.00**

includes 5,25,21,008 shares @ Rs. 19.04 (Rs. 9.04 as premium) and 60,00,000 shares at the face value of Rs. 10/- per share allotted by IFCI Venture and 10,00,000 shares @ Rs. 15.5 bought from SUUTI. Also, includes four shares held by employees, for its beneficial interest, of IFCI, which are mentioned as below:-

NAME OF THE BENEFICIARY	NUMBER OF SHARES HELD	BENEFICIAL INTEREST WITH
Mr. Shivendra Tomar	1	IFCI LIMITED
Mr. Deepak Mishra	1	IFCI LIMITED
Mr. S. K. Bhatia	1	IFCI LIMITED
Ms. Purnima Umesan	1	IFCI LIMITED

d) Address of Registered Office for correspondence:

Name and Address: IFCI Venture Capital Funds Ltd.
IFCI Tower
61 Nehru Place
New Delhi – 110 019.
Telephone: 41731888, 41731666
E-mail: cs@ifciventure.com
Website: www.ifciventure.com

e) Registrar to the Issue:

Name and Address: MCS Share Transfer Agent Ltd.
F-65, 1st floor
Okhla Industrial Area,
Phase I, New Delhi-110020
Telephone: (011) 5140 6149
Fax No: (011) 5170 988
E-mail: admin@mcsdel.com

Sd/-
Shakti Kumar
(Managing Director)

Date: July 26, 2019
Place: New Delhi

INDEPENDENT AUDITORS' REPORT

To the Members of
IFCI Venture Capital Funds Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **IFCI Venture Capital Funds Limited** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2019, and its Losses, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current year. The attention is invited to the following Key Audit Matters related to the audit conducted for the year:

1. **Expected Credit Loss (ECL)**: Apart from the ECL calculated for each Loan Account as per methodology mentioned at Clause VI of Note 1.6 "Significant Accounting Policies", the Company has increased ECL on Standard Assets to make the ECL equal to RBI Norms of 0.40% on Standard Assets. Further, the ECL on Sub Standard & Doubtful Assets is already higher than what is mandated by RBI in its Master Directions on Prudential Norms for NBFCs.

2. **Interest Accrued on Stage III Cases (Non-Performing Assets):** The Company has provided Interest on Non-Performing Assets (Stage III Financial Assets) at Effective Interest Rate (EIR) and on Amount Outstanding net of ECL already made (Principle + Opening Interest Accrued – Opening ECL) since the amount on which ECL has been

provided is considered to be Doubtful hence Interest Income on such portion has not been recognized due to uncertainty of its recovery.

3. **Consolidation of Investments in Venture Funds (Associates):** The Company is into the business of managing Venture Funds & is required to consolidate these funds as Associates following the Ind AS 28. The Company is considered itself to be a Venture Capital Organisation for the purpose of Ind AS 28 para 18. In this para, there is an exemption given for such Venture Capital Organisations that such an entity may opt for consolidation of these funds by measuring the investments held in these venture funds at Fair Value Through Profit or Loss (FVTPL) method. Since the company has already measured these investments at FVTPL in its Standalone Financial Statements hence these Financial Standards have also been considered as its Consolidated Financial Statements.

4. **Quick Mortality Loan Account:** The Company has sanctioned & disbursed one loan (Secured against Listed Shares) during the year, and the same had to be downgraded to Sub Standard due to overdue installments. Further, the market value of the security being listed shares was already started decreasing at the time of disbursement. Within a short span of 4 months, the share price had reduced by 96% from the rate as on the date of sanction. The company has formed a committee to look into the matter and to decide the future course of action for the recovery. Further, the Company has provided 100% ECL against this account.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedure 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 standalone Ind AS 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 Ind AS financial statements.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2018 and the transition date opening balance sheet as at 1st April 2017 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2018 and 31st March 2017 dated 8th May 2018 and 17th May 2017 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our Opinion 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 Companies Act 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub section (2) of section 164 of the Act.

   (f) With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**;

   (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 does not have any pending litigations which would impact its financial position.

   ii) The Company has made required provisions on all Loan Assets (Non Performing & other Assets), as required under Indian Accounting Standards and other relevant laws (Refer Note 4) for material foreseeable losses, on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lunawat & Co.
Chartered Accountants
F.R. No. 000629N

per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj,
New Delhi-110002

Place: New Delhi
Date: 27.04.2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 3 and 4 of our report of even date

RE:IFCI Venture Capital Funds Limited

1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) The fixed assets are being physically verified by the management at all its office in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties.

2) 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.

3) In our opinion, and according to the information & explanation given to us, the Company has not granted any unsecured loan to any company, firm, LLP or other parties covered in the register maintained under section 189 of the Companies Act 2013 during the year. Hence clause (iii) (a), (b) & (c) are not applicable.

4) In our opinion, and according to the information & explanation given to us, the Company has not granted any loans, not made any investments, not given any guarantees and security covered under section 185 of the Companies Act 2013. The provisions of section 186 of the Companies Act 2013 are not applicable to the Company.

5) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in contravention of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under, where applicable, have been complied with. No order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any court or any other tribunal.

6) According to the information and explanation given to us, the government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013.

7) a) According to the information provided and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, Goods and Services 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 explanation given to us, there are no dues on account of income tax or sales 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.

8) 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.

9) 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/financial institutions during the year were applied for the purposes for which those are raised.

10) According to information and explanations given to us, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.

11) 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.

12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company hence clause (xii) is not applicable.

13) 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.

14) According to the information and explanation given to us, and in our opinion, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15) According to the information and explanation given to us, and in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them.

16) 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.

For Lunawat & Co.
Chartered Accountants
F.R. No. 000629N

per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj,
New Delhi-110002

Place: New Delhi
Date: 27.04.2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

S. No.	Directions	Auditors' Comment
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. No adverse comments.
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations provided to us, the Company has written off 6 accounts amounting to Rs. 68.68 crores during the year. The above write off figure is exclusive of security value 21.12 Cr. It was informed that the write off was decided after due assessment of the possibility of recovery/realization and the financial position of the borrower considering the fact that there was nil/inadequate security available in these cases.
3	Whether funds received/receivable for specific scheme from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	According to the information and explanations provided to us by the Company: The Company has not received any fund(s) from Central/state agencies during the year nor is any fund receivable in respect of such schemes.

Part B

1	Whether 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? If not, details may be stated.	Yes, the titles of ownership of all investments are available in physical and/or de-mat form as applicable. And the same agree with the respective amounts shown in the Company's books of accounts.
2	In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact.	Yes, there is a system of periodical assessment of realizable value of securities available against all such loans in place. Also, adequate provision in the form of Expected Credit Loss as mandated by Indian Accounting Standards has been created during the year against these loans.

For Lunawat & Co.
Chartered Accountants
F.R. No. 000629N

per CA. Vikas Yadav
Partner
M. No. 511351
54, Daryaganj,
New Delhi-110002

Place: New Delhi
Date: 27.04.2019

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

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 Venture Capital Funds Limited** ("the Company") as of March 31, 2019 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 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 authorization of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 Lunawat & Co.

Chartered Accountants
F.R. No.000629N

per CA. Vikas Yadav

Partner
M. No. 511351
54, Daryaganj,
New Delhi-110002

Place: New Delhi
Date: 27.04.2019

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

BALANCE SHEET AS AT 31[st] MARCH, 2019

(₹ in lakh)

PARTICULARS	Note No.	As at 31[st] March, 2019	As at 31[st] March, 2018	As at 01[st] April, 2017
ASSETS				
(1) Financial Assets				
(a) Cash and Cash Equivalents	2	121.30	3,340.70	30.14
(b) Receivables	3			
(I) Trade Receivables		-	-	-
(II) Other Receivables		8.38	76.08	72.30
(c) Loans	4	21,594.63	33,896.21	57,517.05
(d) Investments	5	5,841.51	7,450.09	8,021.42
(e) Other Financial Assets	6	8.64	5.14	4.05
		27,574.54	44,758.48	65,649.95
(2) Non Financial Assets				
(a) Current tax assets (Net)	7	301.40	-	-
(b) Deferred tax assets (Net)	8	4,050.99	5,623.91	4,354.72
(c) Property, plant and equipment	9	4.06	2.17	3.32
(d) Other intangible assets	10	0.07	0.14	0.23
(e) Other non-financial assets	11	15.70	6.12	5.51
		4,382.23	5,644.36	4,363.96
Total Assets		31,956.78	50,402.84	70,013.91
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Payables	12			
(I) Trade Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		77.14	50.63	23.57
(b) Debt Securities	13	10,175.31	12,212.77	18,064.58
(c) Borrowings (Other than debt securities)	14	5,190.07	17,945.17	31,992.12
		15,440.52	30,208.57	50,080.27
(2) Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)	15		181.50	26.32
(b) Provisions	16	184.82	232.30	130.76
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-financial Liabilities	17	74.34	47.14	15.74
		259.16	460.94	174.82
Total Liabilities		15,699.67	30,669.51	50,255.09
(3) Equity				
(a) Equity share capital	18	6,037.10	6,037.10	6,037.10
(b) Other equity	19	10,220.00	13,696.23	13,721.72
Total Equity		16,257.10	19,733.33	19,758.82
Total Liabilities and Equity		31,956.78	50,402.84	70,013.91

Notes 1 to 44 form an integral part of financial statements

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Vikas Yadav
Partner
M. No. 511351

V.S.V. Rao
Director (DIN:00334394)

Shakti Kumar
Mg. Director (DIN : 07457801)

Place : New Delhi
Date : 27.04.2019

Indu Gupta
Chief Financial Officer

Priyanka Mundal
Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakh)

	PARTICULARS	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Revenue From Operations			
	(i) Interest Income	20	4,383.69	7,163.63
	(ii) Fees Income	21	624.00	971.17
A.	Total Revenue from Operations		5,007.69	8,134.80
B.	Other Income	22	4,275.15	32.64
C.	Total Income (A+B)		9,282.84	8,167.44
	Expenses			
	(i) Finance costs	23	7,469.83	4,331.74
	(ii) Fees and commission expense	24	70.99	146.20
	(iii) Net loss on fair value changes	25	710.01	2,157.06
	(iv) Employee Benefit expenses	26	450.60	431.11
	(v) Impairment on financial instruments	27	-	932.13
	(vi) Depreciation, amortization and impairment	9,10	1.01	1.81
	(vii) Other expenses	28	2,300.48	390.82
D.	Total Expenses		11,002.92	8,391.56
E.	Profit / (loss) before exceptional items and tax (C-D)		(1,720.07)	(224.12)
F.	Exceptional Items		-	-
G.	Profit / (loss) before tax (E-F)		(1,720.07)	(224.12)
H.	Tax Expense:			
	1. Current Tax		-	1,063.45
	2. Deferred Tax		1,573.30	(1,273.27)
I.	Profit / (loss) for the period from continuing operations (After Tax) (G-H)		(3,293.37)	(14.30)
J.	Profit / (loss) for the period from discontinuing operations (After Tax)		-	-
K.	Profit/(loss) for the period (I+J)		(3,293.37)	(14.30)
L.	Other comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or (loss)-Remeasurement of the net defined benefit Plans		(1.26)	(17.12)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.35)	(5.92)
	Subtotal (A)		(0.91)	(11.20)
	(B) (i) Items that will be reclassified to profit or loss(specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A+B)		(0.91)	(11.20)
M.	Total Comprehensive Income for the period (K+L) (Comprising Profit (Loss) and other Comprehensive Income for the period)		(3,294.28)	(25.49)
N.	Earnings per equity share (for continuing operations)	37		
	Basic (Rs.)		(5.46)	(0.02)
	Diluted (Rs.)		(5.46)	(0.02)

Notes 1 to 44 form an integral part of financial statements

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Vikas Yadav Partner M. No. 511351	V.S.V. Rao Director (DIN:00334394)	Shakti Kumar Mg. Director (DIN : 07457001)
Place : New Delhi Date : 27.04.2019	Indu Gupta Chief Financial Officer	Priyanka Munjal Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in lakh)

PARTICULARS	Year ended 31st March, 2019	Year ended 31st March, 2018
Cash flows from operating activities		
Net profit / (loss) before tax and extraordinary items	(3,720.07)	(224.12)
Adjustments for:		
Goodwill on consolidation w/off	-	-
Remeasurement of the net defined benefit plans	(1.26)	(17.12)
Provision for employee benefits (net)	(47.48)	107.51
Impairment on financial	-	992.14
Reversal of credit loss allowance	(4,241.52)	-
Depreciation and amortisation expenses	3.01	1.91
Net loss on fair value changes	710.01	2,157.66
Movements in working capital:		
Decrease in trade receivables	60.43	(4.51)
(Increase)/decrease in other financial assets & other assets	(11.00)	1.70
Increase/ (Decrease) in financial liabilities & other liabilities	53.71	58.46
Increase/(Decrease) in Debt Securities	(2,039.47)	(5,251.61)
Increase/(Decrease) in Borrowings(other than Debt Securities)	(17,755.80)	(14,048.95)
Long Term Loans Given (Net)	16,533.13	22,690.60
Change in Investments (Net)	808.57	(1,536.34)
Cash generated from operations	(2,551.13)	4,221.13
Income taxes paid (net of refunds)	(482.90)	(910.28)
Net cash generated by operating activities (A)	(3,034.03)	3,310.85
Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets	(2.83)	(0.79)
Increase in receivable under service concession arrangements (net)	-	-
Investments in liquid fund	-	-
Net cash used in investing activities (B)	(2.83)	(0.79)
Cash flows from financing activities		
Interim Dividend-Equity	(150.93)	-
Dividend Distribution Tax	(31.02)	-
Net cash generated in financing activities (C)	(181.98)	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(3,218.81)	3,310.06
Cash and cash equivalents at the beginning of the year	3,340.20	30.14
Cash and cash equivalents at the end of the year	121.38	3,340.20
Components of Cash and Cash Equivalents		
Cash on hand	0.00	0.01
Balances with Banks in current accounts	121.38	340.19
Balances with Banks in deposit accounts	-	3,000.00
Cash and Cash Equivalents	121.38	3,340.20
Less—Secured Demand loans from banks (Cash credit)	-	-
Less—Bank overdraft	-	
Cash and cash equivalents for statement of cash flows	121.38	3,340.20

Notes 1 to 44 form an integral part of financial statements

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Vikas Yadav
Partner
M. No. 511351

V.S.V. Rao
Director (DIN:00334394)

Shakti Kumar
Mg. Director (DIN : 07457801)

Place : New Delhi
Date : 27.04.2019

Indu Gupta
Chief Financial Officer

Priyanka Munjal
Company Secretary

IFCI VENTURE CAPITAL FUNDS LIMITED

CIN: U65993DL1988GOI030284

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(₹ in lakh)

PARTICULARS	Number of shares	Share capital (Amount)
Shares having face value of Rs 10/-		
Balance at beginning of the period (01.04.2017)	6,03,71,008	6,037.10
Change in Equity Share Capital during the year	-	-
Balance at the end of the period (31.03.2018)	6,03,71,008	6,037.10
Change in Equity Share Capital during the year	-	-
Balance at the end of the period (31.03.2019)	**6,03,71,008**	**6,037.10**

B. Other Equity

(₹ in lakh)

PARTICULARS	RESERVES AND SURPLUS					
	Statutory Reserve (Reserve u/s 45IC of RBI Act)	Capital Reserve	Securities Premium	Special Reserve under Section 36 (1) (viii) of the I.T Act, 1961	Retained Earnings	Total
Balance at the beginning of the reporting period i.e. 01.04.2017	3,112.72		4,747.90	5.20	5,855.91	13,721.72
Profit & Loss for the period					(14.30)	
Other Comprehensive Income					(11.20)	
Total Comprehensive Income for the year	-	-	-	-	(25.49)	(25.49)
Balance at the end of the reporting period i.e. 31.03.2018	3,112.72		4,747.90	5.20	5,830.41	13,696.23
Profit & Loss for the period					(3,293.37)	
Other Comprehensive Income					(0.91)	
Total Comprehensive Income for the year	-	-	-	-	(3,294.28)	(3,294.28)
Interim Dividend-Equity	-	-	-		(150.93)	(150.93)
Dividend Distribution Tax	-	-	-	-	(31.02)	(31.02)
Balance at the end of the reporting period i.e. 31.03.2019	3,112.72	-	4,747.90	5.20	2,354.18	10,220.00

Notes **1** to **44** form an Integral part of financial statements

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Vikas Yadav
Partner
M. No. 511351

V.S.V. Rao
Director (DIN:00334394)

Shakti Kumar
Mg. Director (DIN : 07457801)

Place : New Delhi
Date : 27.04.2019

Indu Gupta
Chief Financial Officer

Priyanka Munjal
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Background

IFCI Venture ('the Company'), incorporated in New Delhi, India is a Non-Banking Finance Company in the public sector set-up in 1975. IFCI Venture is presently managing 5 SEBI-registered Venture/ private equity (PE) funds/Alternate Investment Funds (AIF). These funds provide long-term, committed share capital, to help unquoted companies grow and succeed. IFCI Venture derives income from the fund management activities in the form of management fee on the corpus/ outstanding amount of funds and by way of profit on these investments. The Company provides financial support for the diversified growth of Industries across the spectrum in the form of Corporate loans.

1.2 Basis of Preparation of Financial Statements

The financial statements for the year ended March 31, 2019 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2018, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') 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.

The financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance of the Company is provided in note 43.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were authorized for issue by the Company's Board of Directors on 27th April, 2019.

1.3 Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All amounts have been denominated in lakh and rounded off to the nearest 2 decimals , except when otherwise indicated.

1.4 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following material items.

- Financial instruments at FVTPL that is measured at fair value
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation

1.5 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

A. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Impairment of financial assets: establishing the criteria for determining whether credit risk on the financial assets has increased significantly since initial recognition, determining methodology for incorporating forward looking information into measurement of expected credit loss ('ECL') and selection of models used to measure ECL
- The company has an operating segment "Fund Management" having assets, liabilities, income, expenses and other processes and personnel focussed on managing venture capital funds. Given the exemption from application of equity method to a 'venture capital organisation' which may be a division or section or department or segment within an entity, the company has regarded the "Fund Management" segment as a 'venture capital organisation' and has availed the exemption from application of equity method to all its investments in associates by measuring the investments in associates at fair value through profit or loss. As the company has opted to measure those investments at fair value through profit or loss in separate financial statements and there being no other investments in subsidiaries or joint ventures, no adjustments are required to prepare consolidated financial statements from separate financial statements. These financial statements are, therefore, separate and consolidated financial statements of the company and the group respectively.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

- Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward looking information including key assumptions used in estimating recoverable cash flows
- Determination of the fair value of financial instruments with significant unobservable inputs
- Measurement of defined benefit obligations: key actuarial assumptions
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.

1.6 Significant accounting policies

The Company has consistently applies the following accounting policies to all periods presented in these financial statements.

A. Revenue recognition

(i) Interest income from financial assets is recognised on an accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.

The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired).

(ii) Fee income/expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Income from Management fees is recognized over time on the basis of out put method of time elapsed.

(iii) Recovery from bad debts written off is recognised as income on the basis of realisation from customers.

B. Financial instruments

I. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

II. Classifications and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as subsequently measured at either amortised cost or fair value through FVTPL, depending on the contractual cash flow characteristics of the financial assets and the Company's business model for managing the financial assets.

Business Model Assessment

The Company makes an objective assessment of the business model in which an asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Assessment if contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company applies judgement and considers all the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the said assessment, the Company considers prepayment and extension terms, features that modify consideration of the time value of money (e.g. periodical reset of the interest rates).

Financial assets at Amortised Cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

  Subsequently, these are measured at amortised cost using the effective interest rate (EIR) method less any impairment losses.

Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Subsequently, these are measured at fair value and changes therein, are recognised in other comprehensive income. Impairment losses on said financial assets are recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the balance sheet

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account.

Investment in Equity Instruments

All equity investments (other than in Subsidiaries and Associates) are subsequently measured at fair value through profit or loss.

Equity instruments which are held for trading are classified as at FVTPL with all changes recognised in Statement of profit and loss. .

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost.

Subsequent measurement

a) Financial liabilities at amortised cost:

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

III. Measurement Basis

Amortised cost

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

Fair Valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects it non-performance risk.

When Market price is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

IV. De-recognition / Modification of financial assets and financial liabilities

Derecognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

On de-recognition, any gains or losses on all debt instruments and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different, If the cash flows are substantially different, then the modification results in derecognition of the original financial asset and new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, then the modification does not result in de-recognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset by recomputing the EIR rate on the instrument.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

If the modification is not accounted as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original EIR and the resulting gainor loss is recognized in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial liability and are amortised over the remaining term of the modified financial liability by recomputing the EIR rate on the instrument.

V. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

VI. Impairment of Financial Assets

The Company recognizes impairment allowances for ECL on all the financial assets that are having contractual terms giving rise to solely payments of principal and interest on the principal amount outstanding

ECL are probability weighted estimate of credit losses. They are measured as follows:

- financial assets that are not overdue for more than 30 days – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- financial assets with significant increase in credit risk that are overdue for more than 30 days but less than 90 days – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- financial assets that are overdue by 90 days and above – as the difference between the gross carrying amount and the present value of estimated cash flows
- undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive with respect to the financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

C. Leases

The Company determines an arrangement as a lease based on the substance of the arrangement after assessing whether the arrangement is dependent on the use of specific asset or assets and whether the arrangement conveys a right to use the asset or assets. The Company classifies all leases into finance and operating leases at the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

D. Employee benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post Employment benefits

a. Defined contribution plans

Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss.

b. Defined benefit plans

Gratuity

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.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current costs and the fair value of any plan assets, if any is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability / (asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses;
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset)

iii. Other long term employee benefits

Benefits under the Company's leave encashment and leave fare concession constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise. Provision for Leave fare concession is being made on actuarial valuation basis.

E. Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

I. Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Minimum alternative tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

F. Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation

Depreciation is provided using the straight line method over useful life estimated by the management. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis.Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ' 'Nil'.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of property, plant and equipment or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its property, plant and equipment and investment property recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

G. Intangible assets

Recognition and measurement

Intangible assets are recognized at cost of acquisition which includes all expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to create, produce or making the asset ready for its intended use.

Amortization

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is de-recognized.

Transition to Ind AS

The Company has elected to continue with the carrying value of all of its intangible asset recognised as of April 1, 2017 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

H. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its non financial assets (other than assets held for sale and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

I. Provisions and contingencies related to claims, litigation, etc.

Provisions are recognised 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

J. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

K. Cash and cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand.

L. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 39 for details on segment information presented.

M. Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

N. Accounting policy on investment in associates:

The company has investment in venture capital funds in which it has 20 per cent or more of shareholding and therefore has been regarded as an associate. The company has measured the investments in associates at fair value through profit or loss in its separate financial statements.

O. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively. At the date of transition to Ind AS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised (or for loan commitments and financial guarantee contracts the date that the entity became a party to the irrevocable commitment) and compare that to the credit risk at the date of transition to Ind AS.

The ECL working assumes that there is a significant increase in credit risk if the asset is overdue for 30 days or more and therefore, ECL is measured on lifetime basis for such assets. For assets overdue for less than 30 days, it is assumed that there is no significant increase in credit risk and therefore ECL for such assets is measured at the probability of default occurring within next 12 months.

IMPAIRMENT OF FINANCIAL ASSETS (EXPECTED CREDIT LOSS MODEL)

The company determines significant increase in credit risk on a financial asset subject to impairment requirements as per expected credit loss method if the cash flows from the financial instrument are overdue by 30 days or more.

The company considers default when the principal or interest cash flows on a financial asset is overdue by 90 days or more. The company provides lifetime expected credit losses on financial assets that are overdue by 30 or more. Financial assets that are overdue by 90 days or more are considered to be credit-impaired.

The company recognises interest on effective interest rate for all financial assets whether credit-impaired or non credit-impaired. For credit-impaired financial assets, interest is recognised on the carrying amount remaining after deducting loss allowance. For the purposes of calculating expected credit losses, the company groups the financial assets based on similarity of type of financial asset such as corporate loan or personal loan, type of security such as loan against property and loan against shares, credit rating as at the reporting date and schedule of payment contractually specified such as monthly or quarterly. However, the credit losses are calculated on individual instrument level and not group level.

The credit loss calculated at individual instrument level is then adjusted for the probability that the party may default with 12 months if the financial asset is overdue by less than 30 days and also by the risk weights based on gross exposure that includes loan commitments and credit risk rating grades. The company considers GDP growth rate and unemployment rate over a period of 10 years.

Empirically, there is a negative correlation between GDP growth rate and non-performing asset rate and a positive correlation between unemployment rate and non-performing asset rate. Any negative effect of GDP growth rate and unemployment rate is adjusted in the risk weights applied to the credit loss calculated at instrument level.

The company calculates credit loss based on the regression analysis of contractual and actual cash flows till the end of thea reporting period. The calculation of credit loss looks into the future, that is after the end of the reporting period by considering contractual and actual cash flows till the end of latest month for which receipt information is available.

Actual cash flows beyond the month for which the receipt information is available is estimated based on regression equation. Credit loss is the present value of cash shortfalls from the end of the reporting period to the end of the contractual period. The adjusted credit loss is then compared with the present value of the collateral as on the reporting date and estimate of legal costs to be incurred for realisation of security to determine the expected credit losses to recognised as loss allowance.

The present value of the collateral and legal costs is estimated beyond the contractual period if required. Any increase / decrease in loss allowance for financial assets measured at amortised cost is recognised in profit or loss for the period. Expected credit losses are considered based on the credit rating as at the end of the reporting period. Therefore, any change in the credit rating for that instrument may result in change in the risk weights applied to the credit loss calculated based on regression analysis of the contractual and actual cash flows over the period of the contract.

NOTE - 02 CASH AND CASH EQUIVALENTS

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Cash in hand (including postage stamps)	0.00	0.01	0.03
Balances with Banks			
-Bank Balance	121.38	340.19	30.11
-Bank Deposits with original maturity of less than three months	-	3,000.00	-
Total	121.38	3,340.20	30.14

NOTE - 03 RECEIVABLES

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Trade Receivables	-	-	-
Other receivables	-	-	-
Considered good - Unsecured			
Fees receivable	0.00	41.46	39.44
Receivables other than trade	8.38	35.36	32.86
Total	8.38	76.81	72.30

NOTE - 04 LOANS

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2019					
	Amortised Cost	(At Fair Value) Through Other Comprehensive Income	(At Fair Value) Through profit or loss	(At Fair Value) Designated at fair value through profit or loss	Sub Total	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	13,423.07	-	-	-	-	13,423.07
- Loan and Advances (Doubtful)	17,459.82	-	-	-	-	17,459.82
(ii) Others (to be specified)						-
Total (A) Gross	30,882.89	-	-	-	-	30,882.89
Less: Impairment loss allowance	(9,288.27)	-	-	-	-	(9,288.27)
Total (A) Net	21,594.63	-	-	-	-	21,594.63
(B)						
(i) Secured by tangible assets and intangible assets	29,330.36	-	-	-	-	29,330.36
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	1,552.53	-	-	-	-	1,552.53
Total (B) Gross	30,882.89	-	-	-	-	30,882.89
Less: Impairment loss allownace	(9,288.27)	-	-	-	-	(9,288.27)
Total (B) Net	21,594.63	-	-	-	-	21,594.63

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2019					
	Amortised Cost	(At Fair Value)			Sub Total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(C)						
Loans in India						
(I) Public Sector	-	-	-	-	-	-
(II) Others	30,882.89	-	-	-	-	30,882.89
Total (C) Gross	**30,882.89**	-	-	-	-	**30,882.89**
Less: Impairement loss allowance	(9,288.27)	-	-	-	-	(9,288.27)
Total (C) Net	**21,594.63**					**21,594.63**

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2018					
	Amortised Cost	(At Fair Value)			Sub Total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	27,708.35	-	-	-	-	27,708.35
- Loan and Advances (Doubtful)	19,707.67					19,707.67
(ii) Others (to be specified)						-
Total (A) Gross	**47,416.02**					**47,416.02**
Less:Impairment loss allowance	(13,529.79)	-	-	-	-	(13,529.79)
Total (A) Net	**33,886.23**					**33,886.23**
(B)						
(i) Secured by tangible assets and intangible assets	45,567.03	-	-	-	-	45,567.03
(ii) Covered by Bank/Government Guarantee	-	-	-	-	-	-
(iii) Unsecured	1,848.99	-	-	-	-	1,848.99
Total (B) Gross	**47,416.02**	-	-	-	-	**47,416.02**
Less: Impairment loss allownace	(13,529.79)	-	-	-	-	(13,529.79)
Total (B) Net	**33,886.23**	-	-	-	-	**33,886.23**
(C)						
Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	47,416.02	-	-	-	-	47,416.02
Total (C) Gross	**47,416.02**					**47,416.02**
Less: Impairement loss allowance	(13,529.79)	-	-	-	-	(13,529.79)
Total (C) Net	**33,886.23**					**33,886.23**

(₹ in lakh)

PARTICULARS	AS AT 01st APRIL, 2017					
	Amortised Cost	(At Fair Value)			Sub. Total	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6=1+5)
(A)						
(i) Term Loans						
-Loans and Advances (Considered good)	54,366.56	-	-	-	-	54,366.56
- Loan and Advances (Doubtful)	15,748.15	-	-	-	-	15,748.15
(ii) Others (to be specified)	-	-	-	-	-	-
Total (A) Gross	**70,114.71**					**70,114.71**
Less:Impairment loss allowance	(12,597.66)	-	-	-	-	(12,597.66)
Total (A) Net	**57,517.05**					**57,517.05**
(B)						
(i) Secured by tangible assets and intangible assets	69,689.27	-	-	-	-	69,689.27
(ii) Covered by Bank/Government Guarantee	-				-	-
(iii) Unsecured	425.43	-	-	-	-	425.43
Total (B) Gross	**70,114.71**					**70,114.71**
Less: Impairment loss allowance	(12,597.66)	-	-	-	-	(12,597.66)
Total (B) Net	**57,517.05**					**57,517.05**
(C)						
Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	70,114.71	-	-	-	-	70,114.71
Total (C) Gross	**70,114.71**					**70,114.71**
Less: Impairement loss allowance	(12,597.66)	-	-	-	-	(12,597.66)
Total (C) Net	**57,517.05**					**57,517.05**

NOTE - 05 INVESTMENTS

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2019						
	Amortised Cost	(At Fair Value) Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub Total	Others	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-
Debt securities							
- Inter Group Balances	-	-	-	-	-	-	-
- Bonds - Tax free bonds of IFCI Ltd of Rs. 10,00,000 each	500.05	-	-	-	-	-	500.05
- Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,455.75	-	-	-	-	-	1,455.75
Equity instruments							
- Biotech Consortium Ltd.	-	-	-	-	-	-	-
- Janglpur Bengal Mega Food Park Ltd	-	-	418.74	-	418.74	-	418.74
- Nagarjuna Fertilisers & Chemicals Ltd	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-
Units of Venture Funds (Rs.10 each fully paid up)							
- Green India Venture Fund (GIVF)	-	-	306.46	-	306.46	-	306.46
- India Enterprise Development Fund (IEDF)	-	-	327.73	-	327.73	-	327.73
- India Automotive Component Manufacturers	-	-	4.73	-	4.73	-	4.73
- Venture Capital fund for backward classes	-	-	500.00	-	500.00	-	500.00
Joint Ventures	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-
Mutual Funds							
Investment in Liquid Funds	-	-	2,328.05	-	2,328.05	-	2,328.05
Total Gross (A)	**1,955.80**	-	**3,885.71**	-	**3,885.71**	-	**5,841.51**
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	1,955.80	-	3,885.71	-	3,885.71	-	5,841.51
Total (B)	**1,955.80**	-	**3,885.71**	-	**3,885.71**	-	**5,841.51**
Less: Allowance for impairment loss (C)	-	-	-	-	-	-	-
Total Net D= (A)- (C)	**1,955.80**	-	**3,885.71**	-	**3,885.71**	-	**5,841.51**

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2018						
	Amortised Cost	(At Fair Value)			Sub. Total	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-
Debt securities							
- Inter Group Balances	-	-	-	-	-	-	-
- Bonds - Tax free bonds of IFCI Ltd of Rs. 10,00,000 each	500.05	-	-	-	-	-	500.05
- Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,325.19	-	-	-	-	-	1,325.19
Equity instruments							
- Biotech Consortium Ltd.	-	-	-	-	-	-	-
- Jangipur Bengal Mega Food Park Ltd	-	-	420.00	-	420.00	-	420.00
- Nagarjuna Fertilisers & Chemicals Ltd	-	-	2.72	-	2.72	-	2.72
Subsidiaries	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-
Units of Venture Funds (Rs.10 each fully paid up)							
- Green India Venture Fund (GIVF)	-	-	1,023.11	-	1,023.11	-	1,023.11
- India Enterprise Development Fund (IEDF)	-	-	1,662.92	-	1,662.92	-	1,662.92
- India Automotive Component Manufacturers	-	-	11.90	-	11.90	-	11.90
- Venture Capital fund for backward classes	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-
Mutual Funds							
Investment in Liquid Funds	-	-	2,504.20	-	2,504.20	-	2,504.20
Total Gross (A)	**1,825.24**	-	**5,624.86**	-	**5,624.86**	-	**7,450.09**
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	-	-	5,624.86	-	5,624.86	-	7,450.09
Total (B)	-	-	**5,624.86**	-	**5,624.86**	-	**7,450.09**
Less: Allowance for impairment loss **(C)**	-	-	-	-	-	-	-
Total Net D= (A)- (C)	**1,825.24**	-	**5,624.86**	-	**5,624.86**	-	**7,450.09**

(₹ in lakh)

PARTICULARS	AS AT 01[st] APRIL, 2017						
	Amortised Cost	(At Fair Value)			Sub Total	Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss			
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=1+5+6)
Government Securities	-	-	-	-	-	-	-
Other approved securities	-	-	-	-	-	-	-
Debt securities							
- Inter Group Balances	-	-	-	-	-	-	-
- Bonds - Tax free bonds of IFCI Ltd of Rs. 10,00,000 each	500.05	-	-	-	-	-	500.05
- Bonds - Taxable IFCI Ltd of Rs. 1000 each	1,201.52	-	-	-	-	-	1,201.52
Equity Instruments							
- Biotech Consortium Ltd.	-	-	-	-	-	-	-
- Jangipur Bengal Mega Food Park Ltd	-	-	420.00	-	420.00	-	420.00
- Nagarjuna Fertilisers & Chemicals Ltd	-	-	3.42	-	3.42	-	3.42
Subsidiaries	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-
Units of Venture Funds (Rs.10 each fully paid up)							
- Green India Venture Fund (GIVF)	-	-	2,086.43	-	2,086.43	-	2,086.43
- India Enterprise Development Fund (IEDF)	-	-	3,779.73	-	3,779.73	-	3,779.73
- India Automotive Component Manufacturers	-	-	30.27	-	30.27	-	30.27
- Venture Capital fund for backward classes	-	-	-	-	-	-	-
Joint Ventures	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-
Mutual Funds							
Investment in Liquid Funds	-	-	-	-	-	-	-
Total Gross (A)	**1,701.57**	-	**6,319.84**	-	**6,319.84**	-	**8,021.42**
(i) Overseas Investments	-	-	-	-	-	-	-
(ii) Investments in India	1,701.57	-	6,319.84	-	6,319.84	-	8,021.42
Total (B)	**1,701.57**	-	**6,319.84**	-	**6,319.84**	-	**8,021.42**
Less: Allowance for impairment loss **(C)**	-	-	-	-	-	-	-
Total Net D= (A)- (C)	**1,701.57**	-	**6,319.84**	-	**6,319.84**	-	**8,021.42**

NOTE - 06 OTHER FINANCIAL ASSETS

(₹ in lakh)

PARTICULARS	As at 31[st] March, 2019	As at 31[st] March, 2018	As at 01[st] April, 2017
Loan to others			
- Loans to Staff (Secured)	8.49	4.99	7.62
- Others (Unsecured and considered good)	0.15	0.15	1.43
Total	**8.64**	**5.14**	**9.05**

NOTE - 07 CURRENT TAX ASSETS (NET)

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Current tax assets (Net)	301.40	-	-
Total	**301.40**	**-**	**-**

Refer Note no. 29 (b)

NOTE - 08 DEFERRED TAX ASSETS (NET)

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Deferred tax assets (Net)	4,060.99	5,633.94	4,354.72
Total	**4,060.99**	**5,633.94**	**4,354.72**

Refer Note no. 29 (a)

NOTE - 09 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

PARTICULARS	computers & Servers	Office Equipments	Furniture & Fixtures	Property	Equipment / Furniture and Fittings	Assets on lease	Total
At cost or fair value at the beginning of the year as at 01/04/2017	**2.13**	**-**	**0.99**	**-**	**-**	**-**	**3.12**
Additions	-	-	0.79	-	-	-	0.79
Acquisitions	-	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
At cost or fair value at the end of the year at 31/03/2018	**2.13**	**-**	**1.78**	**-**	**-**	**-**	**3.91**
Additions	-	-	2.38	-	-	-	-
Acquisitions	-	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
At cost or fair value at the end of the year at 30/09/2018	**2.13**	**-**	**4.16**	**-**	**-**	**-**	**-**
Additions	0.46	-	2.38	-	-	-	2.83
Acquisitions	-	-	-	-	-	-	-
Revaluation adjustment, if any	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
At cost or fair value at the end of the year at 31/03/2019	**2.59**	**-**	**4.16**	**-**	**-**	**-**	**6.75**

(₹ In lakh)

PARTICULARS	Accumulated Dep. On Computer & Servers	Accumulated Dep. On Office Equipments	Accumulated Dep. On Furniture & Fixtures	Accumulated Dep. On Property	Accumulated Dep. On Equipment / Furniture and Fittings	Accumulated Dep. On Assets on lease	Total
Accumulated depreciation and impairment as at the beginning of the year as at 01/04/2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	1.63	-	0.12	-	-	-	1.75
Disposals	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2018	**1.63**	**-**	**0.12**	**-**	**-**	**-**	**1.75**
Depreciation for the year	0.39	-	0.07	-	-	-	0.46
Disposals	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of the year 30/09/2018	**2.01**	**-**	**0.19**	**-**	**-**	**-**	**2.20**
Depreciation for the year	0.56	-	0.37	-	-	-	0.94
Disposals	-	-	-	-	-	-	-
Impairment/(reversal) of impairment	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2019	**2.19**	**-**	**0.49**	**-**	**-**	**-**	**2.68**
Net carrying amount at the beginning of the year as at 01/04/2017	**2.13**	**-**	**0.99**	**-**	**-**	**-**	**3.12**
Net carrying amount as at the end of the year as at 31/03/2018	0.51	-	1.66	-	-	-	2.17
Net carrying amount as at the end of the year as at 31/03/2019	**0.40**	**-**	**3.66**	**-**	**-**	**-**	**4.06**

NOTE - 10 OTHER INTANGIBLE ASSETS

(₹ in lakh)

PARTICULARS	Computer Software	Total
At cost or fair value at the beginning of the year as at 01/04/2017	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Fair value adjustments	-	-
Disposals	-	-
Other adjustments	-	-
At cost or fair value at the end of the year at 31/03/2018	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
Reclassification from/to held for sale	-	-
Other adjustments (please specify)	-	-
At cost or fair value at the end of the year at 30/09/2018	**0.21**	**0.21**
Additions	-	-
Acquisitions	-	-
Revaluation adjustment, if any	-	-
Disposals	-	-
Reclassification from/to held for sale	-	-
Other adjustments (please specify)	-	-
At cost or fair value at the end of the year at 31/03/2019	**0.21**	**0.21**

PARTICULARS	Accumulated Dep. On Computer & Servers	Total
Accumulated depreciation and impairment as at the beginning of the year as at 01/04/2017	-	-
Depreciation for the year	0.07	0.07
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Reclassification from/to held for sale	-	-
Other adjustments (please specify)	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2018	**0.07**	**0.07**
Depreciation for the year	0.02	0.02
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Reclassification from/to held for sale	-	-
Other adjustments (please specify)	-	-
Accumulated depreciation and impairment as at the end of the year 30/09/2018	**0.08**	**0.08**
Depreciation for the year	0.07	0.07
Disposals	-	-
Impairment/(reversal) of impairment	-	-
Reclassification from/to held for sale	-	-
Other adjustments (please specify)	-	-
Accumulated depreciation and impairment as at the end of the year 31/03/2019	**0.13**	**0.13**
Net carrying amount at the beginning of the year as at 01/04/2017	**0.21**	**0.21**
Net carrying amount as at the end of the year as at 31/03/2018	**0.14**	**0.14**
Net carrying amount as at the end of the year as at 31/03/2019	**0.07**	**0.07**

NOTE - 11 OTHER NON-FINANCIAL ASSETS

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
(a) Pre-paid Expenses	5.69	5.91	3.98
(b) Service tax credit	-	-	1.93
(c) GST Credit	10.01	2.21	-
Total	**15.70**	**8.12**	**5.91**

NOTE - 12 PAYABLES

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
(1) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(2) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	77.14	50.63	23.57
Total	**77.14**	**50.63**	**23.57**

NOTE - 13 DEBT SECURITIES

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2019			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	1)	2)	3)	(4=1+2+3)
Bonds				
200 Bonds of Rs. 10,00,000 each secured	2,101.78	-	-	2,101.78
1510 Bonds of Rs. 1,00,000 each unsecured	1,527.64	-	-	1,527.64
596 Bonds of Rs. 1,00,000 each unsecured	598.85	-	-	598.85
583 Bonds of Rs. 10,00,000 each- secured	5,945.04	-	-	5,945.04
Total (A)	**10,173.31**	**-**	**-**	**10,173.31**
Debt securities in India	10,173.31	-	-	10,173.31
Debt securities outside India	-	-	-	-
Total (B)	**10,173.31**	**-**	**-**	**10,173.31**

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2018			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	1)	2)	3)	(4=1+2+3)
Bonds				
200 Bonds of Rs. 10,00,000 each secured	2,101.78	-	-	2,101.78
1510 Bonds of Rs. 1,00,000 each unsecured	1,527.64	-	-	1,527.64
596 Bonds of Rs. 1,00,000 each unsecured	598.85	-	-	598.85
783 Bonds of Rs. 10,00,000 each- secured	7,984.51	-	-	7,984.51
Total (A)	12,212.77	-	-	12,212.77
Debt securities in India	12,212.77	-	-	12,212.77
Debt securities outside India	-	-	-	-
Total (B)	12,212.77	-	-	12,212.77

(₹ in lakh)

PARTICULARS	AS AT 01st APRIL, 2017			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
Bonds				
200 Bonds of Rs. 10,00,000 each secured	2,101.79	-	-	2,101.79
1510 Bonds of Rs. 1,00,000 each unsecured	1,527.64	-	-	1,527.64
642 Bonds of Rs. 1,00,000 each unsecured	6,450.65	-	-	6,450.65
783 Bonds of Rs. 10,00,000 each- secured	7,984.51	-	-	7,984.51
Total (A)	18,064.58	-	-	18,064.58
Debt securities in India	18,064.58	-	-	18,064.58
Debt securities outside India	-	-	-	-
Total (B)	18,064.58	-	-	18,064.58

1. Issuer	**IFCI Venture Capital Funds Ltd.**
Issue size	Rs. 20 Crores
Face Value	Rs. 1,000,000.00 (Rupees Ten Lac) per bond
Tenure & Redemption	At end of 10 Years from date of allotment i.e. 10th October, 2024
Coupon Rate	10.80% p.a. annual
Security	Pari-pasu charge on Book Debts
Interest Payment	Interest shall be made annually on 10th October

2. Issuer	**IFCI Venture Capital Funds Ltd.**
Issue size	Up to Rs. 15.10 Crores including green shoe option of Rs. 0.10 Crores
Face Value	Rs. 1,00,000.00 (Rupees One Lac) per bond
Tenure	10 Years
Put Call	At par at the end of 5th year from the date of allotment
Redemption	At par at the end of 10th year from deemed date of allotment i.e 18th February, 2023
Coupon Rate	10.15% p.a. annual
Interest Payment	Interest shall be made annually on 18th February

3. Issuer	**IFCI Venture Capital Funds Ltd.**		
Issue size	Up to Rs. 64.20 Crores including green shoe option of Rs. 39.20 Crores		
Face Value	Rs. 1,00,000.00 (Rupees One Lac) per bond		
Option	**Option - 1**	**Option - 2**	
Tenure	5 Years	10 Years	
Put Call	Nil	At par at the end of 7th Year	
Redemption	At par at the end of 5th year from deemed date of allotment i.e 16th October, 2017 - redeemed	At par at the end of 10th year from deemed date of allotment i.e 16th October, 2022	
Coupon Rate	10.25% p.a. (semi-annual)		
Interest Payment	Interest shall be made on Semi-Annual basis on 15th March and 15th September every year		
4. Issuer	**IFCI Venture Capital Funds Ltd.**		
Issue size	Up to Rs. 100 Crores including Green shoe option		
Security	First Pari Pasu charge on the receivables of the Company to the extent of 125% of the outstanding Bonds at any point of time, during the currency of the Bonds		
Face Value	Rs. 10,00,000.00 (Rupees Ten Lac) per bond		
Option	**Option -1**	**Option - 2**	**Option - 3**
Tenure	10 Years	10 Years	3 Years
Put Call	At par at the end of 3rd year, 5th year & 7th Year respectively.	At par at the end of 5th year & 7th Year respectively.	At par at the end of 1st year & 2nd year respectively.
Redemption	At par on exercising put/ call option at the end of 3rd year or 5th year or 7th year or at the end of 10th year from deemed date of allotment, whichever is earlier i.e 24th January, 2022	At par on exercising put/ call option at the end of 5th year or 7th year or at the end of 10th year from deemed date of allotment, whichever is earlier i.e 24th January, 2022	At par on exercising put/call option at the end of 1st year or 2nd year or at the end of 3rd year from deemed date of allotment, whichever is earlier i.e 24th January, 2015
Coupon Rate	10.75% p.a.(Annual on 24th January)		

Long Term borrowings from Banks are secured by hypothecation of Book debts on pari passu basis between these Banks, banks from which cash credit facilities have been availed and Investors in Secured bonds.

NOTE - 14 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2019			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	1)	2)	3)	(4=1+2+3)
(a) Term Loans				
(i) from Banks	5,190.07	-	-	5,190.07
(b) Deferred payment liabilities	-	-	-	-
(c) Loan from related parties-IFCI Ltd	-	-	-	-
(d) Finance Lease Obligations	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-
(f) Loans repayable on demand				
(i) from Banks-credit facilities	-	-	-	-
(ii) from other Parties	-	-	-	-
(g) Other Loans (specify nature)				
Short term Secured loan from KARUR VYSYA	-	-	-	-
Total	**5,190.07**	**-**	**-**	**5,190.07**
Borrowings in India	5,190.07	-	-	5,190.07
Borrowings outside India	-	-	-	-
Total	**5,190.07**	**-**	**-**	**5,190.07**

(₹ in lakh)

PARTICULARS	AS AT 31st MARCH, 2018			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	1)	2)	3)	(4=1+2+3)
(a) Term Loans				
(i) from Banks	15,926.90	-	-	15,926.90
(b) Deferred payment liabilities	-	-	-	-
(c) Loan from related parties-IFCL Ltd	-	-	-	-
(d) Finance Lease Obligations	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-
(f) Loans repayable on demand				
(i) from Banks-credit facilities	-	-	-	-
(ii) from other Parties	-	-	-	-
(g) Other Loans (specify nature)				
Short term Secured loan from KARUR VYSYA	2,018.27	-	-	2,018.27
Total	17,945.17	-	-	17,945.17
Borrowings in India	17,945.17	-	-	17,945.17
Borrowings outside India	-	-	-	-
Total	17,945.17	-	-	17,945.17

(₹ in lakh)

PARTICULARS	AS AT 01st APRIL, 2017			
	At Amortised Cost	At Fair Value through Profit or Loss	Designated at Fair Value through Profit or Loss	Total
	1)	2)	3)	(4=1+2+3)
(a) Term Loans				
(i) from Banks	26,860.73	-	-	26,860.73
(b) Deferred payment liabilities	-	-	-	-
(c) Loan from related parties-IFCL Ltd	2,200.81	-	-	2,200.81
(d) Finance Lease Obligations	-	-	-	-
(e) Liability component of compound financial instruments	-	-	-	-
(f) Loans repayable on demand				
(i) from Banks-credit facilities	1,130.58	-	-	1,130.58
(ii) from other Parties	-	-	-	-
(g) Other Loans (specify nature)				
Short term Secured loan from KARUR VYSYA	1,800.00	-	-	1,800.00
Total	31,992.12	-	-	31,992.12
Borrowings in India	31,992.12	-	-	31,992.12
Borrowings outside India	-	-	-	-
Total	31,992.12	-	-	31,992.12

Foot Note :

(i) Long Term borrowings from Banks are secured by hypothecation of Book debts on pari passu basis between these Banks, banks from which cash credit facilities have been availed and Investors in Secured bonds.

(ii) Terms of repayment : Quarterly repayment in all Term loans.

(iii) Loan from SBI and SIB is secured by Letter of comfort issued by holding company (IFCI LTD) for requisite fee on Arm length basis is given to IFCI LTD

(iv) There has been no default in repayment of borrowing

(v) Repayment schedule

Rate of Interest (% p.a.)	Amount in Rs.	Date of maturity	Repayment Mode	Date of next instalment	Number of instalments
10.90	21,200,000	15.06.2019	Quarterly	15.06.2019	1
10.55	155,800,000	27.10.2021	Quarterly	27.04.2019	10
11.00	300,000,000	15.10.2020	Quarterly	15.07.2019	6
10.75	41,720,000	14.10.2019	Quarterly	14.07.2019	2
	518,720,000				

NOTE - 15 CURRENT TAX LIABILITIES (NET)

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Provision for Tax (Net of Advance Tax & TDS)	-	181.50	28.32
Total	-	181.50	28.32

NOTE - 16 PROVISIONS

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Provision for Employee benefits	184.32	232.30	130.76
Provision of expenses	0.50	-	-
Total	184.82	232.30	130.76

NOTE - 17 OTHER NON-FINANCIAL LIABILITIES

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Other Payables			
- Tax and other deduction/collection payable	12.66	8.93	6.38
- Other payables	61.68	38.21	9.36
Total	74.34	47.14	15.74

NOTE - 18 EQUITY SHARE CAPITAL

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Note: 1 SHARE CAPITAL			
AUTHORISED:			
Equity Shares of Rs.10/- each	15,000.00	15,000.00	15,000.00
Total	15,000.00	15,000.00	15,000.00
ISSUED, SUBSCRIBED & PAID UP:			
Equity Shares of Rs.10/- each fully paid up.	6,037.10	6,037.10	6,037.10
Total	6,037.10	6,037.10	6,037.10

FOOT NOTES :

i. Reconciliation of the number of shares outstanding.

(₹ in lakh)

PARTICULARS	As at 31st March, 2019		As at 31st March, 2018		As at 01st April, 2017	
	Number	Amount	Number	Amount	Number	Amount
Number of equity shares at the beginning of the Year	6,03,71,008	6,037.10	6,03,71,008	6,037.10	6,03,71,008	6,037.10
Equity shares issued during the year	-	-	-	-	-	-
Number of equity shares at the end of the Year	**6,03,71,008**	**6,037.10**	**6,03,71,008**	**6,037.10**	**6,03,71,008**	**6,037.10**

ii. Shares held by holding/Ultimate holding company and/or their subsidairies/associates

(₹ in lakh)

NAME OF THE SHAREHOLDER	As at 31st March, 2019		As at 31st March, 2018		As at 01st April, 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid						
IFCI Limited (Holding Company)	5,95,21,008	98.59	5,95,21,008	98.59	5,95,21,008	98.59
Total	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**

Foot Note:

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

iii. Details of shareholders holding more than 5% shares in the company

(₹ in lakh)

NAME OF THE SHAREHOLDER	As at 31st March, 2019		As at 31st March, 2018		As at 01st April, 2017	
	No. of shares held	% of Holding	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of Rs.10/- each Fully Paid						
IFCI Limited	5,95,21,008	98.59	5,95,21,008	98.59	5,95,21,008	98.59
Total	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**	**5,95,21,008**	**98.59**

OTHER EQUITY

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Retained Earnings	2,354.18	5,830.41	5,855.91
Securities Premium Account	4,747.90	4,747.90	4,747.90
Statutory Reserve (Reserve u/s 45IC of RBI Act, 1934)	3,112.72	3,112.72	3,112.72
Special Reserve under Section 36 (1) (viii) of the I.T Act, 1961	5.20	5.20	5.20
Total	**10,220.00**	**13,696.23**	**13,721.72**

Foot-note

1. In terms of Section 45IC of RBI Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the statement of profit & loss before any dividend is declared. However the provision is not created due to inadquacy of profit.
2. Security Premium Account represents the amount received on equity share over & above its face value.

NOTE - 19. OTHER EQUITY

(₹ in lakh)

PARTICULARS	RESERVES AND SURPLUS					
	Statutory Reserve	Capital Reserve	Securities Premium	Special Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period i.e. 01.04.2017	3,112.72		4,747.90	5.20	5,855.91	13,721.72
Profit & Loss for the period	-	-	-	-	(14.30)	-
Other Comprehensive Income	-	-	-	-	(11.20)	-
Total Comprehensive Income for the year	-	-	-	-	(25.49)	(25.49)
Profit & Loss for the period	-	-	-	-	(3,293.37)	-
Other Comprehensive Income	-	-	-	-	(0.91)	-
Total Comprehensive Income for the year	-	-	-	-	(3,294.28)	(3,294.28)
Interim Dividend-Equity	-	-	-	-	(150.93)	(150.93)
Dividend Distribution Tax	-	-	-	-	(31.02)	(31.02)
Balance at the end of the reporting period i.e. 31.03.2019	3,112.72	-	4,747.90	5.20	2,354.18	10,220.00

NOTE - 20. INTEREST INCOME

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss
Interest on Loans	-	4,208.53	-	-	6,998.01	-
Interest Income from Investments	-	172.52	-	-	165.61	-
Other interest Income	-	-	2.64	-	-	-
Total	-	4,381.05	2.64	-	7,163.63	-

NOTE - 21 FEES INCOME

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Management fee	624.00	971.17
Total	624.00	971.17

NOTE - 22 OTHER INCOME

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Other incomes*	33.63	32.64
Reversal of Expected Credit Loss	4,241.52	-
Total	4,275.15	32.64

* Any item under the subhead 'Other Incomes' which exceeds one per cent of the total income to be presented separately

NOTE - 23. FINANCE COSTS

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on Bonds and borrowings	-	2,439.09	-	4,294.92
Other Interest expense	-	21.74	-	36.79
Total		2,460.83		4,331.71

NOTE - 24 FEES AND COMMISSION EXPENSE

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Fee for issurance of letter of comfort to IFCI Ltd.	70.99	146.30
Total	70.99	146.30

NOTE - 25 NET LOSS ON FAIR VALUE CHANGES

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Net loss on financial instruments at fair value through profit and loss account :-		
a) On trading portfolio		
- Investments	710.01	2,157.66
- Derivatives	-	-
- Others	-	-
b) On financial instruments designated at fair value through profit and loss account	-	-
B. Others	-	-
Total	710.01	2,157.66
Fair Value changes		
- Realised	(371.41)	(817.56)
- Unrealised	1,081.42	2,975.22
Total	710.01	2,157.66

NOTE - 26 EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and wages including bonus	428.81	409.64
Post employment benefits	6.81	9.22
Employee Share Based Payments	-	-
Other Employee Benefits	14.99	12.25
Total	450.60	431.11

NOTE - 27. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	On Financial Instruments measured at fair value through OCI	On Financial instruments measured at Amortised Cost	On Financial instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost
Loans and Advances	-	-	-	932.13
Total	-	-	-	932.13

NOTE - 28 OTHER EXPENSES

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Rent, taxes and energy costs	179.86	173.20
Repairs and maintenance	28.25	33.66
Printing & Stationery	6.54	5.97
CSR Expenses	71.35	90.62
Postage & Telephone	3.71	5.18
Advertisement and publicity	8.55	8.72
Travelling & Conveyance	14.87	10.18
Director's fees, allowances and expenses	7.62	6.04
Auditor's fees and expenses	8.22	9.81
Legal and Professional charges	73.21	38.95
Insurance	0.19	0.23
Other expenditures		
- Provision for Bad & Doubtful Debts	-	-
- Provision for Diminution in Investments	-	-
- Provision for Standard Assets	-	-
- Bad Debts Written Off	6,868.11	-
- Other expenditures*	39.00	7.47
Total	7,309.48	390.02

* Any item under the subhead 'other expenditure' which exceeds one percent of the total income to be presented separately.

NOTE - 29 IND AS - 12 INCOME TAX - DISCLOSURES

29 (a) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	4,060.99	5,633.94
Deferred tax liabilities	-	-0.01
Deferred Tax Asset / (Liabilities) (Net)	4,060.99	5,633.94

(₹ in lakh)

PARTICULARS	As at March 31, 2017	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at March 31, 2018	Movement Recognised in Statement of Profit and Loss	Movement Recognised in other comprehensive income	As at March 31, 2019
Deferred tax (liabilities)/assets in relation to:							
Property, plant and equipment and Intangible Assets	-0.44	-0.00	-	-0.01	-0.00	-	0.05
Fair value of Investments	143.51	-0.01	-	1,171.30	-0.00	-	1,242.63
Defined benefit obligation	45.76	-0.00	-5.92	80.37	0.00	-0.35	51.28
Impairment on financial instruments	4,165.89	-0.00	-	4,382.27	0.02	-	2,343.55
Tax Losses	-	-	-	-	-0.00	-	423.48
Deferred Tax Asset / (Liabilities) (Net)	**4,354.72**	**-0.01**	**-5.92**	**5,633.94**	**0.02**	**-0.35**	**4,060.99**

29 (b) Current Tax reconcilation

The following is the analysis of Current tax assets/(liabilities) presented in the balance sheet:

(₹ in lakh)

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
Opening Balance Assets/(Liabilities)	-181.50	-28.32
Provision made during the year	-	-1,063.46
Income tax paid during the year	482.90	910.28
Closing Balance Assets/(Liabilities)	**301.40**	**-181.50**

NOTE - 30 PAYMENT TO AUDITORS

(₹ in lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees	5.45	5.40
Certification and other services	1.65	2.48
Reimbursement of Expenses	0.48	1.30
Total	**7.58**	**9.17**

NOTE - 31. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(₹ in lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) **Gross amount required to be spent by the company for respective financial year**	**71.35**	**90.62**
Amount Transfer to IFCI Social foundation	71.35	76.24
Construction/ Acquisition of Assets		14.38

NOTE - 32. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	PARTICULARS	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
A.	**Contingent Liabilities**			
	Claims not acknowledged as debts	NIL	NIL	NIL
	Total	-	-	-
	Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2019			
B.	**Commitments**			
	(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	-	-	-
	(ii) Undrawn Commitments	745.00	360.00	790.00
	Total	745.00	360.00	790.00

C. Contingent assets

There are no contingent assets during the year and the corresponding previous reporting years.200

NOTE - 33. EXPENDITURE/INCOME IN FOREIGN CURRENCIES :

There is no foreign currency Expenditure/Income in current as well as in preceeding reporting years

NOTE - 34. EMPLOYEE BENEFITS

The Company operates the following post-employment plans –

i. Defined contribution plan

The Company makes monthly contribution towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as expense towards such contribution are as follows:

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Contribution to Provident Fund	6.79	8.01

ii. Defined Benefit plan

A. Gratuity

Gratuity liablity has been determined and accounted on the basis acturial valuation carried out as at March 31, 2019

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Net defined benefit liability	34.15	108.40	35.74

(a) Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section "d" below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the year ending 31 March 2020 is INR 15.21 lacs.

(b) Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakh)

PARTICULARS	As at 31st March, 2019 Defined benefit obligation	As at 31st March, 2019 Fair value of plan assets	As at 31st March, 2019 Net defined benefit (asset)/ liability	As at 31st March, 2018 Defined benefit obligation	As at 31st March, 2018 Fair value of plan assets	As at 31st March, 2018 Net defined benefit (asset)/ liability
Balance at the beginning of the year	147.60	39.20	108.40	73.68	37.95	35.74
Included in profit or loss						
Current service cost	8.42	-	8.42	8.36	-	8.36
Past service cost including curtailment Gains/Losses	-	-	-	45.02	-	45.02
Interest cost (Income)	11.38	-1.22	8.36	5.54	-2.85	2.69
	19.80	-1.22	16.78	58.92	-2.85	56.07
Included in Other comprehensive income						
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:	-	-	-	-	-	-
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	1.26	-	1.26	-	-	-
- experience adjustment	0.08	-	0.08	15.00	-	15.00
– on plan assets	-	-0.08	-0.08	-	2.12	2.12
	1.34	-0.08	1.26	15.00	2.12	17.12
Other						
Contributions paid by the employer	-	36.42	-36.42	-	0.53	-0.53
Benefits paid directly	-4.06	-	-4.06	-	-	-
Misc.	-	-	-1.81			
	-4.06	36.42	-42.29	-	0.53	-0.53
Balance at the end of the year	164.69	76.92	84.15	147.60	39.20	108.40

(₹ in lakh)

(c) Plan assets	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Investment with Life insurance Corporation	100%	100%	100

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

(d) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(₹ in lakh)

	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Discount rate	7.74%	7.71%	7.52%
Future salary growth	8.50%	8.50%	8.50%
Withdrawal rate:			
Up to 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%
Retirement Age (in year)	60	60	60
Mortality		100% of IALM (2006-08)	

(e) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in lakh)

	As at 31st March, 2019		As at 31st March, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	-7.57	6.98	-7.55	6.95
Future salary growth (0.50% movement)	6.99	-7.56	6.89	-7.52

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

(f) Expected maturity analysis of the defined benefit plans in future years

(₹ in lakh)

	As at 31st March, 2019	As at 31st March 2018
1 year	3.99	3.60
Between 2-5 years	10.87	9.66
6 year onwards	149.83	134.35
Total	**164.69**	**147.60**

As at 31 March 2019, the weighted-average duration of the defined benefit obligation was 13.56 years (31 March 2018: 15.10 years and 01 April 2017: 15.86 years).

(g) Discreption of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases : Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk : If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

iii. Other long-term employment benefits

The Company provides leave encashment benefits and leave fair concession to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of Profit and Loss for compensated absences is as under-

(₹ in lakh)

	Year ended 31st March 2019	Year ended 31st March 2018
Amount recognised in Statement of Profit and Loss		
Leave encashment	13.28	7.71
Leave fair concession	1.26	55.23

NOTE - 35 RELATED PARTY DISCLOSURE

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

A.	**Nature of Relationship**	Name of the Related Party
	Holding company	IFCI Limited
	Fellow Subsidiaries	IFCI Financial Services Ltd. (IFIN)
		IFCI Factors Ltd. (IFL)

	IFIN Securities Finance Limited (Indirect control through IFIN)
	IFCI Social Foundation (Trust)
	Stock Holding Corporation of India Ltd.
Associates	India Enterprise Development Fund (IEDF)
	Green India Venture Fund (GIVF)
	IACM - 1D
	Venture Capital Funds For Backward Classes (VCFBC)
Key Managerial Personnel	(i) Shri Deepak Mishra - Managing Director (till 8 November 2017)
	(ii) Shri Alok Sabharawal - Managing Director (till 26 September, 2018)
	(iii) Shri Shakti Kumar - Managing Director (w.e.f 1 October, 2018)
	(iv) Smt. Indu Gupta - Chief Financial Officer
	(v) Shri Mukesh Girdhar - Company Secretary (till 11 March, 2019)
	(vi) Smt. Priyanka Munjal - Company Secretary (w.e.f 12 March, 2019)
Directors	(i) Dr. E S Rao - Chairman & Nominee
	(ii) Shri VSV Rao - Nominee
	(iii) Smt. Anjali Kaushik
	(iv) Shri Lalit kumar Patangia
	(v) Shri Ravindra Nath
	(vi) Shri Subhash Chander Kalia
	(vii) Shri J. Venkateswarlu

2 Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:-

(₹ in lakh)

	Name of related party		Nature of transaction	For the year ended 31st March, 2019	For the year ended 31st March, 2018	Outstanding as at 01st April 2017
A.	**Holding**					
	IFCI Ltd.	(i)	Loan taken	-	5,000.00	2,200.00
		(ii)	Loan paid back	-	7,200.00	-
		(iii)	Interest on Loan Paid to IFCI	-	167.69	0.81
		(iv)	Rent & Maintenance paid to IFCI	166.56	159.31	-
		(v)	Salaries paid to IFCI for employees deputed by IFCI Ltd. Including PLI	144.97	54.48	5.39
		(vi)	Paid towards other expenses to IFCI	1.43	1.38	-
		(vii)	Paid towards IT Services taken from IFCI.(Exclusive of taxes)	6.00	6.00	-
		(viii)	Final Dividend paid	148.80	-	-
		(ix)	Interest Received and accrued on Bonds subscribed	172.52	165.61	-
		(x)	Brokerage/ Professional fee paid-LOC	65.49	136.53	-
B.	**(i) Fellow Subsidiaries**					
	IFCI Financial Services Ltd.	(i)	Brokerage/ Professional fee paid	0.58	0.80	-
	IFCI Factors Ltd.	(i)	Loan taken	-	1,500.00	-
		(ii)	Loan Repaid	-	1,500.00	-
		(iii)	Interest paid on Loan	-	23.15	-
	IFIN Securities Finance Pvt Ltd	(i)	Loan taken	-	450.00	-
		(ii)	Loan Repaid	-	450.00	-
		(iii)	Interest paid on Loan	-	6.16	-

	Stock Holding Corporation of India Ltd.	(i) Brokerage/ Professional fee paid	0.01	1.84	-
	(ii) Associates				
	IEDF	Management Fees	40.03	160.10	-
	GIVF	Management Fees	52.40	226.10	-
	IACM - 1D	Management Fees	31.26	145.87	-
	VCFBC	Management Fees	5.30	-	-
C	**Trust incorporated for CSR activity:**				
	IFCI Social Foundation	(i) CSR contribution	71.35	76.24	-
D.	**Key Managerial Personnel : Managerial renumeration**				
	(i) Shri Deepak Mishra - Managing Director (till 8 November 2017)		-	19.49	-
	(ii) Shri Alok Sabharawal - Managing Director (till 26 September, 2018)		20.03	14.37	-
	(iii) Shri Shakti Kumar – Managing Director (w.e.f 1 October, 2018)		26.19	-	-
	(iv) Ms Indu Gupta - Chief Financial Officer		31.97	28.08	-
	(v) Shri Mukesh Girdhar - Company Secretary (till 11 March, 2019)		11.55	13.39	-
	(vi) Ms. Priyanka Munjal - Company Secretary (w.e.f 12 March, 2019)		0.42	-	-
	Directors - sitting fees				
	(i) Smt Anjali Kaushik		0.71	-	-
	(ii) Shri Lalit kumar Patangia		1.65	1.18	-
	(iii) Shri Ravindra Nath		0.25	-	-
	(iv) Shri Subhash Chander Kalia		1.39	0.13	-
	(v) Shri J. Venkateswarlu		1.99	0.76	-
	(vi) Shri Amarjit Chopra		-	0.34	-
	(vii) Smt Neeru Abrol		-	2.07	-
E.	**Balance Outstanding with the related party during the period: -**				
	IFCI Ltd.	(i) Payable to IFCI towards salary of employees	14	-	-
		(ii) Interest accrued on Bonds - IFCI Ltd.	456	325	202
		(iii) Bonds Subscribed & outstanding	1,500	1,500	1,500
		(iv) Loan taken from IFCI- outstanding	-	1,500	-
		(v) Interest on Loan Paid to IFCI- outstanding	-	23	-
		(vi) Other Expense payable	-	28	-
		(vii) Brokerage/ Professional fee -LOC	39	-	-
	Stock Holding Corporation of India Ltd.	(i) Brokerage/ Professional fee paid	0.03	-	-
	Total		**3,011.86**	**20,887.34**	**3,907.78**
F.	**Key management personnel compensation**				
	Short-term employee benefits		44	-	-
	Post-employment defined benefit		23	-	-
	Compensated absences		16	-	-
	Share-based payments		-	-	-
	Termination benefits		-	-	-
	Total Compensation		**83.35**	-	-

NOTE - 36 LEASES

i. Lease as lessee

The Company does not hold any properties under non- cancellable operating lease, The Company can cancel the operating lease by giving the prior period notice of one Month. The leases is for a period of 11 months, with an option to renew the lease after that period for another 11 months. The option is availabe with the lessee.

ii. Amounts recognised in profit or loss

During the year ended 31 March 2019, rental expenses of ₹ 179.86 lakhs (31 March 2018: ₹ 173.20 lakhs) have been recognised in profit and loss statement.

NOTE - 37 EARNINGS PER SHARE (EPS)

	Units	As at 31st March, 2019	As at 31st March, 2018
(a) Profit Computation for Equity shareholders			
Net profit as per Statement of Profit & Loss	₹ in lakh	(3,293.37)	(14.30)
Net profit for Equity Shareholders	₹ in lakh	(3,293.37)	(14.30)
(b) Weighted Average Number of Equity Shares outstanding	Nos	60,371,008	60,371,008
Earnings Per Share (Weighted Average)			
Basic	₹	**(5.46)**	**(0.02)**
Diluted	₹	**(5.46)**	**(0.02)**

* There are no potential equity shares outstanding as on March 31, 2019

Out of the above 6,03,71,008 (previous year 6,03,71,008) equity shares of Rs. 10 each the holding company namely IFCI LTD holds 5,95,21,008 equity shares i.e 98.59%.

NOTE - 38 As on March 31, 2019 there were no events or changes in circumstances which indicate any impairment in the assets as defined by Ind AS 36 - "Impairment of Assets".

NOTE - 39 OPERATING SEGMENTS

a. The MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Company is engaged primarily in Management of Venture funds and the business of financing are separate reportable segments as per Ind AS 108.

b. Information about geographical areas:

The entire revenue of the Company is from customers who are domiciled in India. Also, all the assets of the Company are located in India.

c. Information about major customers (from external customers):

The Company does not earn revenue from any customer which amount to 10 per cent or more of Company's revenue.

(d) **Segment Reporting (contd.)**

Particulars Segment Information

The Company has identified business segments as its primary segment. Business segments are primarily **Financing Activity** and **Management of Funds.** Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Business Segments			Business Segments		
	Financing Activity	Fund Management	Total	Financing Activity	Fund Management	Total
Revenue	4,383.69	624.00	5,007.69	7,163.63	971.17	8,134.80
Inter-segment revenue	-	-	-	-	-	-
Total	4,383.69	624.00	5,007.69	7,163.63	971.17	8,134.80
Segment result	**1,141.86**	**624.00**	**1,765.86**	**-404.18**	**971.17**	**566.99**
Unallocable expenses (net)	-	-	7,761.09	-	-	823.75
Operating Income			**-5,995.23**			**-256.76**
Other income (net)			4,275.15			32.64
Profit before taxes			-1,720.07			-224.12
Tax expense			1,573.29			-209.83
Net profit after Tax			-3,293.37			-14.30

(₹ in lakh)

PARTICULARS	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Business Segments			Business Segments		
	Financing Activity	Fund Management	Total	Financing Activity	Fund Management	Total
Segment assets	27,891.65	-	27,891.65	44,766.60	-	44,766.60
Unallocable assets	-	-	4,065.13	-	-	5,636.24
Total assets	-	-	31,956.78	-	-	50,402.84
Segment liabilities	31,882.43	-	31,882.43	50,355.70	-	50,355.70
Unallocable liabilities	-	-	74.34	-	-	47.14
			31,956.78			50,402.84
Capital expenditure (allocable)	-	-	-	-	-	-
Capital expenditure (unallocable)	2.83	-	**2.83**	0.79	-	**0.79**
Depreciation and amortisation (allocable)	-	-	-	-	-	-
Depreciation and amortisation (unallocable)	1.01	-	**1.01**	1.81	-	**1.81**
Other significant non-cash expenses (allocable)	-	-	-	-	-	-
(Provision for Bad & Doubtful Assets and Std Assets)	-	-	-	-	-	-
Other significant non-cash expenses (unallocable)	-	-	-	-	-	-

Geographical Segments:

The operations of the company are conducted within India and there is no separate reportable geographical segment.

NOTE - 40 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

(₹ in lakh)

PARTICULARS	As at 31st March, 2019		
	Note. No.	FVTPL	Amortised Cost
Financial assets:			
Cash and cash equivalents	2	-	121.38
Bank balance other than above		-	-
Receivables	3	-	8.38
Loans	4	-	21,594.63
Investments	5	5,841.51	0.02
Other financial assets	6	-	8.64
		5,841.51	21,733.05
Financial liabilities:			
Trade payables	12	-	77.14
Debt securities	13	-	10,173.31
Borrowings (other than debt securities)	14	-	5,190.07
Other financial liabilities		-	-
		-	15,440.52

(₹ in lakh)

PARTICULARS	As at 31st March, 2018		
	Note. No.	FVTPL	Amortised Cost
Financial assets:			
Cash and cash equivalents	2	-	3,340.20
Bank balance other than above		-	-
Receivables	3	-	76.81
Loans	4	-	33,886.23
Investments	5	5,624.86	1,825.24
Other financial assets	6	-	5.14
		5,624.86	39,133.62
Financial liabilities:			
Trade payables	12	-	50.63
Debt securities	13	-	12,212.77
Borrowings (other than debt securities)	14	-	17,945.17
Other financial liabilities		-	-
		-	30,208.57

(₹ in lakh)

PARTICULARS	Note. No.	As at 01st April, 2017 FVTPL	As at 01st April, 2017 Amortised Cost
Financial assets:			
Cash and cash equivalents	2	-	30.14
Bank balance other than above		-	-
Receivables	3	-	72.30
Loans	4	-	57,517.05
Investments	5	6,319.84	1,701.57
Other financial assets	6	-	9.05
		6,319.84	59,330.11
Financial liabilities:			
Trade payables	12	-	23.57
Debt securities	13	-	18,064.58
Borrowings (other than debt securities)	14	-	31,992.12
Other financial liabilities		-	-
		-	50,080.27

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) Recognised and measured at fair value and

(b) Measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

As at 31st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	2,328.05	-	-	2,328.05
-Equity Instruments-(Listed)	-	-	-	-
-Equity Instruments-(Non Listed)	-	-	418.74	418.74
-Units of Venture Funds	-	-	1,138.92	1,138.92
	2,328.05	-	1,557.66	3,885.71

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31st March, 2019	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	121.38	-	-	121.38	121.38
Bank balance other than above		-	-	-	-	-
Receivables	3	8.38	-	-	8.38	8.38
Loans	4	21,594.63	-	-	21,594.63	21,594.63
Investments	5	1,955.80	-	-	1,955.80	1,955.80
Other financial assets	6	8.64	-	-	8.64	8.64
		23,688.83	-	-	23,688.83	23,688.83

(₹ in lakh)

As at 31st March, 2019	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial liabilities:						
Trade payables	12	77.14	-	-	77.14	77.14
Debt securities	13	10,173.31	-	-	10,173.31	10,173.31
Borrowings (other than debt securities)	14	5,190.07	-	-	5,190.07	5,190.07
Other financial liabilities		-	-	-	-	-
		15,440.52	-	-	15,440.52	15,440.52

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

As at 31st March, 2018	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	2,504.20	-	-	2,504.20
-Equity Instruments-(Listed)	2.72	-	-	2.72
-Equity Instruments-(Non Listed)	-	-	420.00	420.00
-Units of Venture Funds	-	-	2,697.93	2,697.93
	2,506.92	-	3,117.93	5,624.86

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ in lakh)

As at 31st March, 2018	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	3,340.20	-	-	3,340.20	3,340.20
Bank balance other than above		-	-	-	-	-
Receivables	3	76.81	-	-	76.81	76.81
Loans	4	33,886.23	-	-	33,886.23	33,886.23
Investments	5	1,825.24	-	-	1,825.24	1,825.24
Other financial assets	6	5.14	-	-	5.14	5.14
		39,133.62	-	-	39,133.62	39,133.62
Financial liabilities:						
Trade payables	12	50.63	-	-	50.63	50.63
Debt securities	13	12,212.77	-	-	12,212.77	12,212.77
Borrowings (other than debt securities)	14	17,945.17	-	-	17,945.17	17,945.17
Other financial liabilities		-	-	-	-	-
		30,208.57	-	-	30,208.57	30,208.57

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

As at 01st April, 2017	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments				
-Mutual Funds	-	-	-	-
-Equity Instruments-(Listed)	3.42	-	-	3.42
-Equity Instruments-(Non Listed)	-	-	420.00	420.00
-Units of Venture Funds	-	-	5,896.42	5,896.42
	3.42	-	6,316.42	6,319.84

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(All amounts are in Rupees lakhs unless otherwise stated)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

(₹ In lakh)

As at 01st April, 2017	Note. No.	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:						
Cash and cash equivalents	2	30.14	-	-	30.14	30.14
Bank balance other than above		-	-	-	-	-
Receivables	3	72.30	-	-	72.30	72.30
Loans	4	57,517.05	-	-	57,517.05	57,517.05
Investments	5	1,701.57	-	-	1,701.57	1,701.57
Other financial assets	6	9.05	-	-	9.05	9.05
		59,330.11	-	-	59,330.11	59,330.11
Financial liabilities:						
Trade payables	12	23.57	-	-	23.57	23.57
Debt securities	13	18,064.58	-	-	18,064.58	18,064.58
Borrowings (other than debt securities)	14	31,992.12	-	-	31,992.12	31,992.12
Other financial liabilities		-	-	-	-	-
		50,080.27	-	-	50,080.27	50,080.27

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments include cash in hand, balances with other banks, trade receivables, trade payables and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

NOTE - 41 FINANCIAL RISK MANAGEMENT

The Company's activities exposure it to credit risk, liquidity risk, market risk and operational risk.

A. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(All amounts are in Rupees lakhs unless otherwise stated)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securtiies and deposits with banks and financial institutions and any other financial assets. Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's asset on finance and trade receivables from customers; loans and investments in debt securities. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; a breach of contract such as a default or past due event; the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits are established for each customer and reviewed quarterly.

The company determines significant increase in credit risk on a financial asset subject to impairment requirements as per expected credit loss method if the cash flows from the financial instrument are overdue by 30 days or more. The company considers default when the principal or interest cash flows on a financial asset is overdue by 90 days or more. The company provides lifetime expected credit losses on financial assets that are overdue by 30 or more. Financial assets that are overdue by 90 days or more are considered to be credit-impaired.The company recognises interest on effective interest rate for all financial assets whether credit-impaired or nor credit-impaired. For credit-impaired financial assets, interest is recognised on the the carrying amount remaining after deducting loss allowance. For the purposes of calculating expected credit losses, the company groups the financial assets based on similarity of type of financial asset such as coporate loan or personal loan, type of security such as loan against property and loan against shares, credit rating as at the reporting date and schedule of payment contractually specified such as monthly or quarterly. However, the credit losses are calculated on individual instrument level and not group level. The credit loss calculated at individual instrument level is then adjusted for the probability that the party may default with 12 months if the financat asset is overdue by less than 30 days and also by the risk weights based on gross exposure that includes loan commitments and credit risk rating grades. The company considers GDP growth rate and unempoyment rate over a period of 10 years. Empirically, there is a negative correlation between GDP growth rate and non-performing asset rate and a positive correlation between unemployment rate and non-performing asset rate. Any negative effect of GDP growth rate and unemployment rate is adjusted in the risk weights applied to the the credit loss calculated at instrument level. "

The company calculates credit loss based on the regression analysis of contractual and actual cash flows till the end of the reporting period. The calculation of credit loss looks into the future, that is after the end of the reporting period by considering contractual and actual cash flows till the end of latest month for which receipt information is available.

Actual cash flows beyond the month for which the receipt information is available is estimated based on regression equation. Credit loss is the present value of cash shortfalls from the end of the reporting period to the end of the contractual period. The adjusted credit loss is then compared with the present value of the collateral as on the reporting date and estimate of legal costs to be incurred for realisaation of security to determine the expected credit losses to recognised as loss allowance.

The present value of the collateral and legal costs is estimated beyon the contractual period if required. Any increase / decrease in loss allowance for financial assets measured at amortised cost is recognised in profit or loss for the period. Expected credit losses are considered based on the credit rating as at the end of the reporting period. Therefore, any change in the credit rating for that instrument may result in change in the risk weights applied to the credit loss calculated based on regression analysis of the contractual and actual cash flows over the period of the contract.In one of the cases of Loan against Shares, namely M/s Ashapura Intimates Fashion Ltd., there has been a steep fall of 96% in the share price post disbursement, within a short span of 4 months. Since there is news in public domain about the promoters/directors being not traceable, the loan has been recalled and legal action has been initiated against the Company and the promoters. Due to these reasons & erosion of securities, 100% provision (ECL) has been done in this case."

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

(All amounts are in Rupees lakhs unless otherwise stated)

b) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition and required steps are taken.

c) Provision for expected credit losses

The Company's exposure to credit risk for Loan and advances, trade receivables and other financial assets by type of counterparty is as follows.

The Company has applied a three-stage approach to measure expected credit losses (ECL). Assets migrate through following three stages based on the changes in credit quality since initial recognition:

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

d) Cash and cash equivalents

The Company holds cash and cash equivalents of INR 121.38 lakh at 31 March 2019 (31 March 2018: INR 3340.2 lakh; 01 April 2017: INR 30.14 lakh). The cash and cash equivalents are held with scheduled commercial banks. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and ECL on cash and cash equivalent has been estimated at NIL in view of credibility of banks.

e) Trade Receivable

Trade Receivable stands at nil as on 31/03/2019 Rs. 41.45 lakh as at 31/03/2018 the trade receivable relate to Management fees receivable one the venture funds which the company is managing and as such no impairment in the value is expected for the same.

f) Investment in Debt Security

The company holds investment in listed bonds of the holding company (IFCI LTD) and the intends to hold the same till maturity to reep the benefit of contratual interest. The same has been carried at amortised cost and no ECL is estimated on it.

Table showing movements in loss allowance for the years ended 31st March, 2018 and 31st March, 2019 (Paragraph 35H and 35I of Ind AS 107)

(₹ in lakh)

PARTICULARS	Categories of Financial Assets for Expected Credit Loss Allowance					
			Lifetime ECL			
	12-month ECL (A)	Lifetime ECL not Credit Impaired (B)	Credit Impaired but not purchased or originated credit impaired (C)	Trade Receivables, Contract Assets and Lease Receivables (D)	Purchased/ Originated Credit Impaired (E)	Total (F) = (A + B + C + D + E)
ECL as on 01st April 2017 (a)	₹ -	₹ 22.72	₹ 12,574.93	₹ -	₹ -	₹12,597.66
Add:	₹ -	₹ -	₹ -	₹ -	₹ -	₹-
Increase due to financial assets originated or acquired during the year ended 31 March 2018 (b)	₹ -	₹ -	₹ -	₹ -	₹ -	₹-
Due to Modification of Cash Flows (c)	₹ -	₹ -	₹ -	₹ -	₹ -	₹-
Transfer from one category to another(d)	₹ -	₹ 74.26	₹ -	₹ -	₹ -	₹ 74.26
Less:	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Decrease due to loans derecognised on full payment and no loan commitment (e)	₹ -	₹ 22.72	₹ -	₹ -	₹ -	₹ 22.72
Due to write off of loans (f)	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Transfer from one category to another (g)	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Change in ECL for other than Recovery on loans outstanding on 01 April 2017 and on 31 March 2018 (h) = (b+c+d-e-f-g)	₹ -	**₹ 51.54**	₹ -	₹ -	₹ -	**₹ 51.54**
ECL after increase / decrease on loans outstanding on 01 April 2017 and on 31st March 2018 (i) = (a + h)	₹ -	**₹ 74.26**	**₹ 12,574.93**	₹ -	₹ -	**₹12,649.19**
Other Changes including changes in rating, changes in security value, recovery on regular basis etc. (j)	₹ -	₹ -	₹ 880.59	₹ -	₹ -	₹ 880.59
ECL as on 31st March 2018 (k) =(i)+(j)	₹ -	**₹ 74.26**	**₹ 13,455.53**	₹ -	₹ -	**₹13,529.79**
Add:	₹ -	₹ -	₹ -	₹ -	₹ -	₹-
Increase due to financial assets originated or acquired during the year ended 31 March 2019 (l)	₹ -	₹ 930.38	₹ -	₹ -	₹ -	₹ 930.38
Due to Modification of Cash Flows (m)	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Transfer from one category to another (n)	₹ -	₹ -	₹ 384.69	₹ -	₹ -	₹ 384.69
Less:	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Decrease due to loans derecognised on full payment and no loan commitment (o)	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Due to write off of loans (p)	₹ -	₹ -	₹ 6,256.42	₹ -	₹ -	₹ 6,256.42
Transfer from one category to another (q)	₹ -	₹ 74.26	₹ -	₹ -	₹ -	₹ 74.26
Change in ECL for other than Recovery on loans outstanding on 31st March, 2018 and on 31st March, 2019 (r) = (l+m+n-o-p-q)	₹ -	**₹ 856.11**	**₹-5,871.73**	₹ -	₹ -	**₹-5,015.62**
ECL after increase / decrease on loans outstanding on 31st March, 2018 and 31st March, 2019 (s) = (k + r)	₹ -	₹ 930.38	₹ 7,583.79	₹ -	₹ -	₹ 8,514.17
Other Changes including Recovery on regular basis during six months ended 31st March, 2019 (t)	₹ -	₹ 17.65	₹ 756.45	₹ -	₹ -	₹ 774.10
ECL as on 31st March, 2019 (u) =(s)+(t)	₹ -	**₹ 948.02**	**₹ 8,340.25**	₹ -	₹ -	**₹ 9,288.27**

Table showing effect of collateral on the amounts arising from expected credit losses (Paragraph 35K and 36 of Ind AS 107)

(₹ in lakh)

PARTICULARS	As on 01st April 2017 (A)	As on 31st March 2018 (B)	Impairment Loss / - Gain for the year ended 31st March 2018 (C) = (A) - (B)	As on 31st March 2019 (C)	Impairment Loss / - Gain for the year ended 31st March 2019 (D) = (C) - (B)
Maximum exposure to credit risk before considering collateral for financial assets subject to impairment as per ECL (a)	₹ 20,540.43	₹20,209.09	₹ -331.34	₹ 17,364.43	₹ -2,844.66
Present Value of Collateral net of present value of legal costs for financial assets subject to impairment as per ECL (b)	₹ 30,559.90	₹ 17,034.69	₹ -13,525.21	₹ 15,566.84	₹ -1,467.85
Maximum exposure to credit risk of financial assets on which no loss allowance has been recognised because of collateral (c)	₹ 3,372.21	₹ 1,035.92	₹ -2,336.29	₹ 1,710.75	₹ 674.83
Present Value of Collateral net of present value of legal costs of financial assets on which no loss allowance has been recognised because of collateral (d)	₹ 25,989.33	₹ 11,391.31	₹ -14,598.02	₹ 9,201.43	₹ -2,189.88
Maximum exposure to credit risk before considering collateral on financial assets on which loss allowance has been recognised (e) = (a) - (c)	₹ 17,168.23	₹ 19,173.17	₹ 2,004.94	₹ 15,653.68	₹ -3,519.49
Present Value of Collateral net of present value of legal costs of financial assets on which loss allowance has been recognised because of collateral (f) = (b) - (d)	₹ 4,570.57	₹ 5,643.38	₹ 1,072.81	₹ 6,365.41	₹ 722.03
Total (g) = (e) - (f)	**₹12,597.66**	**₹13,529.79**	**₹932.13**	**₹9,288.27**	**₹ -4,241.52**

Description of the nature and quality of the collateral held

Collateral in the form of land, building, plant & machinery, listed shares of companies are taken as collaterals against loans

Significant changes in the quality of collateral as a result of deterioration or changes in the collateral policies during the reporting period

The collateral is valued from time to time, other than listed shares, which are traded on the Stock Exchanges. The changes observed in the quality of the collateral are due to the prevailing market price, the saleability, demand and supply, changes in government policies and regulations etc.

Outstanding contractual amounts written off during the reporting period and are still subject to enforcement activity (Paragraph 35L of Ind AS 107)	₹ 6,769.08	₹ -			

Table showing gross carrying amount of financial asset and exposure to credit risk on loan commitments (Paragraph 35M of Ind AS 107)

(₹ in lakh)

PARTICULARS	Categories of Financial Assets for Expected Credit Loss Allowance					Total (F) = (A + B + C + D + E)
		Lifetime ECL				
	12-month ECL (A)	Lifetime ECL not Credit Impaired (B)	Credit Impaired but not purchased or originated credit impaired (C)	Trade Receivables, Contract Assets and Lease Receivables (D)	Purchased/ Orginater Credit Impaired (E)	
As on 1 April 2017 (a)	₹ 36,000.54	₹ 19,102.23	₹ 23,553.50	₹ -	₹ -	₹ 78,656.27
As on 31 March 2018 (b)	₹ 21,663.97	₹ 8,507.07	₹ 22,067.34	₹ -	₹ -	₹ 52,238.38
Increase / -Decrease in Gross Exposure for the year ended 31 March 2018 (c) = (b) - (a)	**₹-14,336.56**	**₹-10,595.16**	**₹ -1,486.16**	₹ -	₹ -	**₹-26,417.88**
As on 31 Marc 2019 (d)	₹ 3,907.92	₹ 7,090.26	₹ 20,523.41	₹ -	₹ -	₹ 31,521.59
Increase / -Decrease in Gross Exposure for six months ended 31 March 2018 (e) = (d) - (b)	₹-17,756.06	₹-1,416.81	₹-1,543.93	₹ -	₹ -	₹-20,716.80

Disclosure of nature and carrying amount of collateral obtained during the period (Paragraph 38 of Ind AS 107)

Carrying amount of collateral obtained (31st March, 2019)	Rs.695.17 crores	
Carrying amount of collateral obtained (31st March, 2018)	Rs.1221.43 crores	

Nature of collateral obtained

Either physical property in the form of land, building, plant & machinery, or by way of pledge of promoters' shareholding

Policy for disposing off or using them in operations

In case of land, building, plant & machinery, collateral is disposed off by way of legal action either under SRFA&ESI, IBC or DRT. In case of listed shares, the shares are sold on stock exchanges, in the event of any event of default.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities over the next six months. The Company also monitors the level of expected cash inflows on loans together with expected cash outflows on borrowings and other financial liabilities. At 31 March 2019, the expected cash flows from loans and investments maturing within are in tabel below. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit:-

- INR 500 lacs overdraft facility that is secured.
- INR 1800 lacs Working Capital Demand Loan facility that is secured, renewable every 6 months and can be drawn down to meet short-term financing needs.
- INR 100 crore Standby Revolving Facility from the Holding Company.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amount are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

(₹ in lakh)

As at 31st March, 2019	Contractual Cash Flows					
	Carrying amount as per IND AS	6 Month or Less	6 Month-1 Year	1-3 Year	3-5 Year	More than 5 Year
Non - derivative financial liabilities						
Borrowings	5,190.07	1,237.17	1,522.90	2,430.00	-	-
Debt securities issued	10,173.31	2.85	234.46	5,830.00	4,106.00	-
Issued loan commitments	-	745.00	-	-	-	-
TOTAL	15,363.38	1,985.01	1,757.36	8,260.00	4,106.00	-
Non-derivative financial assets						
Cash and cash equivalents	121.38	121.38	-	-	-	-
Loans and advances	21,594.63	7,191.07	6,345.26	4,328.78	3,729.51	-
Investment securities	5,841.51	638.92	-	500.00	3,783.85	918.74
TOTAL	27,557.53	7,951.38	6,345.26	4,828.78	7,513.36	918.74

(₹ in lakh)

As at 31st March, 2018	Contractual Cash Flows					
	Carrying amount as per IND AS	6 Month or Less	6 Month-1 Year	1-3 Year	3-5 Year	More than 5 Year
Non - derivative financial liabilities						
Borrowings	17,945.17	5,052.58	4,653.60	7,936.99	302.00	-
Debt securities issued	12,212.77	20.48	256.29	-	7,830.00	4,106.00
Issued loan commitments	-	360.00	-	-	-	-
TOTAL	30,157.94	5,433.06	4,909.89	7,936.99	8,132.00	4,106.00
Non-derivative financial assets						
Cash and cash equivalents	3,340.20	3,340.20	-	-	-	-
Loans and advances	33,886.23	12,187.51	12,767.89	8,089.75	841.08	-
Investment securities	7,450.09	4,302.42	1,772.32	1,063.42	-	311.93
TOTAL	44,676.52	19,830.13	14,540.20	9,153.17	841.08	311.93

(₹ in lakh)

As at 01st April, 2017	Carrying amount as per IND AS	Contractual Cash Flows				
		6 Month or Less	6 Month-1 Year	1-3 Year	3-5 Year	More than 5 Year
Non - derivative financial liabilities						
Borrowings	31,992.12	5,546.82	8,728.93	14,962.17	2,742.49	-
Debt securities issued	18,064.58	48.28	6,080.30	-	7,830.00	4,106.00
Issued loan commitments	-	790.00	-	-	-	-
TOTAL	50,056.70	6,385.11	14,809.23	14,962.17	10,572.49	4,106.00
Non-derivative financial assets						
Cash and cash equivalents	-	-	-	-	-	-
Loans and advances	57,517.05	16,523.20	14,043.49	21,758.36	5,192.00	-
Investment securities	8,021.42	5,899.84	-	1,701.57	-	420.00
TOTAL	65,538.47	22,423.04	14,043.49	23,459.93	5,192.00	420.00

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows which are not usually closed out before contract maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

D. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Company mainly have risk from interest rate which is managed and monitored using sensitivity analysis.All such transactions are carried out within the guidelines set by the Risk Management Committee.

Interest rate risk

The Company adopts policy of ensuring that its interest rate exposure will maintain. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management is as follows:

Particulars	Note Ref	31 March 2019	31 March 2018	01 April 2017
Fixed rate instruments				
Financial assets	4,5	27,436.14	41,336.33	65,538.47
Financial liabilities	13	10,173.31	17,212.77	18,064.58
Variable rate instruments				
Financial assets		-	-	-
Financial liabilities	14	5,190.07	17,945.17	31,992.12

NOTE - 42 CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI from time to time basis.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

The primary objectives of the Company's management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premium, retained earnings and reserves after adjustment for dividend declared and deduction for intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy puposes.
- Tier 2 capital, which includes provision for standard assets.

(₹ in lakh)

	Note Ref. No.	As at 31st March, 2019	As at 31st March, 2018	As at 01st April, 2017
Common equity Tier 1 (CET1) capital				
Ordinary share capital	18	6037.1	6037.1	6037.1
Share premium	19	4747.9	4747.9	4747.9
Retained earnings	19	2354.18	5830.41	5855.91
Other reserves (including u/s 45 IC of RBI Act)	19	3117.91	3117.91	3117.91
Deductions:				
Intangible assets	10	-0.07	-0.14	-0.21
Deferred tax other than temporary differnces	8	-4060.99	-5633.94	-4354.72
Adjustment of Bonds with Group Company		-736.2	-415.31	-161.18
		11,459.83	13,683.93	15,242.71
Tier 2 capital instruments				
General Provision including provision for standard assets		52.48	74.26	22.72
		52.48	74.26	22.72
Total regulatory capital		11,512.31	13,758.19	15,265.43
Tier 1 capital		11,459.83	13,683.93	15,242.71
Risk weighted assets		26728.08	41008.26	65460.04
CRAR (%)		43.07%	33.55%	23.32%
CRAR -Tier I Capital (%)		42.88%	33.37%	23.29%
CRAR -Tier II Capital (%)		0.20%	0.18%	0.03%

NOTE - 43 FIRST TIME ADOPTION OF IND AS

Explanation of transition to Ind AS

These financial statements for the year ended 31 March 2019, are the first financial statements, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read with the Companies (Accounting Standards) Rules, 2006 as amended and other requirements of applicable laws in India, hereinafter called "Previous GAAP".

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ended 31 March 2019, together with comparative data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. All applicable Ind AS have been applied consistently and retrospectively subject to Ind AS 101 exemptions and exceptions availed by the Company. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
(All amounts are in Rupees lakhs unless otherwise stated)

In preparing its Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions:

(i) Property plant and equipment, intangible assets and investment properties

As per Ind AS 101 an entity may elect to:

a) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

b) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (a) and (b) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(c) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

The Company has elected to apply the exemption available under Ind AS 101 to use the carrying value (measured as per the previous GAAP) for all of its property, plant and equipment, intangible assets and investment properties as recognised in the financial statements as at the date of transition to Ind ASs, as deemed cost as at the date of transition (i.e. 1 April 2017).

B. Mandatory exceptions:

(i) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the derecognition principles of Ind AS 109 prospectively from 01 April 2017.

(ii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS and at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:-

- Fair value of financial instruments carried at fair value through profit and loss and/ or fair value through other comprehensive income.
- Impairment of financial assets based on the expected credit loss model.- Determination of the discounted value for financial instruments carried at amortised cost.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
(All amounts are in Rupees lakhs unless otherwise stated)

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

Notes to the reconciliations

a. Expected credit loss allowance

Provisioning of Standard and NPA Loan Accounts recognised under previous GAAP based on RBI prudential norms is reversed and recognised as expected credit loss along with respective loan account. On transition to Ind AS, the Company has recognised impairment loss on loans based on the expected credit loss model as required by Ind AS 109. Consequently, loans have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended 31 March 2018.

b. Fair valuation of investments

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on intention of management at the time of purchase. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investments. The Company has measured its investments whose contractual terms do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at fair value with changes in fair value recognised in profit or loss.

In accordance with Ind AS, investment in equity shares,venture capital funds and mutual funds have been fair valued with changes in fair value recognised in profit and loss account, and Investment in debt securities are measured at amortized cost.

c. Other Financial Assets

Interest on Loans & investment recognised with respective Loan/Investment account following effective interest method.

d. Deferred tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, Company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

e. Other Financial Liabilities

Interest on borrowings recognised with respective borrowing following effective interest method.

f. Actuarial gain and loss

Under Ind AS, all actuarial gains and losses on post employment defined benefit plan are recognised in other comprehensive income. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. The concept of other comprehensive income did not exist under previous GAAP. However, this has no impact on the total comprehensive income and total equity.

g. Retained earnings

Retained earnings as at 1 April 2017 has been adjusted consequent to the above Ind AS transition adjustments.

h. Interest income on NPA assets

Under the previous GAAP, interest income is measured basis Internal rate of return (IRR) and is recognised as it accrues on a time proportion basis taking into account the amount of principle outstanding and the interest rate applicable, except in the case of nonperforming assets (NPA) where it is recognised upon realisation as per RBI Guidelines. Under Ind AS, interest income from financial assets is recognised on an accrual basis using Effective Interest Rate (EIR) method on the gross carrying amount for assets falling under stages 1 and 2 (as per ECL methodology) and on the amortised cost for assets falling under stage 3.

Balance Sheet of IFCI Venture Capital Funds Limited
Reconciliation as at 31[st] March, 2019

RECONCILIATION OF TOTAL EQUITY

(₹ in lakh)

	PARTICULARS	Note	IGAAP as at 31[st] March, 2018	Ind As Adjustment	Ind AS as at 31[st] March, 2018	IGAAP as at 01[st] April, 2017	Ind As Adjustment	Ind AS as at 1[st] April, 2017
(1)	**Financial Assets**							
(a)	Cash and Cash Equivalents		3,340.20	-	3,340.20	30.14	-	30.14
(b)	Bank Balances other than (a) above		-	-	-	-	-	-
	Receivables							
	(I) Trade Receivables		-	-	-	-	-	-
	(II) Other Receivables		76.81	-	76.81	72.30	-	72.30
(e)	Loans	a,h	42,122.20	8,235.96	33,886.23	64,730.06	7,213.01	57,517.05
(f)	Investments	b	10,143.27	2,693.17	7,450.09	8,228.74	207.33	8,021.42
(g)	Other Financial Assets	c	529.85	524.71	5.14	739.65	730.60	9.05
	Total		**56,212.33**	**11,453.85**	**44,758.48**	**73,800.89**	**8,150.94**	**65,649.95**
(2)	**Non Financial Assets**							
(a)	Current tax assets (Net)		-	-	-	-	-	-
(b)	Deferred tax assets (Net)	d	1,324.79	-4,309.14	5,633.94	924.43	-3,430.29	4,354.72
(c)	Property, plant and equipment		2.17	-	2.17	3.12	-	3.12
(d)	Intangible assets		0.14	-	0.14	0.21	-	0.21
	Other Current Assets		8.12	-	8.12	5.91	-	5.91
	Total		**1,335.22**	**-4,309.14**	**5,644.36**	**933.67**	**-3,430.29**	**4,363.96**
	Total assets		**57,547.55**	**7,144.71**	**50,402.84**	**74,734.57**	**4,720.65**	**70,013.91**
	Liabilities and equity							
	Liabilities							
(1)	**Financial Liabilities**							
	Payables							
	(1) Trade Payables							
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
	(2) Other Payables							
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		50.63	-0.00	50.63	23.57	-0.00	23.57
	Debt Securities	e	11,936.00	-276.77	12,212.77	17,760.00	-304.58	18,064.58
(d)	Borrowings (Other than Debt securities)	e	17,892.89	-52.28	17,945.17	31,979.10	-13.02	31,992.12
(e)	Other financial liabilities	e	329.05	329.05	-	317.60	317.60	-
	Total		**30,208.57**	**-0.00**	**30,208.57**	**50,080.27**	**-0.00**	**50,080.27**
(2)	**Non Financial Liabilities**							
(a)	Current Tax Liabilities (Net)		181.50	-	181.50	28.32	-	28.32
(b)	Provisions	a,f	4,811.09	4,578.79	232.30	2,833.06	2,702.31	130.76
(c)	Deferred tax liabilities (Net)		-	-	-	-	-	-
(d)	Other non-financial Liabilities		47.14	-0.00	47.14	15.74	-0.00	15.74
	Total		**5,039.73**	**4,578.79**	**460.94**	**2,877.12**	**2,702.31**	**174.82**
	Total Liabilities		**35,248.30**	**4,578.79**	**30,669.51**	**52,957.39**	**2,702.30**	**50,255.09**
(3)	**Equity**							
(a)	Equity share capital		6,037.10	-	6,037.10	6,037.10	-	6,037.10
(b)	Other equity	g	16,262.15	2,565.91	13,696.23	15,740.07	2,018.35	13,721.72
	Total equity		**22,299.25**	**2,565.91**	**19,733.33**	**21,777.17**	**2,018.35**	**19,758.82**
	Total liabilities and equity		**57,547.55**	**7,144.71**	**50,402.84**	**74,734.56**	**4,720.65**	**70,013.91**

Profit and Loss Account of IFCI Venture Capital Funds Limited Reconciliation for the year ended 31st March, 2019

(₹ in lakh)

	PARTICULARS	Note	I-Gaap for the year ended 31st March, 2018	Ind As Adjustment	IND-AS for the year ended 31st March, 2018
	Revenue From Operations				
(i)	Interest Income	h	6,924.89	-238.74	7,163.63
(ii)	Fees and Commission Income		971.17	-	971.17
(iii)	Net Gain on Fair Value Changes	b	-	-	-
(iv)	Others		-	-	-
A.	**Total Revenue from Operations**		**7,896.06**	**-238.74**	**8,134.80**
B.	Other Income	b	32.64	0.00	32.64
				-	-
C.	**Total Income (A+B)**		**7,928.70**	**-238.73**	**8,167.44**
	Expenses				
(i)	Finance costs		4,331.71	-	4,331.71
(ii)	Fees and commission expense		146.30	-	146.30
(iii)	Net loss on fair value changes	b	-817.56	-2,975.22	2,157.66
(iv)	Employee Benefits expenses	f	448.23	17.12	431.11
(v)	Impairment on financial instruments	a	-	-932.13	932.13
(vi)	Depreciation, amortization and impairment		1.81	-	1.81
(vii)	Other expenses	a	2,633.02	2,242.20	390.82
D.	**Total Expenses**		**6,743.52**	**-1,648.04**	**8,391.56**
E.	Profit / (loss) before exceptional items and tax (C-D)		1,185.18	1,409.30	-224.12
F.	Exceptional Items		-	-	-
G.	Profit / (loss) before tax (E-F)		1,185.18	1,409.30	-224.12
H.	Tax Expense:			-	-
	1. Current Tax		1,063.46	-	1,063.46
	2. Deferred Tax		-400.36	872.93	-1,273.29
I.	Profit / (loss) for the period from continuing operations (After Tax) (G-H)		522.08	536.37	-14.30
				-	-
M.	**Profit/(loss) for the period (I+L)**		**522.08**	**536.37**	**-14.30**
				-	
N.	**Other comprehensive Income**			-	-
	(A) (i) Items that will not be reclassified to profit or (loss)-Remeasurement of the net defined benefit liability/assets	f	-	17.12	-17.12
	(ii)Income tax relating to items that will not be reclassified to profit or loss			-	-
	Subtotal (A)		-	-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			-	-
	Subtotal (B)			-	-
				-	-
	Other Comprehensive Income (A+B)		-	**17.12**	-17.12
			-	-	
O.	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**522.08**	**553.49**	**-31.41**

NOTE - 44 RBI DISCLOSURES

The following additional information is disclosed in terms of RBI Circulars:

(a) Capital :

(₹ in lakh)

Particulars			31st March, 2019	31st March, 2018
Capital				
(a)	Capital to Risk Assets Ratio (CRAR)		43.07%	33.55%
(b)	CRAR – Tier I capital (%)		42.88%	33.37%
(c)	CRAR – Tier II capital (%)		0.20%	0.18%
(d)	Subordinated debt raised, outstanding as Tier II Capital (Rs.)		NIL	NIL
(e)	Risk-weighted assets (Rs.);			
	(i)	On-Balance Sheet Items	26,728.08	41,008.26
	(ii)	Off-Balance Sheet Items	-	-

(b) Details of investment and movement in provision

(₹ in lakh)

Particulars		As on 31st March, 2019	As on 31st March, 2018
Value of Investment			
Gross Value of Investments		9446.31	9973.47
Provisions for Depreciation		3604.80	2523.38
Net Value of Investments		5841.51	7450.09
Movement of prov. held towards dep. on investments			
(i)	Opening balance	2523.38	365.71
(ii)	Add : Provisions made during the year	1081.42	2157.66
(iii)	Less : Write-off /write-back of excess prov. during the year	-	-
(iv)	Closing balance	3604.80	2523.38

(c) Maturity Pattern of assets and liabilities

(₹ in lakh)

	1 Day to 30 Days (1 Mth)	Over 1 Mth to 2 Mths	Over 2 Mth to 3 Mths	Over 3 Mth to 6 Mths	Over 6 Mth to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Liabilities									
Borrowing from Banks	159.87	-	212.00	865.30	1,522.90	2,430.00	-	-	5,190.07
Market Borrowings	-	-	-	-	-	-	-	-	-
Bonds	-	-	-	2.85	234.46	5,830.00	4,106.00	-	10,173.31
Total	**159.87**	**-**	**212.00**	**868.15**	**1,757.36**	**8,260.00**	**4,106.00**	**-**	**15,363.38**
Assets									
Advances	563.39	934.63	624.00	5,069.05	6,345.26	4,328.78	3,729.51	-	21,594.63
Investments			638.92	-	-	5,00.00	3,783.85	918.74	5,841.51
Total	**563.39**	**934.63**	**1262.92**	**5,069.05**	**6,345.26**	**4,828.78**	**7,513.36**	**918.74**	**27,436.14**

(d) Exposures : Exposure to Real Estate Sector

(₹ in lakh)

Category			31st March, 2019	31st March, 2018
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	-	-
	(ii)	Commercial Real Estate- Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	2,356.95	2,386.10
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures: a) Residential b) Commercial Real Estate	Nil	Nil

(e) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

(₹ in lakh)

Particulars	As on 31st March, 2019		As on 31st March, 2018	
	O/s	Overdue	O/s	Overdue
(a) Bank Loans	5,190.07	---	17,945.17	--
(b) Bonds	10,173.31	--	12,212.77	--
TOTAL	15,363.38	—	30,157.94	--

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

(f) Provisions and contingencies

(₹ in lakh)

Particulars	As on 31st March, 2019	As on 31st March, 2018
Provision for depreciation on Investment*	-	-
Provision towards NPA	6,642.95	8,873.89
Provision made towards Income tax	-	181.50
Provision for Standard Assets	52.48	74.26
Provision for Re-structured Standard Assets	--	—
Provision for Employee Benefits	184.32	232.30
Provision for Expense	0.50	--

*All Investment has been carried out at Fair Value Through Profit & Loss.

(g) Concentration of Advances, Exposures and NPAs:

Concentration of Advances

(₹ in lakh)

	As on 31st March, 2019	As on 31st March, 2018
Total Advances to twenty largest borrowers	26,096.96	33,575.88
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	97.19%	79.71%

Concentration of Exposures

(₹ in lakh)

	As on 31st March, 2019	As on 31st March, 2018
Total Exposure to twenty largest borrowers / customers	26,096.96	33,575.88
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	97.19%	79.71%

Concentration of NPAs

(₹ in lakh)

	As on 31st March, 2019	As on 31st March, 2018
Total Exposure to top four NPA accounts	8,100.65	7936.10

(h) Sector-wise NPAs

(₹ in lakh)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that Sector	
		As on 31st March, 2019	As on 31st March, 2018
1	Agriculture & allied activities	Nil	Nil
2	MSME	Nil	Nil
3	Corporate borrowers	51.13%	33.40%
4	Services	Nil	Nil
5	Unsecured personal loans	Nil	Nil
6	Auto loans	Nil	Nil
7	Other Personal Loans	Nil	Nil

(i) Movement of NPA :

(₹ in lakh)

Particulars			As on 31st March, 2019	As on 31st March, 2018
(i)	Net NPAs to Net Advances (%)		35.07%	15.63%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	14,069.86	10,892.59
	(b)	Additions during the year	5,208.50	5,057.67
	(c)	Reductions/write-offs during the year	5,548.05	1,880.40
	(d)	Closing balance	13,730.31	14,069.86

(₹ in lakh)

(iii) Movement of NPAs (Net)			
	(a) Opening balance	5,195.97	2,824.90
	(b) Additions during the year	3,123.90	3,428.16
	(c) Reductions/write-offs during the year	1,232.51	1,057.10
	(d) Closing balance	7,087.36	5,195.97
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening balance	8,873.89	8,067.68
	(b) Provisions made during the year	2,084.59	1,629.51
	(c) Write-off / write-back of excess provisions	4,315.54	823.30
	(d) Closing balance	6,642.95	8,873.89

(j) Details of Loan Assets subjected to Restructuring : NIL

(k) Details of Borrower Limit-Single & Group exceeded by the NBFC on the basis of Gross Exposure: NIL

(l) Disclosure of restructured assets

Type of restructuring		Other*			
Asset classification		**Standard**	**Substandard**	**Doubtful**	**Loss**
Restructured accounts as on April 1, 2018	No. of borrowers		4	-	-
	Amount outstanding		4,678.69	-	-
	Provision thereon		3,678.32		
Fresh restructuring during FY 2018-19	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Upgradations to restructured standard category during FY 18-19	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
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	-	-	-	-
Downgradation of restructured accounts during the year	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
Writeoffs / settlement of restructured accounts during the year	No. of borrowers	-	2	-	-
	Amount outstanding	-	2,785.42	-	-
	Provision thereon	-	2,400.20	-	-
Restructured accounts as on March 31, 2019	No. of borrowers	-	2	-	-
	Amount outstanding	-	1,893.27	-	-
	Provision thereon	-	1,225.90	-	-

* There are no restructured accounts under "CDR Mechanism" and "SME Debt Restructuring Mechanism"

(m) Exposure to Capital Market

(₹ in lakh)

	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(i)	Direct investments 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	4,702.59	4,752.16
(ii)	Advances against shares/bonds/debenture 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	Nil	Nil
(iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary securities	1,875.16	3,088.82
(iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debenture 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.	Nil	Nil
(v)	Secured and unsecured advances to the stockbrokers and guarantees issued on behalf of stockbrokers and market makers.	Nil	Nil
(vi)	Loan sanctioned to corporate 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.	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues.	Nil	Nil
(viii)	All exposure to Venture Capital Funds both registered and unregistered)	1,138.92	2,697.93
	Total exposure to capital market	**7,716.68**	**10,538.91**

(n) Schedule to the Balance Sheet of a NBFC

Particulars						
Liability Side			**31st March, 2019**		**31st March, 2018**	
(1)	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		**Amount Outstanding**	**Amount Overdue**	**Amount Outstanding**	**Amount Overdue**
	(a)	Debentures: Secured	8,046.82		10,086.29	
		:Unsecured	2,126.49		2,126.49	
		(Other than falling within the meaning of public deposits)				
	(b)	Deferred Credits				
	(c)	Term Loans	5,190.07		17,945.17	
	(d)	Inter-corporate loans and borrowing				
	(e)	Commercial papers				
	(f)	Public Deposits				
	(g)	Other Loans –OD/ CC Limit				
(2)	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		N.A	N.A	N.A	N.A

				Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Assets Side							
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:						
	(a)	Secured		29,330.36		45,567.03	
	(b)	Unsecured		1,552.53		1,848.99	
(4)	Break up of leased Assets and stock on hire and other assets counting towards AFC activities			N.A	N.A	N.A	N.A
(5)	**Break-up of Investments**						
	Current Investments						
	1.	Quoted				NIL	NIL
	2.	Unquoted					
		(i)	Shares				
			(a) Equity				
			(b) Preference				
		(ii)	Debentures and Bonds				
		(iii)	Units of Mutual Funds	2,328.05		2,504.20	–
		(iv)	Government Securities			--	–
		(v)	Other (please specify)			--	–
	Long Term Investments						
	1.	Quoted					
		(i)	Shares			--	–
		(ii)	Debentures and Bonds	1,955.80		1,825.24	–
	2.	Unquoted					
		(i)	Shares				
			(a) Equity	418.74		422.72	
			(b) Preference				
		(ii)	Debentures and Bonds				–
		(iii)	Units of Mutual Funds			--	--
		(iv)	Government Securities			–	–
		(v)	Units of Venture Funds	1,138.92		2,697.93	--
(6)	**Borrower group-wise classification of assets financed in (3) and (4) above: please see note 2 below**						
	Category						
	1.	Related Parties **					
		(a)	Subsidiaries		-		-
		(b)	Companies in the same group		-		-
		(c)	Other related parties		-		-
	2.	Other than related parties			21,594.63		33,886.23
	Total				**21,594.63**		**33,886.23**

(7) Investor group wise classification of all Investments (Current & Long term) in shares and securities (both Quoted & Unquoted)

Category			31st March, 2019		31st March, 2018	
			Market Value/Break up or fair value or NAV	Book Value (Net of Provision)	Market Value/Break up or fair value or NAV	Book Value (Net of Provision)
1.	Related Parties **					
	(a)	Subsidiaries				
	(b)	Companies in the same group	1,955.80		1,825.24	
	(c)	Other related parties				
2.	Other than related parties		3,885.71		5,624.85	
	Total		**5,841.51**		**7,450.09**	

(8) Other Information

Particular			31st March, 2019	31st March, 2018
(i)	Gross Non Performing Assets			
	(a)	Related parties		
	(b)	Other than related parties	13,730.31	14,069.86
(ii)	Net Non-Performing Assets			
	(a)	Related parties		
	(b)	Other than related parties	7,087.36	5,195.97
(iii)	Assets acquired in satisfaction of debts			

(o) Rating assigned by credit rating agencies and migration of ratings during the year:-

Long Terms (Bonds/Term Loans)

Ratings by	31st March, 2019	31st March, 2018	31st March, 2017
CARE	CARE BBB (SO) Negative CARE BBB Negative	CARE BBB+(SO) Negative CARE BBB Negative	CARE A-(SO) Negative CARE BBB+Negative
Brickwork	BWR BBB+ Stable	BWR A-Stable	BWR A-Stable

(p) Disclosures related to Customer Complaints:- NIL

Particulars	31st March, 2019	31st March, 2018	31st March, 2017
No. of complaints pending at the beginning of the year	Nil	Nil	Nil
No. of complaints received during the year	Nil	Nil	Nil
No. of complaints redressed during the year	Nil	Nil	Nil
No. of complaints pending at the end of the year	Nil	Nil	Nil

As per our report of even date attached
For Lunawat & Co.
Chartered Accountants
FRN: 000629N

Vikas Yadav
Partner
M. No. 511351

V.S.V. Rao
Director (DIN:00334394)

Shakti Kumar
Mg. Director (DIN : 07457801)

Place : New Delhi
Date : 27.04.2019

Indu Gupta
Chief Financial Officer

Priyanka Munjal
Company Secretary

IFCI VENTURE

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CIN: U65993DL1988GOI030284