IFCI LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)

(भारत सरकार का उपक्रम)

ANNUAL REPORT 2021-22

TWENTY-NINTH ANNUAL GENERAL MEETING

DATE	:	December 22, 2022
DAY	:	Thursday
TIME	:	11:30 A.M.
PLACE	:	Auditorium, First Floor, IFCI Tower 61 Nehru Place, New Delhi - 110 019

Through
Video Conferencing (VC)/
Other Audio Visual Means (OAVM)

CONTENTS

(As on 09.11.2022)

BOARD OF DIRECTORS

Shri Manoj Mittal Managing Director & CEO
Dr. Bhushan Kumar Sinha
Ms. Anindita Sinharay
Prof N Balakrishnan
Prof Arvind Sahay
Shri Surendra Behera
Shri Arvind Kumar Jain

(As on 22.11.2022)

CHIEF VIGILANCE OFFICER

Shri Sushil Kumar

PRINCIPAL OFFICERS

CHIEF GENERAL MANAGERS

Shri Prasoon
(Chief Financial Officer)

Shri Sachikanta Mishra

GENERAL MANAGERS

Shri Shivendra Tomar

Shri Suneet Shukla

Ms. Pooja S Mahajan
(Additional charge as CEO & Trustee, IFCI Social Foundation)

Shri Pawan Kumar

Shri Bikash Kanti Roy

Shri Atul Saxena
(Secretary to the Board)

Ms. Rita Jan

Shri Harjeet Singh
(Chief Technical Officer & Chief Information Officer)

Shri Rajeev Ahluwalia
(Chief Risk Officer)

Shri Deepak Mishra

Shri Samik Dasgupta
(On deputation to IIFCL)

Shri V Anish Babu
(On deputation to IFCI Venture Capital Funds Ltd. as MD)

Shri Rajesh Kumar Gupta
(On deputation to IBBI)

Shri Alok Sabharwal

Ms. C Santhi

Shri Shakti Kumar

Shri V K Deshraj
(On deputation to IFCI Infrastructure Development Ltd. as MD)

Shri Manoj Kumar Parida

Shri Debashish Gupta
Additional charge as
Chief Information Security Officer, IVCF

Shri V Sreekumaran Nair

Shri B B Sahu

STATUTORY AUDITORS

M. K. AGGARWAL & CO.
Chartered Accountants

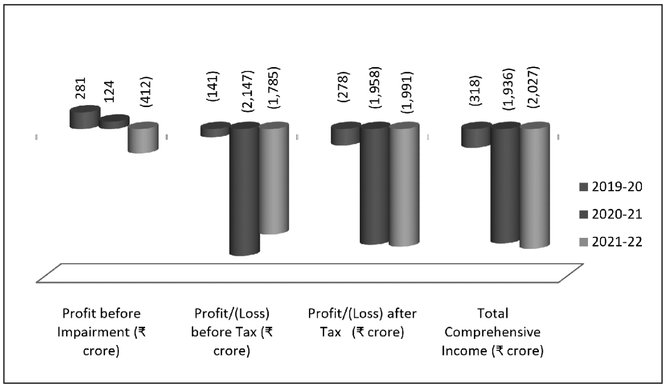
FINANCIAL HIGHLIGHTS

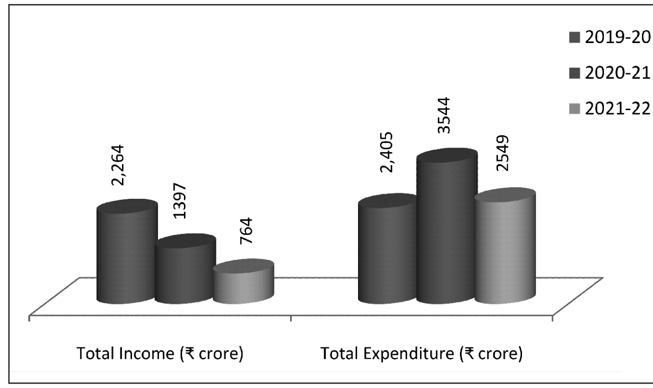
(₹ crore)

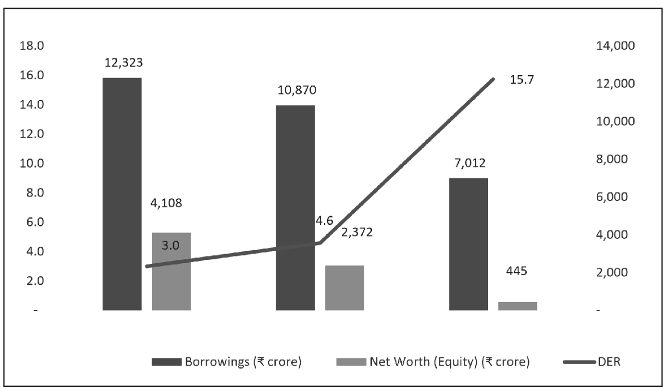
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
LIABILITIES AND EQUITY			
Financial Liabilities	8545.44	12,845.49	14,195.64
Non-financial liabilities	79.31	82.60	125.87
Share Capital	2102.99	1,895.99	1,695.99
Other equity	-1657.54	476.11	2,411.78
	9,070.20	**15,300.19**	**18,429.28**
ASSETS			
Non-financial Assets	4160.70	4,551.41	4,366.44
Financial assets	4909.46	10,748.74	14,062.84
Assets classified as held for sale	0.04	0.04	-
	9,070.20	**15,300.19**	**18,429.28**

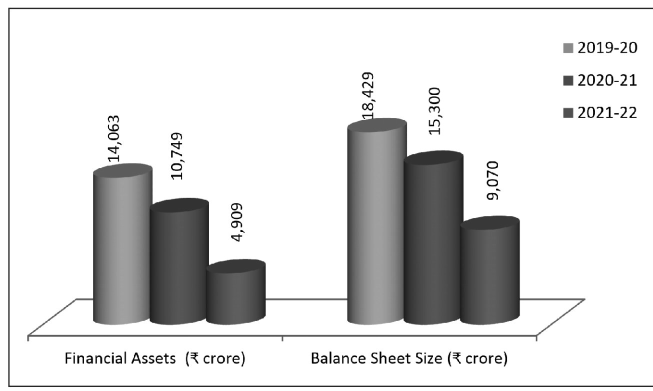
	2021-2022	2020-2021	2019-2020
EARNINGS			
Total Income (₹ crore)	763.61	1,396.92	2,264.06
Profit before Impairment	(411.78)	124.40	281.05
Profit/(Loss) before Tax (₹ crore)	(1,785.10)	(2,147.23)	(140.91)
Profit/(Loss) after tax (₹ crore)	(1,991.33)	(1,957.81)	(277.88)
Total comprehensive income	(2,026.66)	(1,935.68)	(317.53)
RATIOS			
Capital to Risk Assets Ratio	-64.85%	-10.8%	13.5%
Debt-Equity Ratio	15.74	4.6	3.0

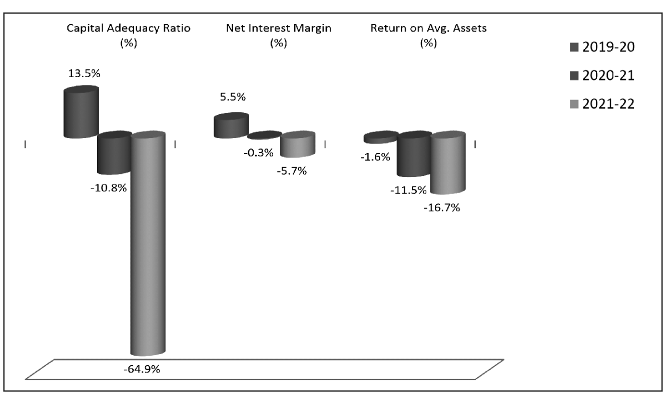
ANNUAL PERFORMANCE TRENDS

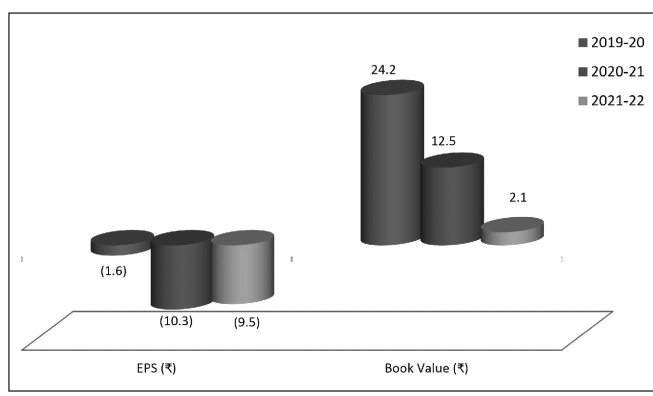


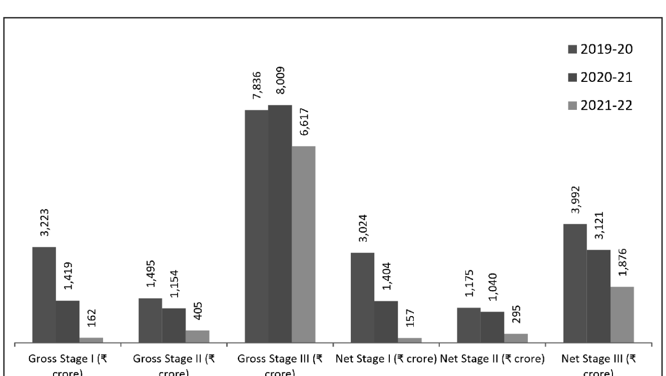


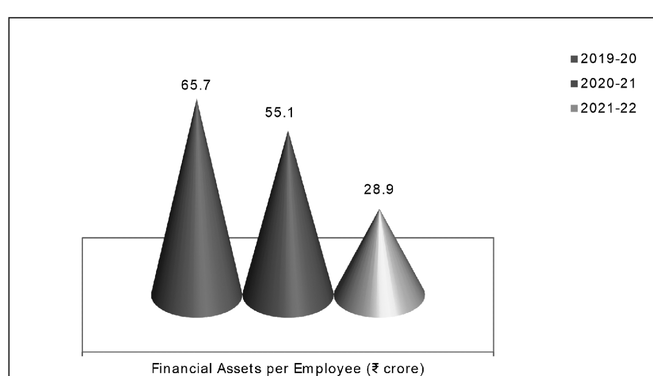












NOTICE

NOTICE is hereby given that the Twenty-Ninth (29th) Annual General Meeting of the Members of **IFCI Limited** will be held on Thursday, December 22, 2022 at 11:30 A.M. (IST) at Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019, through Video Conference (VC) / Other Audio Visual Means (OAVM) to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2022, and the reports of the Auditors' and Boards' thereon.
2. To appoint a Director in place of Prof Arvind Sahay (DIN: 03218334), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Section 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section(s) 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company, be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (C&AG) for the Financial Year 2022-23, as may be deemed fit."

Special Business

4. To consider and, if thought fit, to pass, the following resolution(s) as **Special Resolution(s)**:-

   "RESOLVED THAT in accordance with the provisions of Section(s) 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws including the SEBI(Issue and Listing of Non-Convertible Securities) Regulations, 2021 , SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities Contract (Regulations) Act, 1956 and other applicable SEBI regulations and guidelines, the circulars / directions / guidelines issued by Reserve Bank of India, and any other Rules / Regulations as amended from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of requisite approvals as may be applicable / required, including the approval of any existing lender(s) / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Members be and is hereby accorded to raise funds through private placement of unsecured/secured, listed/ unlisted, perpetual/redeemable, non- convertible, cumulative/ non-cumulative, taxable/tax free, senior/subordinate bonds/ Infrastructure bonds/ Zero Coupon Bonds / Inflation Indexed Bonds/ debentures/ notes/ debt securities in India and / or outside India (through External commercial borrowing, Foreign Portfolio Investment, other debt securities etc.) upto an amount of ₹ 1,000 crore during a period of one year from the date of passing of this resolution in one or more tranches/ series/ combinations (including the exercise of Green Shoe option) under one or more letter(s) of offer/disclosure documents as may be issued by the Company in one or more series, to such persons as identified by the Board of Directors of the Company (or any duly constituted Committee of the Board or such other authority or such person as may be approved by the Board) who may or may not be the existing bond/debenture holder(s) of the Company, as the Board (or any duly constituted Committee of the Board or such other authority or person as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Superannuation & Pension Funds, Schedule Commercial Banks, Financial Institutions, Insurance Companies, Primary/State/District/Central Co-operative Banks, Regional Rural Banks, Mutual Funds, Bodies Corporate, Companies, private or public, trust or any other entities, authorities, and to such other persons or investors category eligible to invest subject to current applicable rules, act, laws etc. in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹ 1,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

   "RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/ debentures in India or outside India the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority or such person as may be approved by the Board, be and is hereby authorized to determine/ approve/ vary or modify the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/ debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things as they may, in their absolute discretion deem necessary, desirable or expedient for any offer, issue, allotment of the aforesaid unsecured/secured non-convertible bonds/ debentures, including but not limited to listing with the Stock Exchanges and to resolve and to settle all questions and difficulties that may arise in the proposed offer, issue and allotment of the aforesaid non-convertible Debentures/ Bonds and to do all such deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the Members of the company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

   "RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to a Committee of the Board or any such persons as it may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purpose of the Issue, allotment and settle any questions or difficulties that may arise in regard to the Issue."

5. Appointment of Shri Surendra Behera (DIN: 09784122) as Director Liable to Retire by Rotation.

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Sections 149, 152, and other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder, Regulation 17 (1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, Shri Surendra Behera (DIN: 09784122), who was appointed as Additional Director on the Board pursuant to section 161(1) of the Act, with effect from November 09, 2022, and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. Appointment of Shri Arvind Kumar Jain (DIN: 07911109) as Director Liable to Retire by Rotation.

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to Sections 149, 152, and other applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder, Regulation 17 (1C) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or any other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, Shri Arvind Kumar Jain (DIN: 07911109), who was appointed as Additional Director on the Board pursuant to section 161(1) of the Act, with effect from November 09, 2022, and in respect of whom, the Company has received a notice in writing proposing his candidature for Directorship under Section 160 of the Act, be and is hereby appointed as Director of the Company, liable to retire by rotation."

Registered Office:
IFCI Tower
61 Nehru Place
New Delhi-110019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

By order of the Board of Directors

(Priyanka Sharma)
Company Secretary

Date: November 09, 2022

NOTES:

1. Pursuant to the Circular No. 20/2020 dated 5 May 2020 read with Circular No. 14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020, Circular No. 02/2021 dated 13 January 2021, Circular No. 19/2021 dated 8 December 2021, Circular no. 21/ 2021 dated 14 December 2021 and Circular no. 2/2022 dated 05 May 2022 and other applicable circulars issued by the Ministry of Corporate Affairs and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), the 29th AGM of the Company shall be conducted through VC/OAVM.

2. In continuation of this MCA Circular No. 20/2020, dated May 05, 2020 and after due examination, MCA has allowed companies whose AGMs were due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/ 2020 as per MCA circular no. 02/2022 dated May 05, 2022.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ('SEBI Listing Regulations') (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM ('Venue Voting') will be provided by CDSL.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020 read with Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, pursuant to the Section(s) 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ifciltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/ EGM) i.e. www.evotingindia.com.

6. This meeting is being convened through electronic means, in accordance with the circulars, issued by the Ministry of Corporate Affairs from time to time. Hence, Members are requested to attend and participate in the ensuing AGM though VC/OAVM. Accordingly, the Proxy Form, Attendance Slip and Route Map are not annexed with the Notice.

7. The 'Deemed Venue' for 29th AGM shall be 'Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi - 110019'.

8. As per the MCA Circular No. 20/2020 dated May 05, 2020, physical copy of the Notice calling AGM or the Annual Report for the FY 2021-22 will not be sent in physical form. The Annual Reports of the Company inter-alia including the Notice calling 29th AGM will be sent in electronic mode to those Members who have registered their e-mail ID either with the Company or the R&STA or their respective Depository Participants.

9. Those Shareholders whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent (R&STA) at admin@mcsregistrars.com; helpdeskdelhi@mcsregistrars.com, by providing details viz. Name as registered with the R&STA, address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them.

10. The Members can join the AGM in the VC/OAVM mode 15

minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis.

This will however not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The Institutional shareholders are requested and encouraged to attend and vote at the 29th AGM of the Company.

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at complianceofficer@ifciltd.com.

14. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Item No. 4, 5 and 6 is annexed hereto.

15. All documents referred to in the accompanying Notice and the explanatory statement as well as other documents as required under the provisions of the Companies Act, 2013 are open for inspection through electronic mode on all working days except Saturdays, Sundays and holidays between 11:00 am to 01:00 pm upto the date of this AGM. The register required to be maintained under section 170 of the Companies Act, 2013 will be available for inspection at the AGM through electronic mode.

16. Register of Members and Share Transfer Books for equity shares will remain closed from Friday, December 16, 2022 to Thursday, December 22, 2022 (both days inclusive).

17. Brief details of the director, who is being re-appointed, is annexed hereto as per requirements of regulation 36(3) of SEBI Listing Regulations and as per provisions of the Act.

18. As per the SEBI requirements, Members holding shares in demat form are requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to R&STA.

19. In case of joint holders attending the Meeting, only such joint holder whose name is registered as first holder will be entitled to vote through e-voting or e-voting at AGM.

20. In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, w.e.f. April 01, 2019, transfer of Securities of the company shall not be processed unless the securities are held in the dematerialised form with a depository. Accordingly. Shareholders holding equity shares in physical form are requested to have their shares dematerialised.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The remote e-voting period begins on Monday, December 19, 2022 at 9:00 A.M. (IST) and ends on Wednesday, December 21, 2022 at 5:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, December 15, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovementioned SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the e-Voting Service Provider ('**ESP**') i.e. CDSL/ NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to ESPs, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all E-Voting Service Providers.
Individual Shareholders holding securities in Demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile.

	Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name i.e. IFCI Limited or ESP name and you will be re-directed to ESP website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to ESP website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.
Individual Shareholders (holding securities in Demat mode) login through their **Depository Participants**	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL website after successful authentication, wherein you can see e-Voting feature. Click on company name i.e. IFCI Limited or ESP name and you will be redirected to ESP's website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or Toll Free No.- 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or Toll Free No. - 1800 1020 990 and 1800 22 44 30.

(iv) Login method for e-Voting and joining virtual meeting for **Shareholders other than Individual Shareholders & for Physical Shareholders**.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.

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

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

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

(viii) Click on the EVSN for IFCI.

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

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

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

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

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xv) There is also an optional provision to upload Board Resolution/ Power Of Attorney if any uploaded, which will be made available to scrutinizer for verification.

(xvi) **Additional Facility for Non - Individual Shareholders and Custodians -Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. complianceofficer@ifciltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ('VENUE VOTING') ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request in advance atleast **7 days prior to AGM** mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@ifciltd.com.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM, provided time permits.
9. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to AGM** mentioning their name, demat account number/folio number, email id, mobile number at complianceofficer@ifciltd.com. These queries will be replied to by the Company by email, as considered necessary.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the AGM through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the AGM is available only to the shareholders attending the AGM.

PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

For Physical shareholders	Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at complianceofficer@ifciltd.com RTA at admin@mcsregistrars.com; helpdeskdelhi@mcsregistrars.com
For Demat shareholders	Please provide Demat account details (CDSL- 16-digit beneficiary ID or NSDL-16-digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company at complianceofficer@ifciltd.com RTA at admin@mcsregistrars.com; helpdeskdelhi@mcsregistrars.com

For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is required while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at Toll Free No. 1800 22 55 33. All grievances connected with the facility for e-Voting may be addressed to:

Mr. Rakesh Dalvi
Senior Manager
Central Depository Services (India) Limited
A Wing, 25th Floor
Marathon Futurex, Mafatlal Mill Compounds
N M Joshi Marg, Lower Parel (East)
Mumbai - 400013
E-mail - helpdesk.evoting@cdslindia.com
Toll Free No. - 1800 22 55 33

OTHER INFORMATION:

1) Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Thursday, December 15, 2022), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
2) The remote e-voting period begins on Monday, December 19, 2022 at 9:00 A.M. (IST) and ends on Wednesday, December 21, 2022 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter.
3) The Members who have cast their vote by remote-evoting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.
4) The shareholders can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered.
5) The Board of Directors has appointed Shri Vijay K. Singhal (COP 10385), Partner of M/s Sanjay Grover & Associates failing him Shri Kapil Dev Taneja (COP 22944), Partner of M/s Sanjay Grover & Associates, Practising Company Secretaries, New Delhi, as Scrutinizer to scrutinize the remote e-voting and Venue Voting in a fair and transparent manner and to submit report thereon.
6) The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.ifciltd.com and on the website of CDSL at www.evotingindia.com immediately and on the Notice Board of the Company at its registered office after the result is declared. The Voting Results along with Scrutinizer's Report will also be submitted with the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
7) IFCI is not including the financial statements of its subsidiaries on standalone basis in its Annual Report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Audited Accounts of these companies for the FY 2021-22 will be available at the website of the Company at www.ifciltd.com. The Annual Accounts of these Companies are open for inspection at the Registered Office of IFCI and at the Registered Offices of the respective companies upto the date of this AGM on any working day. The Company will also provide copy of separate audited financial statements in respect of each of its subsidiaries to any of the shareholder of the Company who ask for it.
8) The Members holding equity shares in physical form are requested to intimate to the R&STA i.e. MCS Share Transfer Agent Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, regarding change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form is required to be intimated to the concerned Depository Participant.
9) Members holding shares in more than one folio in identical order of names are requested to write to Registrar & Share Transfer Agent enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
10) Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably at least seven days prior to the date of Meeting, so as to enable the management to keep the information ready.
11) As per the MCA Circular 17/2020 dated April 13, 2020 read with MCA Circular 20/2020 dated May 05, 2020, the Notice of the AGM has been sent through electronic mode to only those Members whose email IDs are registered with the Company/ Depository participant. Further, updation if any, will be provided on the website of the Company at www.ifciltd.com.
12) Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared upto the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund. The Company had not declared any dividend for the financial years 1999-2000 to 2007-08. The unclaimed dividend for the years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 (Interim Dividend) have already been transferred to IEPF, pursuant to the provisions of Section 124 of the Act, read with other applicable Law / Rules / Regulation in this regard. Further, unclaimed dividend for year 2014-15 has already become due for transfer to IEPF on September 27, 2022 and will be transferred to IEPF as per the statutory provisions in due course.
13) The dividend for the Financial Year 2015-16 (interim) that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Account [2015-16(Interim)] of IFCI Ltd. The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned account, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for year2015-16 is March 16, 2023.
14) Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof. For the dividend declared for the year 2015-16, Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to contact the Company/ R&STA well before time i.e. well before the due date of transferring the amount to IEPF as stated above.

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

Item No. 4

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share capital and Debentures) Rules, 2014 and the other applicable rules made thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. The relevant provisions of the Companies Act, 2013, also provide that such an approval by way of special resolution can be obtained once a year for all the issues, offers and invitations made for such NCDs during the year. Members of the Company at the 28th Annual General Meeting held on December 17, 2021, approved by way of Special Resolution issuance of securities by private placement for an amount not exceeding ₹ 1,000 crore in the year commencing from December 17, 2021 i.e. the date of approval by shareholders. However, the above approval of the shareholders is valid only upto a period of 1 year, thereby completing on December 16, 2022.

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

The Board of Directors at their meeting held on November 09, 2022 had subject to the approval of the shareholders, accorded approval for raising of funds by way of private placement of unsecured/secured non-convertible bonds/debentures in India or Outside India to the extent of ₹ 1000 crore, in one or more tranches.

Therefore, the approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the applicable Rules made there under, to enable the Company to offer or invite subscriptions for securities, including but not limited to bonds and NCDs upto ₹ 1,000 crore on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 4, within the overall borrowing limits of the Company, as approved by the Members from time to time.

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

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

Item No. 5

Shri Surendra Behera, (DIN: 09784122) was appointed as an Additional Director of Your Company on November 09, 2022, on the recommendation of Nomination and Remuneration Committee of Directors, who holds the office upto the date of this Annual General Meeting and eligible for appointment as Director as provided under the Companies Act, 2013. The Company has received a valid notice under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director and also he has given his consent to act as director. Brief profile of Shri Surendra Behera is set out in the "Information about Directors seeking appointment/reappointment as mandated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" is annexed with the notice.

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

Accordingly, Your Directors recommends the Ordinary Resolution for approval of the Members.

Item No. 6

Shri Arvind Kumar Jain, (DIN: 07911109) was appointed as an Additional Director of Your Company on November 09, 2022, on the recommendation of Nomination and Remuneration Committee of Directors, who holds the office upto the date of this Annual General Meeting and eligible for appointment as Director as provided under the Companies Act, 2013. The Company has received a valid notice under Section 160 of the Companies Act, 2013 proposing his candidature for office of Director and also he has given his consent to act as director. Brief profile of Shri Arvind Kumar Jain is set out in the "Information about Directors seeking appointment/reappointment as mandated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" is annexed with the notice.

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

Accordingly, Your Directors recommends the Ordinary Resolution for approval of the Members.

Registered Office: IFCI Tower
61 Nehru Place
New Delhi-110019
Date: June 24, 2019
CIN: L74899DL1993GOI053677
Tel: 011-41732000
Fax: 011-26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

By order of the Board of Directors

(Priyanka Sharma)
Company Secretary

Date: November 09, 2022

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

Prof. Arvind Sahay

Prof. Arvind Sahay is Professor of Marketing and International Business, Dean (Alumni & External Relations) at IIM Ahmedabad. He is Ph.D. from University of Texas Austin and B.Tech. from IIT Kanpur. He did Post Graduation Diploma in Business from IIM Ahmedabad.

Prof. Sahay has authored more than 50 cases and published in leading international journals like the Journal of Marketing, Journal of Product Innovation Management, Journal of International Business Studies, Sloan Management Review, Vikalpa, the Journal of Academy of Marketing Science and Journal of Indian Business Research. His article in the Journal of Academy of Marketing Science is one of the most widely cited papers in marketing. He has been a regular columnist for Outlook Business magazine on marketing strategy and has also written for the leading Indian business newspaper, Financial Express, on economics and business. He is the author of a case book on marketing strategy called Cases in Pricing, Marketing Communications and Distribution.

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

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

Besides IFCI, Professor Sahay is also on the Board of Brandscapes Consultancy Pvt. Ltd., HIL Ltd., Matter Motor Works Private Limited and Indian International Bullion Exchange IFSC Limited.

Prof. Arvind Sahay is on the following Board Level Committees of IFCI Ltd.:

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

He is also a member of the Audit Committee and Stakeholders Relationship Committee of Directors in HIL Limited.

Prof. Arvind Sahay is on the Board of the Company since October 30, 2017. He has attended all the Board Meetings held during the FY 2021-22.

He does not hold any shares in IFCI Ltd, neither in his name nor as beneficial owner. He is not related to any Director on the Board. Further, he is not debarred from holding the office of Director by virtue of any SEBI order or any other authority.

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

Shri Surendra Behera

Shri Surendra Behera did his graduation in Economics and Post-graduation in Personnel Management and Labour & Social Welfare from Utkal University, Bhubaneswar. He was appointed as Direct recruit officer in cadre of AAO (18th Batch) in LIC of India in 1986. He is associated with LIC of India since then and had become Executive Director in 2019.

Shri Surendra Behera has also served as a Head of marketing department of Branch, Division, Zonal and Central office at LIC of India. Besides being an marketing expert he had an illustrious career as Head of Personnel and Legal Department at Division and Zonal Level.

Currently, Shri Surendra Behera is in charge of Zonal Training Centre of LIC of India under East Central Zone.

Besides IFCI Ltd., Shri Surendra Behera is not on the Board of any other listed Entity. Further, at present he is a member of the Stakeholders Relationship Committee, Business Responsibility Reporting Committee, Risk & Asset Liability Management Committee, Executive Committee and IT Strategy Committee of Directors of IFCI.

Shri Surendra Behera does not hold any shares in IFCI Ltd, neither in his name nor as beneficial owner. He is not related to any Director on the Board. Further, he is not debarred from holding the office of Director by virtue of any SEBI order or any other authority.

Shri Arvind Kumar Jain

Shri Arvind Kumar Jain is a Gold medalist in M.Sc.(Statistics) and has done, B.Sc.(Hons), LLB and CAIIB (Certified Associate of the Indian Institute of Bankers).

Shri Arvind Kumar Jain is Ex- ED of Punjab & Sindh Bank, having rich banking experience of around 40 years with expertise in Treasury Corporate Credit, International Banking, Equity & Debt capital raising, Compliances and Risk Management. In Banking, his career remained quite bright & headed the Branches/ Controlling offices besides worked in H.O. of the bank. In Oriental Bank of Commerce as a Chief General Manager, he headed the Large Corporate Credit Department and as a General Manager he headed Integrity Treasury and International Division, Mid Corporate Credit, Merchant Banking division, Investor Relation etc.

Shri Arvind Kumar Jain is on the Board and member of the Committees of following Companies*:

S. No.	NAME OF COMPANY	COMMITTEE
1.	Micro Units Development & Refinanceagency Limited	ACB, NRC, IT Strategy, RCM and Executive Committee
2.	IDBI Asset Management Limited	ACB, RCM, Independent Director, CSR and Staff Accountability Committee
3.	PNB Investment Services Limited	ACB, RCM and NRC
4.	Nabsamruddhi Finance Limited	ACB, NRC, CSR and Independent Director
5.	IFCI Venture Capital Funds Limited	Audit Committee, NRC, Executive Committee and NPA Review Committee
6.	PNB Metlife India Insurance Company Limited	Investment
7.	Sidbi Venture Capital Limited	NRC and CSR
8.	ICMAI Registered Valuers Organisation	Grievance

*It includes the Listed entity from which he has resigned during past 3 years

Shri Jain does not hold any shares in IFCI Ltd, neither in his name nor as beneficial owner. He is not related to any Director on the Board. Further, he is not debarred from holding the office of Director by virtue of any SEBI order or any other authority.

At present, he is a member of the Audit Committee, Nomination & Remuneration Committee, Review Committee on wilful defaulters, Review Committee on Non-cooperative Borrowers and Recovery & NPA Management Committee and Executive Committee of Directors of IFCI.

LISTING AT STOCK EXCHANGES

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

The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2022-23.

ROUTE MAP OF THE VENUE

Route Map and Prominent Landmark of AGM Venue and Attendance Slip.

In view of the MCA vide its Circulars, the Company will hold the AGM through VC/OAVM, without the physical presence of the Members at Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-19. In view of the directions from MCA, the Meeting is being convened through VC/OAVM and physical presence of the Members are not required at the venue and that the proceedings of the AGM conducted shall be deemed to be made at this venue.

BOARD'S REPORT

To The Members

The Board of Directors of Your Company ("Your Company" or "IFCI") presents the 29th (Twenty Ninth) Annual Report of IFCI Ltd., together with the audited financial statements for the year ended March 31, 2022.

Financial Summary and State of Company's Affairs

The summarized financial performance of Your Company during the year and the previous year are as under:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	**2021-22**	2020-21
Total Income	764	1,397	1,596	2,094
Less:				
Total Expenses before Impairment Allowance, Depreciation & Amortisation	1,153	1,243	1,661	1,803
Impairment on financial instruments	1,373	2,272	1,391	2,305
Depreciation and amortisation	23	29	66	72
Total Expenses	**2,549**	**3,544**	**3,118**	**4,181**
Exceptional Items	-	-	1	(2)
Profit/(Loss) before tax	**(1,785)**	**(2,147)**	**(1,523)**	**(2,085)**
Tax expense	206	(189)	(238)	(173)
Profit/(Loss) before share in profit of associates	(1,991)	(1,958)	(1,761)	(1,912)
Total Expenditure Share in profit of associates	-	-	-	-
Profit/(Loss) for the year	**(1,991)**	**(1,958)**	**(1,761)**	**(1,912)**
Other comprehensive income (net of tax)	(35)	22	1,754	416
Total Comprehensive Income	**(2,026)**	**(1,936)**	**(7)**	**(1,495)**
Net profit/(Loss) attributable to -				
Owners of the Company	NA	NA	(1,831)	(1,942)
Non-controlling interest	NA	NA	70	30
Total Comprehensive Income attributable to -				
Owners of the Company	NA	NA	(920)	(1,711)
Non-controlling interest	NA	NA	914	216
Earnings per share				
Basic Earnings per share of ₹ 10 each	(9.47)	(10.33)	(8.71)	(10.24)
Diluted Earnings per share of ₹ 10 each	(9.47)	(10.33)	(8.71)	(10.24)

The above numbers are extracted from the financial statements prepared in accordance with the Indian Accounting Standards (Ind AS), in compliance with the Companies (Account) Rules, 2014 and accounting standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

Any regulation/ guidance/ clarification/ direction issued by Government of India, RBI or by any other Regulators, of Your Company will be implemented by Your Company as and when they are issued/ applicable.

During the year, there was reduction in operational income on account of decline in loan assets caused by prepayments of certain loans & scheduled repayments with no fresh sanction or disbursement, increase in stage-3 assets, non-recognition of interest income on stage-3 assets and write off of stage-3 income in certain cases.

Financial Performance

Your Company suffered a total comprehensive loss of ₹ 2026.66 crore during the year under report, mainly on account of unfavorable economic environment, non-recognition of income of stage-3 assets and large amount of impairment made in respect of Stage-3 assets. The substantial amount of provisions enhanced the provision coverage ratio to over 82.68%. However, the capital adequacy ratio reduced in current FY to -64.85% with Tier-I capital at -64.96%. Various initiatives were taken during the year in order to maximize recovery from non-performing loan assets, expedite divestment of non-core assets and strengthen the advisory business, which are expected to improve the cash flow of Your Company and make the balance sheet of Your Company healthier.

Sanctions, Disbursements and Recovery

During the FY 2021-22, while keeping in view the macroeconomic situation and impact of COVID pandemic, Your Company adopted a cautious approach and did not sanction any new loans.

Your Company actively pursued recovery towards Non-Performing Assets (NPAs), majorly through settlement and assignment routes, as recovery through legal route was delayed on account of COVID pandemic, thereby recovering ₹ 1,097 crore out of NPAs, and ₹ 257 crore out of Security Receipts (SRs) and unquoted equity, during FY 2021-22.

Your Company will continue to maintain momentum of NPA Resolution & Recovery achieved in the last financial year and will make efforts for expeditious recovery in the current financial year also.

Treasury, Investment and Forex Operations

Your Company has been cautious in investing the surplus funds across diversified instruments with focus on safety while making every effort towards maximizing yield in consonance with liquidity management.

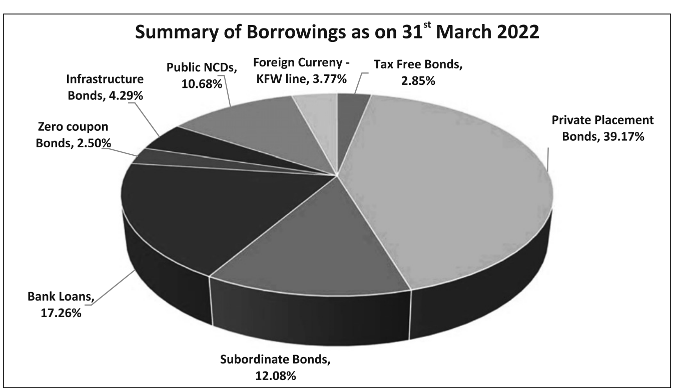
In rupee operations, the objective had been to manage the surplus funds effectively with minimum risk and deployment of surplus funds in shorter duration instruments to meet liquidity requirements. The underlying investment principle was safety, liquidity and risk containment and accordingly Your Company invested in Treasury Bills, Government Securities, Certificate of Deposit, Commercial Papers, Inter-Corporate Deposit / Short Term Deposit, Fixed Deposits / Bonds and Mutual Fund Schemes during the year. Average Deployment during the year was ₹ 1,346.83 crore against ₹ 851.70 crore in FY 2020-21 and annualized return on fund deployed was 3.51%. The return during FY 2021-22 from Treasury operations was lower than the previous year as investments were made in instruments with shorter maturity, with the objective to ensure safety and liquidity. During the year under report, Your Company registered an interest income of ₹ 75.68 crore from investments as against ₹ 79.83 crore during the previous year.

In view of volatility prevailing in market due to uncertainties on account of increasing commodity prices and geographical conflict in later part of the year, Your Company continued with the prudent strategy of selective disinvestment of slow moving/illiquid stocks and booking profits from investments in stocks. Net investment portfolio of Your Company as on March 31, 2022 stood at ₹ 2,944 crore as against ₹ 4,294 crore at the end of previous Financial Year. The Foreign Currency (FC) operations were confined to servicing of FC liabilities and containing the exchange risk arising due to mismatch in the outstanding amount of FC assets and liabilities. The mismatches were covered through forward contracts and currency futures. The net mismatch position was maintained well below the limits approved by Board and RBI, by maintaining almost square position.

Resource Mobilisation and Borrowing Profile:

During the year, Your Company could not channelise fresh resources due to rating constraints and weak financial parameters. The servicing of liabilities was done majorly from own sources.

The Principal liability outstanding of Your Company as on March 31, 2022 was ₹ 7,011.90 Crore comprising of rupee borrowings of ₹ 6,639.15 Crore and foreign currency loan of ₹ 372.75 Crore. Interest liability outstanding (i.e. interest accrued but not due on borrowings) as on March 31, 2022 was ₹ 674.14 crore. The broad instrument wise break-up of outstanding borrowings as on March 31, 2022 is indicated below:



Investor services continued to be of utmost importance for Your Company. Investors' service requests / grievances received in physical or electronic form or through web-based query submission system, were taken up promptly and redressed.

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

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

Technology Absorption - Information technology (IT) has transformed the conduct of businesses in every sector of the economy. The in-house team of IT professionals in Your Company had developed system namely "CIIS" which largely consists of applications supporting major business functions as well as non-core functions. The system has been successfully running for over 20 years and the system has constantly been upgraded in line with requirements. During FY 2021-22, the existing software applications were upgraded with enhanced/added features. New Modules were developed in-house for different functions. Your Company is maintaining proper Data Backup and has set up a Disaster Recovery Site to protect data and business information systems. Your Company has started using Document Management Systems and has upgraded its IT infrastructure. Video Conferencing Facility was also enhanced to provide streamlined video communication and live content sharing by using Webex Meetings/Teams Meeting.

During pandemic, the IT System of Your Company enabled employees to work from home and attend and conduct regular meetings using collaboration tools.

Foreign Exchange Earnings

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

(₹ in crore)

Particulars	**Year End 31.03.2022**	Year End 31.03.2021
Expenditure in Foreign Currencies:		
Interest on borrowings	3.16	3.43
Other Matters	0.00	0.00
TOTAL	**3.16**	**3.43**
Earning in Foreign Currencies:		
Earning in Foreign Currency	NIL	NIL

Internal Financial Control

Your Company has sound Internal Financial Controls over financial reporting through policies and procedural manuals, designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. The entity level control framework, designed and implemented in earlier years, was subjected to sample tests by the Management of Your Company, for various processes, during the year under report by a well experienced Internal Audit Team of Your company with a frequency parallel with Internal Audit. Based on the satisfaction over the operating effectiveness of the Internal Financial Controls, the Board of Directors believes that adequate Internal Financial Controls exist and are operating effectively.

Vigilance

The Company has a dedicated Vigilance Department, headed by Chief Vigilance Officer. Vigilance Department at Head Office takes care of all vigilance matters of IFCI, its Regional Offices & subsidiaries.

With amplified prominence given to preventive vigilance, the department conducts inspection of various offices from time to time. If irregularities/ lapses are observed, then the same is shared with Regional Incharges and concerned departments of Head Office for taking various steps to initiate the corrective measures or to take actions towards systemic improvements or initiate penal action based on the nature of case. Vigilance Dept. also informs the management for systemic improvement based on the findings. Vigilance Dept. ensures the completion of disciplinary proceedings as per extant guidelines within the set timelines. It helps Your Company to promote ethical practices within the organization.

During 2021-22, Vigilance Department organized various online workshops / trainings on awareness about PIDPI (Public Interest Disclosure and Protection of Informer), CTE (Chief Technical Examiner) Type Inspection and CVC guidelines to the vigilance officers of IFCI Limited and its subsidiaries.

This year also IFCI has celebrated Vigilance Awareness Week by conducting various activities for the employees of IFCI and its subsidiaries. IFCI insured active and enthusiastic participation by conducting the Vigilance Awareness week. This year, various competitions were also conducted to enhance vigilance awareness for IFCI Group Employees such as Quiz / MCQ Competition and Slogan/ Poem/Essay writing competition, depicting the real meaning of "**Independent India @ 75: Self Reliance with Integrity**; स्वतंत्र भारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता". A Nukkad Natak was also organized in IFCI on this occasion.

Whistle Blower Policy

The Company has put in place a Vigil Mechanism in terms of the provisions of Section 177 (9) and (10) of the Companies Act, 2013, and SEBI Listing Regulations. Under Whistle Blower Policy, Director(s) and employee(s) of IFCI, can report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the IFCI's code of Business conduct and ethics and to provide adequate safeguards to them against any sort of victimization on raising an alarm. The Policy also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the link https://www.ifciltd.com/2022/Whistle%20Blower%20Policy.pdf

Disclosure as per Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

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

1. General Manager (HR) - Presiding Officer
2. Ms. Lata Lochav- External Member
3. Ms. Chhavi Singhal, DGM
4. Ms. Trina Tejaswini, DGM (Law)
5. Mr. Rahul Agrawal, DGM

In the absence of any of the aforesaid internal members, Ms. Shikha Gupta, DGM would be the alternate member. A brief of the complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

No. of complaints pending at the start of the Financial Year 2021-22	1
No. of complaints received during the Financial Year 2021-22	Nil
No. of complaints resolved during the Financial Year 2021-22	One complaint of sexual harassment of previous financial year i.e. FY 2019-20 was disposed of on April 05, 2021
No. of Complaints pending at the end of the Financial Year 2021-22	Nil
Number of workshops or awareness programs against sexual harassment carried out during the Financial Year 2021-22	1 workshop was conducted during FY 2021-22 on the said topic covering 32 employees
Nature of action taken by the employer	Based on the recommendation of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Competent Authority disposed-off the complaint.

Management Discussion and Analysis

1. **Industry Structure and Developments***

Industry Outlook- Financial entities have generally emerged resiliently from the pandemic and are expanding their business as the economic recovery takes hold. Their asset quality has improved and capital positions remained strong. Macro stress tests reveal that Scheduled Commercial Banks would be able to withstand adverse macroeconomic circumstances. Also, any negative shock to house prices is not likely to significantly impact banks' capital positions. Sensitivity analysis shows that credit concentration risk and equity price risk may not be substantial but banks, especially PSBs, having substantial unrealised losses in their books at the beginning of the interest rate tightening cycle, portends risks to their financial health going forward. Network analysis results suggest that contagion losses have increased during H2:2021-22.

Non Banking Financial Companies (NBFCs)

Aggregate credit extended by NBFCs stood at ₹ 28.5 lakh crores in March 2022. Loans to industry constituted the largest segment (39.1 per cent), followed by personal loans (27.4 per cent) and those to services (15.3 per cent). Credit to the agriculture sector accounted for a miniscule share (1.8 per cent). Government owned NBFCs accounted for 45.6 per cent of aggregate credit extended by all NBFCs. Their dominant share of over three fourth of the industrial loans has, however, been receding. In terms of credit dispensation by category of NBFCs, investment and credit companies (NBFC-ICC) and infrastructure finance companies (NBFC-IFC) predominated in gross loans and advances in March 2022. The GNPA ratio of NBFCs eased in March 2022 from 6.8 per cent in September 2021, the moderation witnessed across both public and private sector NBFCs. The improvement was primarily on account of 340 bps dip in the GNPA ratio of the services sector. Nevertheless, it remained higher than other sectors at 9.9 per cent. There was a larger concentration of NPAs in the industrial sector for which the loan book size far exceeds that of the services sector. The aggregate NNPA ratio of NBFCs also ebbed in March 2022, despite a 90 bps rise in the NNPA ratio for the industrial sector loans on account of curtailed provisioning. The capital position of NBFCs remained robust and their Return on Assets (RoA) recouped in March 2022. Borrowings remained the major source of funds for NBFCs, mainly in the form of debentures and bank borrowings.

NBFCs were the largest net borrowers of funds from the financial system, with gross payables of ₹ 12.46 lakh crore and gross

*https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/6CHAPTER2FINANCIALINSTITUTIONSEC95E7EF74F34C539B302251A74564EC.PDF receivables of ₹ 1.62 lakh crore as at end-March 2022. Over half of their borrowings were from SCBs and this share increased further during H2:2021-22 as their reliance on funding by AMC-MFs and insurance companies reduced. Instrument wise, the NBFC funding mix saw a rise in Long Term loans whereas the share of Long Term debt instruments and CPs declined during 2021-22.

2. Opportunities & Threats

To create national manufacturing champions and generate employment opportunities for the country's youth, PLI Schemes are the cornerstone of the Government's push for achieving an Atmanirbhar Bharat. The objective is to make domestic manufacturing globally competitive and to create global Champions in manufacturing. The strategy behind the PLI schemes is to offer companies incentives on incremental sales from products manufactured in India, over the base year. They have been specifically designed to boost domestic manufacturing in sunrise and strategic sectors, curb cheaper imports and reduce import bills, improve cost competitiveness of domestically manufactured goods, and enhance domestic capacity and exports.

Following are the PLI and other Schemes of Government of India, where IFCI has been appointed as the nodal agency/ Project Management Agency (PMA):

Sl. No.	Particulars of the PLI & Other Schemes	Details of the Schemes available on the below Portals / Website
1	Scheme for Promotion of manufacturing of Electronics Components and Semiconductors (SPECS)	https://specs.ifciltd.com
2	Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing (PLI-LSEM)	https://pli.ifciltd.com
3	PLI Scheme for critical Key Starting Materials (KSMs)/Drug Intermediates (DIs)/ Active Pharmaceutical Ingredients (API) (PLI-Bulk Drugs)	https://plibulkdrugs.ifciltd.com
4	PLI for Medical Devices (PLI-MD)	https://plimedicaldevices.ifciltd.com
5	Scheme for Promotion of Bulk Drugs Parks	https://pharmaceuticals.gov.in/schemes/guidelines-scheme-promotion-bulk-drug-parks
6	Scheme for Promotion of Medical Devices Parks	https://pharmaceuticals.gov.in/schemes/guidelines-scheme-promotion-medical-devices-parks
7	PLI Scheme for Food Processing Industry (PLISFPI)	https://plimofpi.ifciltd.com
8	PLI for IT Hardware (PLI-ITHW)	https://pliithw.com
9	PLI for White Goods (PLI-WG)	https://pliwhitegoods.ifciltd.com
10	PLI Scheme for Automobile & Auto Component Industry (PLI-Auto)	https://pliauto.in
11	PLI Textile Products: MMF segment & Technical Textiles	https://pli.texmin.gov.in
12	PLI Scheme for Drone and Drone Components	https://www.civilaviation.gov.in/en/application-pli-scheme

Note:

1. *IFCI is also associated with the Ministry of Heavy Industries (MHI) for carrying out International Competitive Bidding for PLI Scheme 'National Programme for Advanced Chemistry Cell Battery Storage' (PLI-ACC).*
2. *IFCI is also associated with India Semiconductor Mission as Agency for Techno Financial Appraisal, Due Diligence and Verification for (i) Scheme for setting up of Semiconductor Fabs, (ii) Scheme for setting up of Display Fabs and (iii) Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/ Outsourced Semiconductor Assembly and Test (OSAT) facilities in India.*

On other fronts, Efforts are being made to create synergies on the CSR front amongst Group Companies by consolidating these activities under a single organization. Further details are covered in the section on Corporate Social responsibility.

Various training courses are being organized for employees on a wide range of topics such as BRSR framework, CSR, Climate Finance/ESG, Advanced Financial Modelling Negotiation skills, Risk Management.

IFCI through its subsidiary Stock Holding Corporation of India Limited (SHCIL), is making contribution in promotion of digital economy in the country. SHCIL is one of the largest Depository Participants, besides being the country's largest premier Custodian in terms of assets under custody. SHCIL also acts as a Central Record Keeping Agency for collection of stamp duty, e-court fee and e-registration in various States and Union Territories. As on March 31, 2022, e-stamping services were operational in 23 States and UTs and SHCIL mobilised an amount of ₹ 39,672 crore in FY 2021-22 as compared to ₹ 24,897 crore in FY 2020-21 in e-stamping services i.e. an increase of about 59%. The number of certificates issued in FY 2021-22 were 15.22 crore as compared to 10.57 crore in FY 2020-21 i.e. an increase of about 44%.

IFCI Venture Capital Funds Limited (IVCF), IFCI's another subsidiary, caters to social sector and presently manages Venture Capital Fund for Scheduled Castes (VCF-SC) and Venture Capital Fund for Backward Classes (VCF-BC), both initiatives of Ministry of Social Justice and Empowerment (MoSJE) to promote entrepreneurship among the select segments of the society by providing concessional finance.

On 14th April 2022, IVCF, in association with MoSJE and Dalit Chambers of Commerce & Industry (DICCI), had conducted a national level event to provide further impetus to entrepreneurship in the SC Community and to bring them in the mainstream business. The objective was to create a platform to SC Youth to showcase their innovative ideas and get funding upto ₹ 30 lakh under Ambedkar Social Innovation and Incubation Mission (ASIIM). In the event, the contribution of successful SC entrepreneurs across MSMEs were recognized under Dr. Ambedkar Business Excellence (ABEA) felicitation. IVCF is also promoting Dr Ambedkar Young Entrepreneur League (AYE), a Mentor Network that helps to connect the budding entrepreneurs with industry experts/mentors; Promotes sharing of domain knowledge & experience from business experts/mentors with young SC entrepreneurs. AYE has onboarded 90 Mentors with varied skills / experience and 157 Mentorship sessions have been facilitated.

The details of all the subsidiaries are available on the website of IFCI at www.ifciltd.com.

On the other hand, Your Company is struggling with liquidity risk, negative CRAR, high NPA level and downward revision in credit rating. The immediate objective of Your Company is to reduce the level of NPAs through aggressive recovery efforts and maintain sufficient liquidity to meet liabilities. Efforts were also made to adopt cost optimization measures and to cut on avoidable expenses.

The fact that the Government of India is the Promoter and the largest equity shareholder of Your Company, offers sufficient comfort and confidence to the stakeholders. The Government of India has consistently infused funds in Your Company through equity participation. For the year 2021-22, the Government had infused funds aggregating upto ₹ 100 crore in January 2022. The Government has also infused funds aggregating upto ₹ 100 crore in September 2022 for the year 2022-23.

3. Segment-Wise or Product-Wise Performance

Your Company's primary business is to provide financial assistance and it operates under a single segment reporting framework.

4. Outlook

The provisional estimates of national income released by the National Statistical Office (NSO) on May 31, 2022 placed India's real Gross Domestic Product (GDP) at a growth of 8.7% for FY 2021-22 (Y-o-Y basis) vis-à-vis a contraction of (-)6.6% registered in previous FY. The provisional estimates of GDP growth for FY 2021-22 take the economy above its pre-pandemic level and exhibit improvement. The GDP growth of 4.1% has been registered in Q4 of FY 2021-22 (Y-o-Y basis) in comparison to 2.5% growth registered in the corresponding quarter of previous FY.

The impressive 10.3% growth registered in Industry Sector (Mining & Quarrying, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services and Construction) in comparison to contraction of (-)3.3% in previous FY has largely contributed to the overall GDP growth for FY 2021-22. The Services Sector (Trade, hotels, transport, communication & broadcasting, Financial, Real Estate & Professional Services, Public administration, defense and other services), grew by 8.4% vis-à-vis a contraction of (-)7.8% registered in previous FY.

Indian Economy grew at a decelerated rate in Q4 of FY 2021-22 in comparison to previous 3 quarters wherein it grew by 20.1%, 8.4% and 5.4% in Q1, Q2 and Q3, respectively. The economy was hit hard by the third wave of COVID Pandemic. As the economy was gaining pace after the third wave, global supply bottlenecks due to outbreak of the Russia-Ukraine war and higher input costs again slowed the pace of recovery. The contraction in the manufacturing sector, which struggled with supply bottlenecks and high input prices, in the last quarter of FY22 is a cause of concern. The other worrying aspect is the reduction in consumption to GDP ratio in Q4 of FY22, despite bouncing back of investment to GDP ratio. The slowest quarterly growth in Q4 of FY22 was also partly because of the unfavorable base effect.

Share of Private Consumption in GDP fell significantly to 55.5% in Q4 of FY22 from 61% in Q3 of FY22 resulting in moderation of growth in Private Final Consumption Expenditure (PFCE) growth to 1.8% in Q4 FY22 in comparison to 7.4% in Q3 of FY22. High inflation has had a dampening impact on consumer sentiments. Other high-frequency indicators such as IIP consumer goods and auto sales are also reflecting the weak consumption spending in rural and urban areas.

The global economy continues to grapple with multi-decadal high inflation and slowing growth, persisting geopolitical tensions and sanctions, elevated prices of crude oil and other commodities and lingering COVID-19 related supply chain bottlenecks. Global financial markets have been roiled by turbulence amidst growing stagflation concerns, leading to a tightening of global financial conditions and risks to the growth outlook and financial stability.

As per RBI monetary policy review during June 06-08, 2022, it is expected that the tense global geopolitical situation and the consequent elevated commodity prices would impart considerable uncertainty to the domestic inflation outlook. The restrictions on wheat exports should improve the domestic supplies but the shortfall in the rabi production due to the heat wave could be an offsetting risk. The forecast of a normal south-west monsoon augurs well for the kharif agricultural production and the food price outlook. Edible oil prices remain under pressure on adverse global supply conditions, notwithstanding some recent correction due to the lifting of export ban by a major supplier. Consequent to the recent reduction in excise duties, domestic retail prices of petroleum products have moderated. International crude oil prices, however, remain elevated, with risks of further pass-through to domestic pump prices. There are also upside risks from revisions in the prices of electricity. Early results from manufacturing, services and infrastructure sector firms polled in the Reserve Bank's surveys expect further input and output price pressures going forward.

The RBI monetary policy review indicated that the recovery in domestic economic activity is gathering strength. Rural consumption should benefit from the likely normal south-west monsoon and the expected improvement in agricultural prospects. A rebound in contact-intensive services is likely to bolster urban consumption, going forward. Investment activity is expected to be supported by improving capacity utilisation, the government's capex push, and strengthening bank credit. Growth of merchandise and services exports is set to sustain the recent buoyancy. Spillovers from prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions nevertheless weigh on the outlook. Taking all these factors into consideration, the real GDP growth projection for 2022-23 is estimated at 7.2%, with Q1 at 16.2%; Q2 at 6.2%; Q3 at 4.1%; and Q4 at 4.0%, with risks broadly balanced.

5. **Risks and Concerns**

In order to address risks, Your Company has put in place an Integrated Risk Management Policy (IRMP) which addresses Credit Risk, Market Risk, Operational Risk and Asset-Liability Management, as a part of Comprehensive Risk Management Framework which is integrated with its business model.

The General Lending Policy, IRMP, Liquidity Risk Management and other business policies of Your Company are reviewed periodically, keeping in view the changing economic and business environment. The Risk Management Vision Statement and Qualitative Risk Appetite Statements of IFCI have also been put in place. Parameters included in the Qualitative Risk Appetite statement are tested periodically.

Your Company assessed the Portfolio level risks by way of monitoring of actual exposures against prudential limits, stress testing under various scenarios, annual rating migration exercise, rating distribution, portfolio rating highlighting the quality of portfolio, mapping of internal and external ratings. Your company regularly monitors and revises its Benchmark Rates based on current market, macro & micro economic factors and profitability.

As part of Ind As implementation, Your Company estimates rating grade-wise Probability of Default (PD) numbers of its credit portfolio, based on past data while Loss Given Default (LGD) numbers are worked out based on past history of cashflows from NPAs. The risk components are utilized for calculation of Expected Credit Loss (ECL), as part of Ind AS implementation.

The Risk and Asset Liability Management Committee of Executives (RALMCE), analyses the Dynamic Liquidity Position, Structural Liquidity Gaps and Interest Rate Sensitivity positions, on a periodic basis, based on extant regulatory prescriptions. The mid-office function of Integrated Treasury reports to the Risk Management function and acts as an independent risk monitoring functionary. Your Company has a scientific methodology for fixing IFCI Benchmark Rate for long and short term loans. Methodology for risk based pricing and fixing risk premium over benchmark rate for each rating grade is in place. To manage the Operational Risks, there are adequate internal controls and systems in place, aided and assisted by Internal Audit, Internal Financial Controls, remote back-up of data, Disaster Management Policy, IT security, physical security and suitable insurance of insurable assets of Your Company, as well as of the assets mortgaged to Your Company. Besides, a mechanism for stress testing of loan portfolio and measurement of liquidity position is also in place, to assess likely impact on CRAR, profitability and liquidity. Your Company continues to strive for development of a strong culture for risk management and awareness within the organization.

6. **Internal Control Systems, their adequacy and Internal Audit**

Your Company has an adequate Internal Control System commensurate with size, scale and complexity of its business and allied operations. The efficacy of these internal controls is being verified by the Internal Audit Department on a regular basis. From the Financial Year 2018-19, the internal audits are being carried in-house by a team of experienced personnel. The periodicity of such audits varied from quarterly to yearly depending upon the criticality and materiality of transactions based on the scope approved by the Audit Committee of Directors.

7. **Material Development in Human Resources, Industrial Relations Front, Including Number of People Employed**

Your company believes that skilled, energised and engaged Human Resource pool is the foundation for effective performance of any organization. Focusing on activities that lead to the development of human resource pool with such competencies was the mainstay of Human Resources Management in Your Company, throughout the year.

The performance of the organization in the recent past required the creation of structures that promote out-of the box thinking amongst employees, in order to mount effective response to the challenges being faced. In this direction, several initiatives were undertaken wherein focus was on creation of cross functional teams. These teams identified problems/challenges on various fronts, suggested ways to address the same and were also made responsible for implementing the suggestions. Institutional structures wherein such working groups have been at the forefront to redress many challenging issues have not only brought innovative solutions but have also increased employee engagement.

Your organization also managed to deal effectively with continued challenges posed due to Covid-19 throughout the year. Measures such as Work-from-home policies to safeguard health and safety of employees, deploying a Rapid Action Task force along with strict implementation of Standard Operating Procedures (SOPs) mandated by local authorities, staggered office hours, a sound IT support architecture, productivity monitoring systems, medical consultation services, COVID isolation center, sanitization precautions, and staff sensitization regarding COVID appropriate behavior were all put in place, to ensure that functioning of the organization is not hampered.

Your Company continued its focus on learning and development activities. Due to Covid-19, most of the trainings were held through virtual/online learning mode. Considering that Advisory Services has emerged as a major business vertical within IFCI, special focus was laid to develop skills that cater to the requirements of this function. Further, efforts have also been made to skill the employees in the emerging business areas viz. ESG/ Sustainability/Climate Financing etc. through several learning/ certification programmes during the year. Additionally, employees were nominated to take part in conferences, webinars, and discussion forums that were held by the industry on digital platforms in order to keep them abreast with the most recent advancements and explore commercial potential. Your Company covered around 60% of its employees in various training/ conferences/seminars etc. In all, there were 137 nominations, in the in-house training/workshops and external trainings, covering topics of functional and behavioral nature. Further, Your Company has also exposed its employees to various challenging assignments for their development.

Welfare of SCs/STs/OBCs/EWSs/PWDs

Your Company follows various policies and guidelines issued by the Government of India towards the upliftment of Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), Economically Weaker Sections (EWSs), Persons with Disabilities (PwDs), etc. In accordance with the guidelines issued by the Government of India, the rules governing reservations and relaxations for certain categories are strictly adhered to. Additionally, appropriate representation of such employees is ensured by Your Company in various training programmes. During the year, Your Company provided training to 57% SCs, 100% STs and 65% OBCs employees.

Your company had 170 regular employees as of March 31, 2022, of whom 23 (14%) belonged to Other Backward Classes, 14 (8%) to Scheduled Castes, and 1 (1%) to Scheduled Tribes.

Annual Statement showing the representation of SCs, STs, OBCs & EWSs as on First January of the Year 2022 and Number of Appointments made during the preceding Calendar Year is as under:

Sl. No.	Class	Number of Employees (as on 01.01.2022)					Number of appointments made during the preceding calendar year										
							By Direct Recruitment					By Promotion			By Deputation/ Absorption		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Class I	168	14	1	23	-	-	-	-	-	-	-	-	-	-	-	-
2	Class III	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Class IV	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Contractual	7	-	-	1	-	3	-	-	1	-	-	-	-	-	-	-
	Total	**177**	**14**	**1**	**24**	**0**	**3**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annual Statement showing the representation of SCs, STs, OBCs & EWSs in various grades as on First January of the Year 2022 is as under:

Sl. No.	Grades	Number of Employees (as on 01.01.2022)					Number of appointments made during the preceding calendar year										
							By Direct Recruitment					By Promotion			By Deputation/ Absorption		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	21	1	-	2		-	-	-	-	-	-	-				
4	D	33	2	-	3		-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	57	6	1	7		-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	46	4	-	7		-	-	-	-	-	-	-	-	-	-	-
7	A	9	1	-	4		-	-	-	-	-	-	-	-	-	-	-
8	Class III	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-
9	Class IV	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-
10	Contractual	7	-	-	1		3	-	-	1	-	-	-	-	-	-	-
	Total	**177**	**14**	**1**	**24**	**0**	**3**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Group-wise representation of Persons with Disabilities (PwDs) up to 31.12.2021 is as under:

Sl. No.	Group	Nature of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calender year 2021(i.e. 01.01.2021 to 31.12.2021)																				
							Appointment by Direct Recruitment										Promotion										
							No. of vacancies reserved					No. of Appointments made					No. of vacancies reserved					No. of Appointments made					
		Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
1	Class I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Class-III	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Class-IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	**2**	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

NOTE:

i. VH stands for Visually Handicapped (persons suffering from blindness or low vision)

ii. HH stands for Hearing Handicapped (persons suffering from hearing impairment)

iii. OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

iv. ID stands for Intellectual Disability

8. **Details of Significant Changes in Key Financial Ratios**

The details of significant changes in Key Financial Ratios are as under:

Particulars	FY 2022	FY 2021	Remarks	Significant Changes*
Interest Coverage Ratio	-0.93	-0.92	Earnings before interest and taxes / Total Interest expense (Profit before Tax + finance cost)/finance cost	No (<25%)
Current Ratio	1.33	0.81	Current asset / current liability	Yes (>25%)
Debt Equity Ratio	15.74	4.58	Total borrowings / net worth	Yes (>25%)
Operating Profit Margin (%)	-53.93%	8.91%	Operating profit / total revenue (Profit before tax + impairment)/total revenue	Yes (>25%)
Net Profit Margin (%)	-265.41%	-138.57%	Total comprehensive income / total revenue	Yes (>25%)
Return on Net Worth	-143.86%	-59.74%	Total comprehensive income / average net worth	Yes (>25%)

*** Explanation:** The change in the ratios was due to a decrease in operational income, which got impacted on account of prepayment of loans and consequent decline in standard assets. Further, as Debtor Turnover Ratio or Inventory Turnover Ratios are not applicable to the company (NBFC), the same has not been incorporated in the Table above.

9. **Corporate Social Responsibility**

IFCI SOCIAL FOUNDATION (ISF)

IFCI has always strived to conduct its business holistically and responsibly. At IFCI, apart from financial performance, community and social stewardship have been key factors for its holistic business growth. IFCI has been an early adopter of Corporate Social Responsibility (CSR) initiatives and has been involved in socially relevant activities ever since its inception in 1948. Today, it continues to work towards social and community development and areas needing focus and attention, through the IFCI Social Foundation (ISF), a registered Trust, established in 2014. ISF is functioning as an arm for CSR activities of IFCI and IFCI Group. ISF is guided by its values viz. Inclusiveness, Integrity, Commitment and Passion with the overall vision "To be one of India's premier CSR Institutions and strive to make sustainable social impact with inclusiveness". Its major focus has been in areas of Education, Skill development, Healthcare and Sanitation, Poverty alleviation, Women empowerment and social welfare of women and girl child. The investment in CSR activities is project based and for every project, time frame and periodic milestones are set at the outset.

IFCI and ISF through its CSR projects have covered almost 23 states and Union Territories in India. The trust is registered for exemptions u/s 12A & 80G of the Income Tax Act. The trust is also registered with the Ministry of Corporate Affairs in line with CSR Amendment Rules, 2021. ISF carries out CSR activities on behalf of IFCI and IFCI Group Companies.

The Annual Report on CSR activities forms part of the Board's Report at Annexure - I.

CORPORATE SOCIAL RESPONSIBILITY

As the Average Net Profit of IFCI Ltd for the last preceding three years was negative, IFCI was not required to allocate any amount for CSR activities for FY 2021-22.

Cautionary Statement

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

Details of Directors and Key Managerial Personnel (KMP) appointed or resigned during the year

Following were the changes in Directors and Key Managerial Personnel during FY 2021-22 and till the date of signing of this Board's Report:

a) Shri Manoj Mittal (DIN: 01400076) was appointed as Managing Director & Chief Executive Officer of Your Company w.e.f. June 12, 2021.

b) Consequent to the cessation of Ms. Rupa Deb, Company Secretary from the services of the Company w.e.f. September 07, 2021, Ms. Priyanka Sharma was appointed as Company Secretary w.e.f. September 16, 2021 by the Board of Directors at its Meeting held on September 16, 2021. The Board at its Meeting held on September 16, 2021 also appointed Shri Prasoon, Chief General Manager as Chief Financial Officer (CFO) of the Company vice Ms. Jhummi Mantri w.e.f. September 16, 2021.

c) Shri MML Verma (DIN: 07610648) ceased to be on the Board of the Company w.e.f. March 04, 2022 upon resignation.

d) Shri Kanakasabapathi Kadiresan was appointed as Additional Director on the Board of Your Company w.e.f. March 30, 2022. His appointment was regularized and he was appointed as Director liable to retire by rotation pursuant to shareholders resolution passed through Postal Ballot on June 13, 2022. Thereafter, he ceased to be on the Board of the Company w.e.f. October 2, 2022, upon resignation due to his personal commitments.

e) Prof. Arvind Sahay (DIN: 03218334) will retire by rotation at the conclusion of the forthcoming Annual General Meeting and he, being eligible, has offered himself for re-appointment.

f) Shri Sunil Kumar Basal (DIN: 06922373), Deputy Managing Director, ceased to be on the Board of the Company w.e.f. September 13, 2022 upon completion of his tenure.

g) Shri Surendra Behera and Shri Arvind Kumar Jain, were appointed as Additional Directors (Non-Executive) by the Board w.e.f November 09, 2022.

Corporate Governance & Compliances

A detailed report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Annual Report.

a) The credit ratings assigned to the various financial facilities / instruments of the Company during the Financial Year 2021-22 are provided in the Corporate Governance Report forming part of this Annual Report.

b) The details of the Meetings of the Board of Directors and the Audit Committee forms part of the Corporate Governance Report appearing separately in the Annual Report. Further, there has been no instance during the FY under report where the Board has not accepted the recommendations of the Audit Committee.

c) The details of Composition forms part of the Corporate Governance Report appearing separately in the Annual Report.

d) Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to place various Policies / Documents / Details on the Website of the Company. The Company has a functional website www.ifciltd.com and all the requisite information are being uploaded there at and available at https://www.ifciltd.com/?q=en/content/disclosure-under-regulation-46-and-62-sebi-%E2%80%93-lodr

e) During the year under report, there were no Independent Directors on the Board of Your Company, as per the requirement of the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) As stipulated under the Listing Regulations, Your Company has voluntarily prepared the Business Responsibility and Sustainability Report ('BRSR') and forms part of the Annual Report for the FY 2021-22.

g) During the Financial Year 2021-22, neither the Statutory Auditors nor the Secretarial Auditors have reported any fraud in their respective Audit Reports.

h) The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Companies Act, 2013. Further, during the Financial Year 2021-22, all returns / data / statements submitted by concerned departments as advised by RBI, SEBI and other Regulatory Authorities have been submitted.

i) In view of delay in receiving of the comments of C&AG on the Supplementary Audit Report for the FY 2021-22, approval of the Registrar of Companies (ROC) for extension of 3 months, for convening, calling and holding AGM beyond September 30, 2022 was sought. The ROC had granted an extension of 3 months for holding the AGM for FY 2021-22.

j) Key Initiatives taken for initiatives Investor services continued to be of utmost importance for Your Company. Investors' grievances received in physical or electronic form or through web-based query submission system, were taken up promptly and redressed.

Other Disclosures:

a) Your Company had made an application to the Registrar of Companies- Delhi & Haryana to grant extension of time for holding the Annual General Meeting of Your Company for the Financial Year ended March 31, 2022. Accordingly, this Annual General Meeting is being convened within the time period allowed by the ROC.

b) In view of the loss incurred during the financial year 2021-22, no dividend has been recommended on equity shares. Also, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which is available on the website of Your Company at www.ifciltd.com.

c) During the FY 2021-22, there was no Company which have become or ceased to be Subsidiaries, Joint Venture or Associate Company of IFCI Ltd. The Company as on March 31, 2022 has two 'Material Subsidiaries' viz. Stock Holding Corporation of India Ltd. and IFCI Infrastructure Development Ltd. Policy on Determining Material Subsidiary is available on the website of the Company at www.ifciltd.com. Details on performance and financial position of subsidiaries, associates and joint venture during the FY 2021-22 can be referred from **Form AOC-1** forming part of this Annual Report.

d) During the financial year 2021-22, 6,10,12,812 number of Equity Shares were allotted to the Promoter of the Company i.e. Government of India (GOI) at a price of ₹ 16.39 (Rupees Sixteen and Thirty Nine Paisa only) [including a premium of ₹ 6.39 (Rupees Six and Thirty Nine Paisa only)] per Equity Share aggregating upto ₹ 100,00,00,000 (Rupees One Hundred Crore). Consequent to the allotment of equity shares, the shareholding of GOI increased from extant 61.02% to 64.86% of the Total Paid-Up Share Capital of the Company (as on February 25, 2022).

Thereafter, during the financial year 2022-23, 9,29,36,802 number of Equity Shares were allotted to the Promoter of the Company i.e. Government of India (GOI) at a price of ₹ 10.76 (Rupees Ten and Seventy Six Paisa only) [including a premium of ₹ 0.76 (Paisa Seventy Six only)] per Equity Share aggregating upto ₹ 100,00,00,000 (Rupees One Hundred Crore). Consequent to the allotment of equity shares, the shareholding of GOI increased from extant 64.86% to 66.35% of the Total Paid-Up Share Capital of the Company (as on October 27, 2022).

Change in the debt structure of the Company during the FY 2021-22 is as under:

Total Number of Securities at the beginning of the year	Issued during the year	Redemption made during the year	Total number of securities at the end of the year
419,94,79,039	Nil	418,80,86,090	113,92,949

e) During the Financial Year 2021-22, Your Company transferred 9,78,386 number of equity shares to IEPF. Further, an amount of ₹ 2,28,92,262 pertaining to the unclaimed dividend for Financial Year 2013-14 was also transferred to IEPF. Further, Your Company has also transferred 10,98,778 number of Equity Shares to IEPF and an amount of ₹ 2,34,40,309 pertaining to the unclaimed interim dividend for Financial Year 2014-15 to IEPF, as on the date of the Board's Report. Shareholders whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5, available on www.iepf.gov.in.

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

g) Your Company did not raise any public deposit during the year.

h) During FY 2021-22, there were no significant or material orders passed by Regulators or Court impacting the going concern status of the Company. Further, there has been no change in the business of the Company during the reporting period. Further, there have been no material changes and commitments which affect the financial position between the end of the financial year and the date of Board's Report.

i) Pursuant to notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from the disclosure requirements of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included in the Board's Report. Further, no Director of the Company, including MD&CEO, was paid any commission during the FY 2021-22 from any of the subsidiaries of Your Company, on whose Boards they were Directors as nominees of Your Company.

j) Pursuant to the provisions of the Companies Act, 2013 (to the extent applicable) and Listing Regulations, the Company has framed Nomination and Remuneration Policy. However, pursuant to the exemption granted to Government Companies vide Notification No. F.No. 1/2/2014-CL.V dated June 5, 2015, issued by the Ministry of Corporate Affairs, the Policy has not been made part of Board's Report.

k) Pursuant to the provisions of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at www.ifciltd.com.

l) All Related Party Transactions entered during the year under report were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transaction was entered during the year by Your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable and hence, does not form part of the Board's Report.

m) The performance evaluation of the Board, its Committees and individual Directors was conducted by the Nomination and Remuneration Committee and the Board. The focus area of improvement mentioned by the Directors included Structure of the Board / Composition of the Committees which are non-compliant as per the statutory requirements. Since there was no Independent Director on the Board of the Company during the financial year 2021-22, no Meeting of the Independent Directors could be held. Communications requesting appointment of requisite number of Independent Directors have been sent to the Department of Financial Services being the Administrative Ministry In-Charge and the appointments are awaited.

n) No application was made, or any proceedings was pending against Your Company under the Insolvency and Bankruptcy code, 2016, during the year under report.

o) Details of the Debenture Trustee(s) for the debt securities issued by Your Company are as under:

Name of Debenture Trustee	Contact Details
Axis Trustee Services Limited	The Ruby, 2nd Floor, SW 29 Senapati Bapat Marg, Dadar West Mumbai - 400028 Phone no : +91 022 6230 0451 E-mail: debenturetrustee@axistrustee.in Website: www.axistrustee.in
IDBI Trusteeship Services Limited	Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Phone nos: 022 40807000, +91 7208822299, +91 8591585821 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.com
Centbank Financial Services Limited	3rd Floor (East Wing) Central Bank of India, MMO Building 55 M G Road, Mumbai - 400 001 Phone no: (022) 2261 6217 E-mail: info@cfsl.in; complaints@cfsl.in Website: www.cfsl.in

Auditors

M/s M K Aggarwal & Co. (DE0500) (Firm Reg. No. 001411N) was appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of Your Company for Financial Year 2021-22. C&AG has appointed M/s M K Aggarwal & Co. (DE0500) (Firm Reg. No. 001411N) as Statutory Auditors of Your Company for FY 2022-23 as well. As per the requirement of Section 148 of the Companies Act, 2013, the requirement of Cost Audit is not applicable to the Company.

Qualifications, Reservation or Adverse Remark or Disclaimer Made By the Statutory Auditors

The Standalone and Consolidated Financial Results of the Company for the Financial Year 2021-22 were unqualified by the Statutory Auditors of the Company. However, the Statutory Auditors provided for certain 'Emphasis of Matter'. The complete Auditors' Report on the Standalone and Consolidated Financial Statements forms part of the Annual Report.

Qualifications, Reservation or Adverse Remark or Disclaimer Made By the Secretarial Auditor

M/s Agarwal S. & Associates, Company Secretaries was appointed as Secretarial Auditor of the Company for the Financial Year 2021-22. The observations of the Secretarial Auditor along with Management Reply is as under:

S. No.	Observations of Secretarial Auditor	Management Reply
a.	Non-compliance of Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least one independent woman director during the period from April 01, 2021 to March 31, 2022.	As per the applicable provision of Regulation 17(1)(a) of SEBI Listing Regulation, 2015, the Board of Directors shall have at-least 1 Woman Independent Director. In this regard, this is to submit that as per the provisions of Section 149(6)(a) of the Companies Act, 2013, the power to appoint Independent Directors including Woman Independent Director vests with the Ministry administratively in-charge of the Company i.e. Department of Financial Services, MOF. MOF, DFS, being the Ministry administratively in-charge of the Company, is seized of the matter as request for appointment of Independent Directors, has already been sent to MOF, DFS. The appointment of Independent Directors is awaited. Once the appointment of Woman Independent Director is made by the Department of Financial Services, the abovementioned provisions will be complied with.
b.	Non-Compliance of Section 149 (4) of Companies Act, 2013 and Regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Independent Directors on the Board of Company from April 01, 2021 to March 31, 2022.	In the absence of Independent Directors on the Board of the Company, the Company is not in compliance of the provisions of Section 149 (4) of Companies Act, 2013 and Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As mentioned in point (a) above, in terms of Section 149(6)(a) of the Companies Act, 2013, IFCI being a Government Company, the power to appoint the Independent Directors vest with the Administrative Ministry in-Charge i.e. Ministry of Finance (MOF), Department of Financial Services (DFS). As stated above DFS has been already requested to appoint Independent Directors. Once the requisite number of Independent Directors are appointed, the provisions will be complied with.

c.	Non-compliance of Regulations 17(10) and 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the absence of Independent Directors, no separate meeting was held during the financial year. Accordingly, performance evaluation for/by the Independent Directors was not carried out.	In the absence of Independent Directors on the Board of the Company, the performance evaluation of and by Independent Directors as envisaged under Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, could not be carried out.
d.	Non-Compliance of Section 177(2) & 178(1) of Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c), 20(2A) and 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee were not complied with the statutory requirements during the period from April 01, 2021 to March 31, 2022.	Due to the absence of Independent Directors on the Board of the Company, the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee were constituted without the Independent Directors and the Company was not in compliance of Section 177(2) & 178(1) of the Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c), 20(2A) and 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Once the Independent Directors are appointed by Department of Financial Services, the Committees will accordingly be constituted.

The Secretarial Audit Report of the Company along with the Secretarial Audit Reports of the 'Material Subsidiaries' i.e. M/s IFCI Infrastructure Development Limited and M/s Stock Holding Corporation of India Limited for the Financial Year ended March 31, 2022, are enclosed at **Annexure - II**.

Comments of Comptroller & Auditor General of India

The comments of Comptroller & Auditor General of India (C&AG) along with Consolidated IFCI's Comments on C&AG Supplementary audit observations are at **Annexure-III**.

Directors Responsibility Statement

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

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

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

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

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

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

Appreciation

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

Prof. Arvind Sahay
Director
DIN: 03218334
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Shri Manoj Mittal
Managing Director and
Chief Executive Officer
DIN: 01400076
Address: IFCI Tower
61 Nehru Place
New Delhi - 110019

Dated: November 09, 2022

ANNEXURE-I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. Brief outline on CSR Policy of the Company
   (i) IFCI Ltd. (IFCI) since its inception in 1948 had a vision to empower the community through socio-economic development of the country as a whole. The objective of IFCI CSR Policy is mainly as under:
   - Support activities which aim at creating physical infrastructure/assets (comprising at least upto 70% of its total funds entrusted to ISF), so as to ensure better monitoring and sustainability.
   - Support activities to drive measurable change in the communities, we work with and strive to create a positive impact through our initiatives on hunger & malnutrition, poverty, health & sanitation, education & skill development, employment & technology incubation, rural development, women empowerment and elderly care.

   (ii) During FY 2021-22, as the Average Net Profit of IFCI for immediate three preceding years was negative, IFCI was not required (under Companies Act, 2013) to allocate any amount for CSR activities. The CSR Policy for FY 2018-19 was continued to be followed in FY 2021-22 as was done in the previous FY 2020-21. No separate Policy was drafted in FY 2021-22.

2. Composition of CSR Committee (as on March 31,2022)- No Committee, in view of the losses incurred by the company and pursuant to the provisions of section 135 (9) of the companies act, 2013, the CSR committee have been discontinued with and the functions of the committee were discharged by the Board of Directors during the year 2021-22.

3. Provide the Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

S. No.	Particulars	Web-Link
1.	CSR Committee	As per Section 135(5) and 135(9) of Companies Act, 2013 and in view of the lossess in previous Financial Years and negligible CSR Spending of the Company, the CSR Committee of Directors has been discontinued w.e.f June 23, 2021
2.	CSR Policies	https://www.ifciltd.com/?q=en/content/our-csr-policy
3.	CSR Projects	https://www.ifciltd.com/?q=en/content/our-csr-policy

4. Provide the executive summary along with web-link(s) of impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

   Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 – (₹ 2,667.26 cr.)
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135 – **NIL**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**
   (d) Amount required to be set off for the financial year, if any - **NIL**
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]- **NIL**

6 (a) Amount spent on CSR Projects (both Ongoing Projects and other than ongoing projects) -**NIL**
   (b) Amount spent in Administrative Overheads- **NIL**
   (c) Amount spent on Impact Assessment, if applicable – **NIL**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] **– NIL**
   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹) NIL	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount (in ₹)	Date of Transfer	Name of the Fund	Amount (In ₹)	Date of Transfer
	NIL	NIL	NIL	NIL	-

   (f) Excess amount for set off, if any – NIL

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per Section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the Financial Year [(ii-i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii-iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl. No.	**Preceding Financial Year (s) ****	**Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)**	**Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)**	**Amount spent in the F.Y. (in ₹)**	**Amount transferred to a fund as specified under Schedule VII as per second proviso to sub section (5) of section 135 if any**	**Amount remaining to be spent in succeeding Financial Years (in ₹)**	**Deficiency, if any**
1	2018-19	45,70,533/-	25,66,966/-	20,03,567/-	-	25,66,966/-	
2	2019-20	41,32,750/-	39,75,000/-	1,57,750/-	-	39,75,000/-	-
3	2020-21	5,50,000/-	5,50,000/-	-	-	5,50,000/-	-

** Pursuant to the Companies(Corporate Social Responsibility Policy) Amendment Rules, 2021, unspent CSR fund accounts were opened for ongoing CSR projects and unspent funds were transferred to the said accounts on 28/04/2021.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

   If yes, enter the number of Capital assets created/acquired - NOT APPLICABLE.

   Furnish the details relating to such assets(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NOT APPLICABLE.

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub section (5) of section 135 –

   As the average net profit of the Company for last three preceding years was negative, the Company was not required to allocate any CSR Budget, hence Not Applicable

(Manoj Mittal)
MD & CEO

ANNEXURE-II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

Pursuant to Section 204(1) of the Companies Act, 2013 read with
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IFCI LIMITED** (hereinafter called 'the Company' or 'IFCI). 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's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

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

(i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - *Generally complied with*.

(ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange of India Limited & BSE Limited.

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:

(a) Non-compliance of Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least one independent woman director during the period from April 01, 2021 to March 31, 2022.

(b) Non-Compliance of Section 149 (4) of Companies Act, 2013 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Independent Directors on the Board of Company from April 01, 2021 to March 31, 2022.

(c) Non-compliance of Regulations 17(10) and 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the absence of Independent Directors, no separate meeting was held during the financial year. Accordingly performance evaluation for/by the independent directors was not carried out.

(d) Non-Compliance of Section 177(2) & 178(1) of Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c) and 20(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee were not complied with the statutory requirements during the period from April 01, 2021 to March 31, 2022.

We further report that the Board of the Company is required to be constituted as per provisions of the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the period under review, there was no

Independent Director on the Board of the Company. 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.

As per the representation received, DPE guidelines are not applicable on the Company as IFCI's name is not appearing in the list of CPSE available at dipam.gov.in.

Generally, adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance, 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 from Directors.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent / abstinence, if any, have been duly incorporated in the Minutes.

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

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17/ 17(2A), 18, 19 & 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted replies along with the request to waive fines imposed on the Company and not to take any other action on the Company.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Garima Grover
Partner
ACS No.: 27100
CP No.: 23626

Place: New Delhi
Date: 09.05.2022
UDIN:

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

"ANNEXURE-A"

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Agarwal S. & Associates**,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019

CS Garima Grover
Partner
ACS No.: 27100
CP No.: 23626

Place: New Delhi
Date: 09.05.2022

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

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

To,
The Members
IFCI Infrastructure Development Limited
CIN: U45400DL2007GOI169232
IFCI Tower, 61 Nehru Place, New Delhi -110019.

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **IFCI Infrastructure Development Limited** (hereinafter called **'the Company'**) for the Financial Year ended on 31st March, 2022. 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's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2022 ('Audit Period')** 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 report that, 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, 2022 according to the provisions of (as amended):

1. The Companies Act, 2013 ('the Act') and the Rules made there under read with notifications, exemptions and clarifications thereto;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings- ***[Not Applicable to the Company during the Audit Period under review];***
5. 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 under review];***
   (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015**–** [***Not Applicable to the Company during the Audit Period under review];***
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018**– *[Not Applicable to the Company during the Audit Period under review];***
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**– *[Not Applicable to the Company during the Audit Period under review];***
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008**– *[Not Applicable to the Company during the Audit Period under review];***
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client**– *[Not Applicable to the Company during the Audit Period under review];***
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009**– *[Not Applicable to the Company during the Audit Period under review];***
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018**– *[Not Applicable to the Company during the Audit Period under review];***
   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**– *[Not Applicable to the Company during the Audit Period under review];***

We further report that, we have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:

(i) Real Estate (Regulation and Development) Act, 2016*;*
(ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013*;*
(iii) The Employer's Provident fund & Miscellaneous Provisions Act, 1952*;*
(iv) The Maternity Benefit Act, 1961.

Based on such examination and having regard to the compliance system prevailing in the Company, the Company has complied with the provisions of the above laws during the audit period.

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India**–*Complied with.***
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- ***[Not Applicable to the Company during the Audit Period under review].***

During the Financial Year under report, the Company has generally complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Secretarial Standards etc. as mentioned above.

We further report that during the audit period under review:

1. The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and woman director. 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.
2. Adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. However, 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.
3. All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.
4. There seems to be adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.
5. No specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company other than mentioned above.

For VAPN & Associates
Practicing Company Secretaries
ICSI Unique Code: P2015DE045500
Peer Review Certificate No.975/2020

Sd/-
Ashok
Partner
ACS No: 55136 |COP No: 20599
ICSI UDIN: A055136D000690925

Date: July 27, 2022
Place: New Delhi

Note: This report is to be read with letter of even date by the secretarial auditor, which is annexed as **'Annexure A'** and forms an integral part of this report.

'ANNEXURE-A'

To,
The Members
IFCI Infrastructure Development Limited
CIN: U45400DL2007GOI169232
IFCI Tower, 61 Nehru Place, New Delhi -110019.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain the secretarial records, and to 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 respects to Secretarial Compliances.
3. 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. 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representations about the compliance of laws, rules and regulations & happening of events etc.
6. Our examination was limited to the verification of procedures on test basis.

Disclaimer

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

For VAPN & Associates
Practicing Company Secretaries
ICSI Unique Code: P2015DE045500
Peer Review Certificate No.975/2020

Sd/-
Ashok
Partner
ACS No: 55136 |COP No: 20599
ICSI UDIN: A055136D000690925

Date: July 27, 2022
Place: New Delhi

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR APRIL 1, 2021 to MARCH 31, 2022

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

To,
The Members,
Stock Holding Corporation of India Limited
Centre Point, Unit No. 301, 3rd Floor,
Dr. B. Ambedkar Road,
Parel, Mumbai – 400012.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Stock Holding Corporation of India Limited (CIN: U67190MH1986GOI040506)** (hereinafter called **the "Company"**). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 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:

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under;

(ii) SEBI Custodian of Securities Regulations 1996;

(iii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

(vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(vii) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

(viii) The Securities and Exchange Board of India (Depositories and Depositories Participants) Regulation, 2021;

(ix) The Securities and Exchange Board of India (Research Analysts) Regulation, 2014;

(x) Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015;

(xi) Pension Fund Regulatory and Development Authority (Custodian of Securities) Regulations, 2014;

(xii) Pension Fund Regulatory and Development Authority (Retirement Advisor) Regulations, 2016;

(xiii) Code of Conduct for Mutual Fund Advisor as per the requirement of AMFI;

(xiv) Guidelines for Operational Activities to be followed by Point of Presence (POP) issued by Pension Fund Regulatory and Development Authority;

(xv) Rules, Regulations, Guidelines, Notifications and Circulars issued by Stock Exchange thereon from time to time (to the extent applicable);

(xvi) Rules, Regulations, Guidelines, Notifications and Circulars issued by Depositories thereon from time to time (to the extent applicable);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

II. The provisions of the following Regulations and Guidelines prescribed below are not applicable to the Company for the Financial Year ended 31st March, 2022:

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

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

(iii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

(v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations; and

(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

III. We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the Company and its officers on the systems, records and compliances under other laws applicable to the Company. The list of major laws and acts applicable to the Company are stated in **Annexure I** to this Report.

IV. We have examined the compliances of the applicable provisions of Secretarial Standards I and II as issued by the Institute of Company Secretaries, India and notified by the MCA u/s 118(10) as issued under the Companies Act, 2013.

We further report that

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

Adequate notice, agenda and detailed notes on the agenda of the Board and Committee Meetings were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as mentioned above.

We further report that during the audit period:

(i) The Company has recommended the payment of final dividend for Financial Year 2020-21, which was approved and declared by the Shareholders at its 34th Annual General Meeting held on 24th September, 2021. The Shareholders of the Company approved the payment of final dividend of 80% (i.e., ₹ 8/- per equity share amounting to a total financial outgo of ₹ 16,84,35,200/- only) on paid-up capital of the Company i.e., a total dividend of 131% for the F.Y. 2020-21 (which includes an interim dividend of 51% paid in the F.Y. 2020-21). The Board at its meeting held on November 9, 2021 approved for payment of an interim dividend of 190% @ ₹ 19 per equity share for Financial Year 2021-22.

(ii) The Company has disbursed the outstanding CSR obligation of ₹ 15,50,000/- (Rupees Fifteen Lakhs Fifty Thousand Only), pertaining to Unspent amount of Financial Year 2021-22 towards "ongoing project," to the Unspent CSR Bank Account for FY 2021-22 opened with IDBI Bank on 26th April, 2022.

(iii) The Company has transferred ₹ 27,611/- (Rupees Twenty-Seven Thousand Six Hundred Eleven Only) and ₹ 45,522/- (Rupees Forty-Five Thousand Five Hundred Twenty-Two Only) pertaining to Unspent amount of FY 2020-21 and FY 2021-22 towards "other than ongoing project" respectively to Prime Ministers National Relief Fund (PMNRF) on 25th May, 2022 and 26th May, 2022 respectively.

For, D A Kamat & Co
Company Secretaries

P. R. No: 1714/2022
Place: Mumbai
Date: 29/07/2022

D A Kamat
Partner
FCS 3843
CP 4965
UDIN: F003843D000796877

ANNEXURE – I: LIST OF OTHER ACTS SPECIFICALLY APPLICABLE TO THE COMPANY

Based on the list of other statutes provided by the Company, taking into consideration the nature of business, the following list of Major Acts are applicable to the Company:

1. Companies Act, 2013 and the applicable Rules thereunder
2. SEBI Custodian of Securities Regulations 1996
3. Securities and Exchange Board of India (Depositories and Depositories Participants) Regulation, 2021
4. Securities and Exchange Board of India (Research Analysts) Regulation, 2014
5. Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
6. Pension Fund Regulatory and Development Authority (Custodian of Securities) Regulations, 2014
7. Pension Fund Regulatory and Development Authority (Retirement Advisor) Regulations, 2016
8. Prevention of Money laundering Act, 2002
9. The Maternity Benefit Act, 1961
10. The Payment of Bonus Act, 1965
11. Maharashtra Labour Welfare Fund Act, 1953
12. Payment of Gratuity Act, 1972
13. Employee's Provident Fund & Miscellaneous Provisions Act, 1952
14. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15. Employees' State Insurance Act, 1948
16. Shops and Establishments Act
17. Rules, Regulations, Guidelines, Notifications and Circulars issued by Stock Exchange
18. Rules, Regulations, Guidelines, Notifications and Circulars issued by Depositories
19. SEBI Prohibition of Insider Trading (Regulations), 2015
20. Foreign Exchange Management Act
21. IFSCA (Capital Market Intermediaries) Regulations 2021
22. IFSCA (Market Infrastructure Institutions) Regulations 2021
23. SEBI (Foreign Portfolio Investors) Regulations 2020
24. SEBI (Stock Brokers) Regulations, 1992

ANNEXURE-III

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of IFCI Limited for the year ended 31 March, 2022 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 28 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Limited for the year ended 31 March, 2022 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 matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

A.1 Assets: Financial Assets, Loans (Note No.- 7) - ₹ 2382.59 crore

Loan has been overstated and loss for the year has been understated by ₹ 344.60 crore as detailed below:

(i) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 *per cent*) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹ 70.31 crore against the outstanding dues of ₹ 383.50 crore. Further as per Management, an amount of ₹ 125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹ 302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹ 4.40 crore (1.03 *per cent* of ₹ 427 crore). Thus, the maximum recoverable from VIL worked out to ₹ 74.71 crore only (₹ 70.31 crore *plus* ₹ 4.40 crore) against the total outstanding amount of ₹ 383.50 crore. Therefore, balance amount of ₹ 308.79 crore (₹ 383.50 crore - ₹ 74.71 crore) should have been written off.

Non-writing off the balance amount of ₹ 308.79 crore has resulted in understatement of loss by ₹ 101.56 crore (after adjustment of impairment loss allowance of ₹ 207.23 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (iii), no corrective action was taken by the Company.

(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding dues ₹ 135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹ 10.37 crore. Company received an amount of ₹ 13 crore after liquidation of assets and adjusted the same towards interest.

As no further recovery is expected, the outstanding principal of ₹ 135.81 crore should have been written off.

Non-writing off the balance amount of ₹ 135.81 crore has resulted in understatement of loss by ₹ 44.67 crore (after adjustment of impairment loss allowance of ₹ 91.14 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (ii), no corrective action was taken by the Company.

(iii) Above includes outstanding principal of ₹ 298.72 crore against M/s Coastal Energen Pvt. Ltd (CEPL) which was declared NPA on 30 June 2018.

NCLT ordered (27 August 2021) to initiate liquidation of CEPL. IFCI Limited also submitted (21 February 2022) its claim of ₹ 584.17 crore (inclusive of outstanding interest of ₹ 285.45 crore).

As per valuation report (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February 2022). The debt of IFCI Limited is ₹ 584.17 crore which is approximately 5 *per cent* of the total outstanding of CEPL.

Accordingly, share of IFCI in the assets of CEPL during liquidation works out to ₹ 147.80 crore (approx). Further, IFCI holds exclusive charge on a mortgage property valuing ₹ 22.74 crore. Accordingly, total recoverable from CEPL works out to ₹ 170.54 crore (₹ 147.80 crore *plus* ₹ 22.74 crore) only against the outstanding principal loan amount of ₹ 298.72 crore. Thus, the balance amount of ₹ 128.18 crore (₹ 298.72 crore *minus* ₹ 170.54 crore) should have been written off.

Non-writing off the balance amount of ₹ 128.18 crore has resulted in understatement of loss by ₹ 42.16 crore (after adjustment of impairment loss allowance of ₹ 86.02 crore (67.11 *per cent*)) and overstatement of loan by the same amount.

(iv) Above includes outstanding principal of ₹ 147 crore against Reliance Naval and Engineering Limited (RNVL). Due to default by RNVL, Corporate Insolvency Resolution Process (CIRP) was initiated (15 January 2020) for recovery of outstanding dues. Committee of Creditors (CoC) received two resolution plans (RP) from two bidders. As per RPs, maximum recovery to IFCI was ₹ 31.93 crore, if IFCI assent for the plan and if dissent, an amount of ₹ 28.14 crore will be received by IFCI.

As IFCI Limited dissented (14 March 2022) for RP, the maximum possible recovery is ₹ 28.14 crore against the outstanding amount of ₹ 147 crore. Therefore, the balance amount of ₹ 118.86 crore (₹ 147 crore *minus* ₹ 28.14 crore) should have been written off.

Non-writing off the balance amount of ₹ 118.86 crore has resulted in understatement of loss by ₹ 39.09 crore (after adjustment of impairment loss allowance of ₹ 79.77 crore (67.11 *per cent*)) and overstatement of loan by same amount.

(v) Above includes outstanding principal of ₹ 151.50 crore against Madhucon Infrastructure Limited (MIL) as on 31 March 2022.

The Company worked out the maximum recoverable amount as ₹ 31.43 crore only based on securities available with it and accordingly agreed (January 2020) for One Time Settlement (OTS) of ₹ 70 crore which was not honoured by MIL. Therefore, the Company revoked (December 2020) the OTS. Fresh OTS proposal of ₹ 50 crore has been offered by MIL on 06 June 2022.

Accordingly, maximum possible recovery is only ₹ 50 crore against the total outstanding of ₹ 151.50 crore. Therefore, the balance amount of ₹ 101.50 crore (₹ 151.50 crore *minus* ₹ 50 crore) should have been written off.

Non-writing off the balance amount of ₹ 101.50 crore has resulted in understatement of loss by ₹ 33.38 crore (after adjustment of impairment loss allowance of ₹ 68.12 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (i), no corrective action was taken by the Company.

(vi) Above includes outstanding principal of ₹ 75.90 crore against C & C Projects Limited. As per the records, resolution plan relating to C & C Projects Limited had elapsed and matter went into liquidation. The liquidation value worked out to ₹ 234 crore and IFCI's share in case of liquidation is only ₹ 0.17 crore. However, IFCI has recognized entire outstanding amount of ₹ 75.90 crore instead of company's share in liquidation value. As the maximum recoverable is only ₹ 0.17 crore against the total outstanding of ₹ 75.90 crore, the balance amount of ₹ 75.73 crore (₹ 75.90 crore - ₹ 0.17 crore) should have been written off.

Non-writing off the balance amount of ₹ 75.73 crore has resulted in understatement of loss by ₹ 24.91 crore (after adjustment of impairment loss allowance of ₹ 50.82 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (iv), no corrective action was taken by the Company.

(vii) Above includes outstanding principal of ₹ 91.40 crore against Liz Traders and Agents Private Limited (LTAPL). Due to default by LTAPL, a case was filed before Resolution Professional (RP). RP informed that there are no assets other than security and financial assets in the corporate debtor and no business has been conducted for the last 3-4 years. It was observed that IFCI only has exclusive charge of a property at Kollum, Kerala which is having a fair value of ₹ 32.69 crore only. As no other security is available with the Company, the balance amount of ₹ 58.71 crore should have been written off.

Non-writing off the balance amount of ₹ 58.71 crore (₹ 91.40 crore *minus* ₹ 32.69 crore) has resulted in understatement of loss by ₹ 19.31 crore (after adjustment of impairment loss allowance of ₹ 39.40 crore (67.11 *per cent*)) and overstatement of loan by same amount.

(viii) Above includes outstanding principal of ₹ 78.21 crore as on 31 March 2022, against Khed Sinnar Expressway Ltd. (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. IL&FS Group filed resolution plan in NCLT which was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹ 63 crore. As maximum expected recovery is ₹ 63 crore, the balance amount of ₹ 15.21 crore (₹ 78.21 *minus* ₹ 63 crore) should have been written off.

Non-writing off the balance amount of ₹ 15.21 crore has resulted in understatement of loss by ₹ 5 crore (after adjustment of impairment loss allowance of ₹ 10.21 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (v), no corrective action was taken by the Company.

(ix) (a) Above includes outstanding principal of ₹ 100 crore against IL&FS Development Co. Ltd. (IEDCL). As the borrower defaulted in payment since November 2019, the account was declared as NPA by the Company. Further pursuant to the default made by the IL&FS group, IEDCL was classified as a "Red Company"[1].

Further, based on the forensic audit report most of the lender banks[2] declared the account as fraud during December 2020 to February 2022. However, Company has shown the loan as stage 3 and provided impairment allowance @ 67.11 *per cent* instead of treating the loan account as fraud and making 100 *per cent* provision.

This has resulted in understatement of loss by ₹ 32.89 crore (after adjustment of impairment allowance @ 67.11 *per cent*) and overstatement of loan by same amount.

(b) Similarly, in case of Coastal Projects Limited (CPL) outstanding principal of ₹ 4.96 crore was booked by the Company as on 31 March 2022. KPMG in its forensic report (06 January 2020) observed CPL's loan account as fraud and on the basis of that lender banks viz State Bank of India, Bank of Maharashtra, Punjab National Bank and Bank of Baroda declared CPL's loan account as fraud. However, IFCI Limited has shown the CPL loan account as stage 3 and provided impairment allowance @ 67.11 *per cent* instead of treating the same as fraud and making 100 *per cent* provision.

This has resulted in understatement of loss by ₹ 1.63 crore (after adjustment of impairment allowance @ 67.11 *per cent*) and overstatement of loan by same amount.

A.1.2 Financial Assets, Investments (Note No.-8) - ₹ 1683.60 crore

(i) Above includes investment of ₹ 5.91 crore in 57,50,000 unquoted equity shares of M/s Coastal Energen Pvt. Ltd. (CEPL) at the rate of ₹ 10.28 per share based on the fair value as on 31 March 2019.

It was observed that the NCLT, Chennai ordered (27 August 2021) to initiate liquidation of CEPL. IFCI ltd. has also submitted (21 February 2022) its claim amounting to ₹ 584.17 crore in respect of the corporate insolvency process of CEPL.

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[1] An entity that cannot meet its payment obligation towards even senior secured financial creditors, as and when such payment obligations become due.

[2] Yes bank on 17.12.2020, PNB on 01.06.2021, Canara Bank on 22.10.2021 and Karnataka Bank on 10.02.2022

As per valuation report (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February 2022). The debt of IFCI Limited is ₹ 584.17 crore which is approximately 5 *per cent* of the total outstanding of CEPL.

Since CEPL is under liquidation at NCLT and assets of the company are not sufficient to dispense its debt, the valuation of the investment in equity shares of the company should have been taken as nil instead of fair value based on 31 March 2019.

This has resulted in overstatement of investments and understatement of loss for the year by ₹ 5.91 crore.

(ii) Above includes investment in Preference shares of JSW Steel Ltd. (JSL) amounting to ₹ 1.72 crore as on 31 March 2022. It was observed that all the Preference shares of JSL have got redeemed till March 2020 and the Company does not have any preference shares in JSL as on 31 March 2022.

Incorrect inclusion of investments in JSW shares has resulted in overstatement of investments and understatement of loss for the year by ₹ 1.72 crore.

(iii) A reference is invited to the Note No. 52 (B) of Notes to Accounts which stipulates that, "The respective operational departments perform the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quarterly reporting period".

However, in three cases[3] investment value was shown at ₹ 360.37 crore. This was based on Fair Valuation on 31 December 2019 and 31 March 2021 and not as on reporting date viz. 31 March, 2022. Moreover, no disclosure to this effect was given in the Notes to Accounts.

Impact of the same on the financials of the company cannot be quantified in the absence of fair value as on 31 March 2022.

Despite being pointed out during previous year vide comment No. A.2, no corrective action was taken by the Company.

Further, market value of one equity share of Gujarat State Energy Generation Ltd. on 31 March 2021 was ₹ 12.85 whereas the Company has taken the value of one share as ₹ 12.75. This has resulted in understatement of investment and overstatement of losses for the year by ₹ 0.18 crore.

B. Statement of Profit and Loss

Fee and Commission Income - ₹ 49.54 crore

Above does not include ₹ 2.45 crore receivable from Ministry of Textile (MoT) against the milestone achieved by Company as per the PLI Scheme of MoT. As the work has been completed by the Company till 31 March 2022, corresponding revenue should have been recognised.

Similarly, the above does not include a commission of ₹ 2.71 crore pertaining to FY 2020-21 to be received on Sugar Development Fund being managed by IFCI Limited.

Non booking of the same has resulted in understatement of Fee and Commission by ₹ 2.45 crore, prior period income by ₹ 2.71 crore and overstatement of loss by ₹ 3.47 crore (2.08 crore and ₹ 1.39 crore). Consequently, GST payable is also understated by ₹ 1.69 crore (₹ 0.37 crore and ₹ 1.32 crore).

C. Comments on Auditors' report

Independent Auditor's Report dated 28 May 2022

A Reference is invited to Annexure B (Part A - Point No. 3) where in it has been stated by the Independent Auditor that *"There is no grant/ subsidy received/receivable by the Company during the year under audit. Further, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme"*.

However, it was observed that Company received ₹ 50.01 crore for Project Management Agency (PMA) for Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) during FY 2021-22 which was not included/commented by the Independent Auditor in his report. As the direction in response to which above statement was made required the Auditors' to report on utilization of funds received from Central/State Government or its agencies and was not restricted to grants/subsidy only, the Independent Auditor's report is deficient to that extent.

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

(S. Ahlladini Panda)
Principal Director of Audit
(Industry and Corporate Affairs)
New Delhi

Place: New Delhi
Date: 20.09.2022

[3] Gujarat State Energy Generation Limited (31 March 2021), Gujarat State Petroleum Corporation (31 March 2021) and HPCL Mittal Energy Limited (31 December 2019)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED 31 MARCH 2022

The preparation of consolidated financial statements of IFCI Limited for the year ended 31 March, 2022 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) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May, 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of IFCI Limited for the year ended 31 March, 2022 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of IFCI Limited (the Company) and subsidiaries as mentioned in Annexure-A, but did not conduct supplementary audit of Stock Holding Corporation of India Limited (the subsidiary) for the year ended on that date. 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 matters under Section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report

A. Comments on consolidated Profitability

A.1 Assets: Financial Assets, Loans (Note 7) ₹ 2623.48 crore

Loan has been overstated and loss for the year has been understated by ₹ 350.01 crore as detailed below:

(i) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 *per cent*) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹ 70.31 crore against the outstanding dues of ₹ 383.50 crore. Further as per Management, an amount of ₹ 125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹ 302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹ 4.40 crore (₹ 1.03 *per cent* of ₹ 427 crore). Thus, the maximum recoverable from VIL worked out to ₹ 74.71 crore only (₹ 70.31 crore *plus* ₹ 4.40 crore) against the total outstanding amount of ₹ 383.50 crore. Therefore, balance amount of ₹ 308.79 crore (₹ 383.50 crore - ₹ 74.71 crore) should have been written off.

Non-writing off the balance amount of ₹ 308.79 crore has resulted in understatement of loss by ₹ 101.56 crore (after adjustment of impairment loss allowance of ₹ 207.23 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (iii), no corrective action was taken by the Company.

(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding dues ₹ 135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹ 10.37 crore. Company received an amount of ₹ 13 crore after liquidation of assets and adjusted the same towards interest.

As no further recovery is expected, the outstanding principal of ₹ 135.81 crore should have been written off.

Non-writing off the balance amount of ₹ 135.81 crore has resulted in understatement of loss by ₹ 44.67 crore (after adjustment of impairment loss allowance of ₹ 91.14 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (ii), no corrective action was taken by the Company.

(iii) Above includes outstanding principal of ₹ 298.72 crore against M/s Coastal Energen Pvt. Ltd (CEPL) which was declared NPA on 30 June 2018.

NCLT ordered (27 August 2021) to initiate liquidation of CEPL. IFCI Limited also submitted (21 February 2022) its claim of ₹ 584.17 crore (inclusive of outstanding interest of ₹ 285.45 crore).

As per valuation report (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February 2022). The debt of IFCI Limited is ₹ 584.17 crore which is approximately 5 *per cent* of the total outstanding of CEPL.

Accordingly, share of IFCI in the assets of CEPL during liquidation works out to ₹ 147.80 crore (approx). Further, IFCI holds exclusive charge on a mortgage property valuing ₹ 22.74 crore. Accordingly, total recoverable from CEPL works out to ₹ 170.54 crore (₹ 147.80 crore *plus* 22.74 crore) only against the outstanding principal loan amount of ₹ 298.72 crore. Thus, the balance amount of ₹ 128.18 crore (₹ 298.72 crore *minus* ₹ 170.54 crore) should have been written off.

Non-writing off the balance amount of ₹ 128.18 crore has resulted in understatement of loss by ₹ 42.16 crore (after adjustment of impairment loss allowance of ₹ 86.02 crore (67.11 *per cent*)) and overstatement of loan by the same amount.

(iv) Above includes outstanding principal of ₹ 147 crore against Reliance Naval and Engineering Limited (RNVL). Due to default by RNVL, Corporate Insolvency Resolution Process (CIRP) was initiated (15 January 2020) for recovery of outstanding dues. Committee of Creditors (CoC) received two resolution plans (RP) from two bidders. As per RPs, maximum recovery to IFCI was ₹ 31.93 crore, if IFCI assent for the plan and if dissent, an amount of ₹ 28.14 crore will be received by IFCI.

As IFCI Limited dissented (14 March 2022) for RP, the maximum possible recovery is ₹ 28.14 crore against the outstanding amount of ₹ 147 crore. Therefore, the balance amount of ₹ 118.86 crore (₹ 147 crore *minus* ₹ 28.14 crore) should have been written off.

Non-writing off the balance amount of ₹ 118.86 crore has resulted in understatement of loss by ₹ 39.09 crore (after adjustment of impairment loss allowance of ₹ 79.77 crore (67.11 *per cent*)) and overstatement of loan by same amount.

(v) Above includes outstanding principal of ₹ 151.50 crore against Madhucon Infrastructure Limited (MIL) as on 31 March 2022.

The Company worked out the maximum recoverable amount as ₹ 31.43 crore only based on securities available with it and accordingly agreed (January 2020) for One Time Settlement (OTS) of ₹ 70 crore which was not honoured by MIL Therefore, the Company revoked (December 2020) the OTS. Fresh OTS proposal of ₹ 50 crore has been offered by MIL on 06 June 2022.

Accordingly, maximum possible recovery is only ₹ 50 crore against the total outstanding of ₹ 151.50 crore. Therefore, the balance amount of ₹ 101.50 crore (₹ 151.50 crore *minus* ₹ 50 crore) should have been written off.

Non-writing off the balance amount of ₹ 101.50 crore has resulted in understatement of loss by ₹ 33.38 crore (after adjustment of impairment loss allowance of ₹ 68.12 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (i), no corrective action was taken by the Company.

(vi) Above includes outstanding principal of ₹ 75.90 crore against C & C Projects Limited. As per the records, resolution plan relating to C & C Projects Limited had elapsed and matter went into liquidation. The liquidation value worked out to ₹ 234 crore and IFCI's share in case of liquidation is only ₹ 0.17 crore. However, IFCI has recognized entire outstanding amount of ₹ 75.90 crore instead of company's share in liquidation value. As the maximum recoverable is only ₹ 0.17 crore against the total outstanding of ₹ 75.90 crore, the balance amount of ₹ 75.73 crore (₹ 75.90 crore - ₹ 0.17 crore) should have been written off.

Non-writing off the balance amount of ₹ 75.73 crore has resulted in understatement of loss by ₹ 24.91 crore (after adjustment of impairment loss allowance of ₹ 50.82 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (iv), no corrective action was taken by the Company.

(vii) Above includes outstanding principal of ₹ 91.40 crore against Liz Traders and Agents Private Limited (LTAPL). Due to default by LTAPL, a case was filed before Resolution Professional (RP). RP informed that there are no assets other than security and financial assets in the corporate debtor and no business has been conducted for the last 3-4 years. It was observed that IFCI only has exclusive charge of a property at Kollum, Kerala which is having a fair value of ₹ 32.69 crore only. As no other security is available with the Company, the balance amount of ₹ 58.71 crore should have been written off.

Non-writing off the balance amount of ₹ 58.71 crore (₹ 91.40 crore *minus* ₹ 32.69 crore) has resulted in understatement of loss by ₹ 19.31 crore (after adjustment of impairment loss allowance of ₹ 39.40 crore (67.11 *per cent*)) and overstatement of loan by same amount.

(viii) Above includes outstanding principal of ₹ 78.21 crore as on 31 March 2022, against Khed Sinnar Expressway Ltd. (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. IL&FS Group filed resolution plan in NCLT which was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹ 63 crore. As maximum expected recovery is ₹ 63 crore, the balance amount of ₹ 15.21 crore (₹ 78.21 crore *minus* ₹ 63 crore) should have been written off.

Non-writing off the balance amount of ₹ 15.21 crore has resulted in understatement of loss by ₹ 5 crore (after adjustment of impairment loss allowance of ₹ 10.21 crore (67.11 *per cent*)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (v), no corrective action was taken by the Company.

(ix) (a) Above includes outstanding principal of ₹ 100 crore against IL&FS Development Co. Ltd. (IEDCL). As the borrower defaulted in payment since November 2019, the account was declared as NPA by the Company. Further pursuant to the default made by the IL&FS group, IEDCL was classified as a "Red Company"[1].

Further, based on the forensic audit report most of the lender banks[2] declared the account as fraud during December 2020 to February 2022. However, Company has shown the loan as stage 3 and provided impairment allowance @ 67.11 *per cent* instead of treating the loan account as fraud and making 100 *per cent* provision.

This has resulted in understatement of loss by ₹ 32.89 crore (after adjustment of impairment of allowance @ 67.11%) and overstatement of loan by same amount.

(b) Similarly, in case of Coastal Projects Limited (CPL) outstanding principal of ₹ 4.96 crore was booked by the Company as on 31 March 2022. KPMG in its forensic report (06 January 2020) observed CPL's loan account as fraud and on the basis of that lender banks viz State Bank of India, Bank of Maharashtra, Punjab National Bank and Bank of Baroda declared CPL's loan account as fraud. However, IFCI Limited has shown the CPL loan account as stage 3 and provided impairment allowance @ 67.11 *per cent* instead of treating the same as fraud and making 100 *per cent* provision.

This has resulted in understatement of loss by ₹ 1.63 crore (after adjustment of impairment allowance @ 67.11 *per cent*) and overstatement of loan by same amount.

(x) IFCI Factors Limited (the Subsidiary) sanctioned (June 2018 and September 2020) two loans of ₹ 5.00 crore and ₹ 4.00 crore to Margdarshak Financial Services Limited (MFSL). The loans were secured by way of six Fixed Deposits (FDs) lien marked with the company for ₹ 1.02 crore. As MFSL defaulted[3] in payment of its dues, the Company encashed (April/June 2021) all the six FDs and adjusted the loan accounts. The loans were declared as NPA in September 2021. Accordingly, impairment loss of ₹ 0.68 crore has been provided (at the rate of 15 *per cent* of outstanding dues of ₹ 4.49 crore as on 31 March 2022) considering the loan account as sub-standard asset.

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[1] An entity cannot meet its payment obligation towards even senior secured financial creditors, as and when such payment obligations become due

[2] Yes bank on 17.12.2020, PNB on 01.06.2021, Canara Bank on 22.10.2021 and Karnataka Bank on 10.02.2022

[3] No payment received from January 2021.

As per RBI"s prudential norms on Income Recognition[4], Asset Classification and Provisioning pertaining to Advances, in respect of accounts where there are potential threats for recovery on account of erosion in the value of security it will not be prudent that such accounts should go through various stages of asset classification. In cases of such serious credit impairment, the asset should be straightaway classified as doubtful or loss asset as appropriate.

Accordingly, the company should have treated the loan account as doubtful asset and made an impairment loss allowance of ₹ 4.49 crore i.e at the rate of 100 *per cent*.

This has resulted in understatement of impairment loss allowance and overstatement of loan by ₹ 3.81 crore (₹ 4.49 crore – ₹ 0.68 crore). Consequently, loss for the year is also understated to the same extent.

(xi) IFCI Factors Limited (the Subsidiary) sanctioned (May 2014) a short-term loan of ₹ 16 crore to MVL Limited (MVL). Loan was secured by way of mortgage of six flats situated at MVL Coral Housing Group Housing Complex in Alwar (Rajasthan). Loan account was declared NPA by the company in June, 2015 and the outstanding amount as on 31 March 2022 was ₹ 11.51 crore.

To recover its dues from MVL, the company sold four flats till March 2022. As per the valuation report (June 2019) the realizable value of each flat is ₹ 29.70 lakh. Thus, the amount recoverable from the MVL vide sale of two remaining flats is ₹ 59.40 lakh.

Accordingly in view of RBI Master Directions dated 17 February 2020[5], 100 *per cent* provision to the extent to which the advance is not covered by the realizable value of security and 50 *per cent*[6] provision for the secured part of the doubtful loan was required to be made which works out to ₹ 11.21 crore (₹ 0.30 crore[7] *plus* ₹ 10.91 crore[8]) against ₹ 10.61 crore made by the Company.

This has resulted in understatement of impairment loss allowance and overstatement of loans by ₹ 0.60 crore (₹ 11.21 crore *minus* ₹ 10.61 crore). Consequently, loss for the year is also understated to the same extent.

(xii) IFCI Factors Limited (the Subsidiary) sanctioned (December 2014) a short-term loan of ₹ 18 crore to VNR Infrastructure Limited (VNR) secured by way of mortgage of two properties of corporate guarantors situated at Nyamathabad village and Burdipadu village in Telangana State. Loan account was declared NPA in March 2016 and the outstanding amount as on 31 March 2022 was ₹ 18.01 crore.

To recover its dues from VNR, the Company tried to sell the mortgaged properties under The Securitizations and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI Act) on three occasions[9], however, the sale could not materialize due to non-receipt of any bids in all the three occasions. Further, for e-auction of the properties, NPA sale committee of the company on 22.12.2021 fixed the reserve price of the two mortgaged properties at Distress Sale Value level of ₹ 17.36 crore as per the valuation report dated 16 November 2020.

Accordingly in view of RBI Master Directions dated 17 February 2020, 100 *per cent* provision to the extent to which the advance is not covered by the realizable value of security and 50 *per cent*[10] provision for the secured part of the doubtful loan was required to be made which works out to ₹ 9.33 crore (₹ 8.68 crore[11] *plus* ₹ 0.65 crore[12]) against ₹ 9.01 crore made by the Company.

This has resulted in understatement of impairment loss allowance and overstatement of loans by ₹ 0.32 crore (₹ 9.33 crore *minus* ₹ 9.01 crore). Consequently, loss for the year is also understated to the same extent.

(xiii) The above includes loan of ₹ 11.69 crore (sanctioned by IFCI Venture Capital Funds Limited, the Subsidiary) pertaining to Arcotech Limited. Loan was secured by way of pledge of 83,31,812 listed shares of borrower as on 31.03.2022. Loan account was declared NPA in December, 2018. The facility of trading in the shares of the Arcotech Ltd was discontinued with effect from August 31, 2021 by SEBI vide notice dated 16.08.2021. As the company does not have any alternate security to recover its dues from the borrower, the loan account of Arcotech Limited should have been treated as unsecured. As per the ECL model followed by the company, 100 *per cent* impairment loss allowance needs to be provided for loan accounts where company does not have any security to recover its dues from the borrower.

However, the company has made an impairment loss allowance of ₹ 11.01 crore only which has resulted in understatement of impairment loss allowance and loss for the year by ₹ 0.68 crore (₹ 11.69 crore - ₹ 11.01 crore) and overstatement of loan by same amount.

A.1.2 Financial Assets, Investments (Note No-8) - ₹ 6540.90 crore

(i) Above includes investment of ₹ 5.91 crore in 57,50,000 unquoted equity shares of M/s Coastal Energen Pvt. Ltd. (CEPL) at the rate of 10.28 per share based on the fair value as on 31 March 2019.

It was observed that the NCLT, Chennai ordered (27 August 2021) to initiate liquidation of CEPL. IFCI ltd. has also submitted (21 February 2022) its claim amounting to ₹ 584.17 crore in respect of the corporate insolvency process of CEPL.

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[4] Issued vide RBI/2021-2022/104 DOR.NO.STR.REC.55/21.04.048/2021-22 dated October 1, 2021

[5] Master Direction DNBR PD 008/3.10.119/2016-17 dated September 01, 2016 updated as on February 17, 2020

[6] In case asset remained doubtful for more than three years

[7] 50% of ₹ 59.40 lakhs

[8] Unsecured Loan i.e. ₹ 11.51 crore minus ₹ 0.60 crore

[9] November 2017, March 2019 and February 2020

[10] In case asset remained doubtful for more than three years

[11] 50% of ₹ 17.36 crore

[12] Unsecured Loan i.e. ₹ 18.01 crore ₹ 17.36 crore

As per valuation report (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February 2022). The debt of IFCI Limited is ₹ 584.17 crore which is approximately 5 *per cent* of the total outstanding of CEPL.

Since CEPL is under liquidation at NCLT and assets of the company are not sufficient to dispense its debt, the valuation of the investment in equity shares of the company should have been taken as nil instead of fair value based on 31 March 2019.

This has resulted in overstatement of investments and understatement of loss for the year by ₹ 5.91 crore.

(ii) Above includes investment in Preference shares of JSW Steel Ltd. (JSL) amounting to ₹ 1.72 crore as on 31 March 2022. It was observed that all the Preference shares of JSL have got redeemed till March 2020 and the Company does not have any preference shares in JSL as on 31 March 2022.

Incorrect inclusion of investments in JSW shares has resulted in overstatement of investments and understatement of loss for the year by ₹ 1.72 crore.

(iii) A reference is invited to the Note No. 55 (B) of Notes to Accounts which stipulates that, "The respective operational departments perform the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quarterly reporting period".

However, in three cases[13] investment value was shown at ₹ 360.37 crore. This was based on Fair Valuation on 31 December 2019 and 31 March 2021 and not as on reporting date viz. 31 March, 2022. Moreover, no disclosure to this effect was given in the Notes to Accounts.

Impact of the same on the financials of the company cannot be quantified in the absence of fair value as on 31 March 2022.

Despite being pointed out during previous year vide comment No. A.2, no corrective action was taken by the Company.

Further, market value of one equity share of Gujarat State Energy Generation Ltd. on 31 March 2021 was ₹ 12.85 whereas the Company has taken the value of one share as ₹ 12.75. This has resulted in understatement of investment and overstatement of losses for the year by ₹ 0.18 crore.

(iv) The above includes investment of ₹ 3.25 crore made by IFCI Venture Capital Funds Limited (the Subsidiary) in 42,00,000 unquoted equity of M/s Jangipur Bengal Mega Food Park Ltd. (investee) at the market rate of 7.73 per share, being the value calculated by Crest Valuation Services Private Limited (Valuer) as on 31 March 2022.

For working out this figure, Valuer had considered amount of assets/liabilities of unaudited financial statement of the investee as on 24 February 2022.

Audit observed that the Valuer considered revenue of ₹ 1.21 crore instead of ₹ 0.44 crore being the actual revenue as per the profit and loss statement of the investee as on 24 February 2022 and worked out value per share at ₹ 7.73. Considering only this difference and taking rest other values to be the same as taken by the Valuer, fair value per share of investee should have been ₹ 6.66 instead of ₹ 7.73.

This has resulted in overstatement of investment and understatement of loss by ₹ 0.45 crore (₹ 3.25 crore *minus* ₹ 2.80[14] crore).

A.1.3 Financial Assets -

Others Financial Assets (Note No. 9) - ₹ 734.77 crore

Above includes ₹ 0.64 crore (₹ 0.40 crore for FY 2014-15 and ₹ 0.24 crore for FY 2015-16) on account of TDS receivable.

Audit observed that the Income Tax Department (department) determined a refund of ₹ 0.23[15] crore and ₹ 0.22[16] crore for FY 2014-15 and 2015-16 respectively and adjusted the same against the outstanding demands of earlier FYs. The MPCON Limited (the Subsidiary) did not file any appeal against the adjustment of said refunds determined by the department.

In view of above, the Company should have adjusted the aforesaid TDS receivables against the tax expenses of the earlier years. Non-adjusting of the same has resulted in overstatement of other current financial assets and understatement of prior period expenditure by ₹ 0.64 crore. Consequently, loss for the year is also understated to the same extent.

B. Statement of Profit and Loss

Fee and Commission Income (Note 28) - ₹ 62.46 crore

Above does not include ₹ 2.45 crore receivable from Ministry of Textile (MOT) against the milestone achieved by Company as per the PLI Scheme of MoT. As the work has been completed by the Company till 31 March 2022, corresponding revenue should have been recognised.

Similarly, the above does not include a commission of ₹ 2.71 crore pertaining to FY 2020-21 to be received on Sugar Development Fund being managed by IFCI Limited.

Non booking of the same has resulted in understatement of Fee and Commission by ₹ 2.45 crore, prior period income by ₹ 2.71 crore and overstatement of loss by ₹ 3.47 crore (₹ 2.08 crore and ₹ 1.39 crore). Consequently, GST payable is also understated by ₹ 1.69 crore (₹ 0.37 crore and ₹ 1.32 crore).

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[13] Gujarat State Energy Generation Limited (31 March 2021), Gujarat State Petroleum Corporation (31 March 2021) and HPCL Mittal Energy Limited (31 December 2019)

[14] No. of Share* per share value i.e. 42,00,000 * 6.66 = ₹ 279.72 lakhs

[15] Vide order dated 01 August 2016 u/s 143(1) of Income Tax Act

[16] As per ITR filed by MPCON Limited on 16 October 2016 and acknowledged by the department. Copy of order u/s 143 (1) is not traceable as stated by the Company.

C. Comment on Consolidated Cash Flow statement

C.1 Cash Flow from Investing Activities:

Cash Flow from Operating Activities

Increase/Decrease in Assets held for Sale - ₹ 3.77 crore

(i) The above represents assets of ₹ 3.77 crore acquired on accounts of NPA resolution plan of M/s KEW Industries Limited and shown as Asset Held for sale up to 31.03.2021 by IFCI Factors Limited (the Subsidiary). During current year the said assets were sold for ₹ 3.50 crore and loss on sale of these assets of ₹ 0.27 crore was booked as other expenses under P&L accounts. Since an amount of ₹ 3.50 crore was realized from sale of these assets, hence the same should have been considered as cash inflow from Proceeds from sale of investment in Cash Flow from Investing Activities and loss of ₹ 0.27 crore should be adjusted from (profit)/ loss on sale of assets.

This has resulted in understatement of Net cash flow from investing activities by ₹ 3.50 crore and overstatement of net cash flow from operating activities by same amount.

D. Comments on Auditors' report on Consolidated Financial Statements

D.1 Independent Auditor's Report dated 28 May 2022

(i) Reference is invited to paragraph 2 of Companies (Auditor's Report) Order, 2020 (CARO) dated 25.02.2020 issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act 2013 wherein it is stated that clause (xxi) of paragraph 3 of CARO, 2020 i.e. *"whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks* "is applicable on auditor's report on consolidated financial statement. However, statutory auditor has not provided its comments on the above clause in its report.

Hence Independent Auditors' report on the financial statements of the company is deficient to above extent.

(ii) A Reference is invited to Annexure A (Part A - Point No. 3) where in it has been stated by the Independent Auditor that *"There is no grant/subsidy received/receivable by the Company during the year under audit. Further, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme"*.

However, it was observed that Company received ₹ 50.01 crore for Project Management Agency (PMA) for Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) during FY 2021-22 which was not included/commented by the Independent Auditor in his report. As the direction in response to which above statement was made required the Auditors' to report on utilization of funds received from Central/State Government or its agencies and was not restricted to grants/subsidy only, the Independent Auditor's report is deficient to that extent.

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

(S. Ahlladíni Panda)
Principal Director of Audit
(Industry and Corporate Affairs)
New Delhi.

Place: New Delhi
Date: 21.09.2022

ANNEXURE A

Name of the Subsidiary companies of IFCI Limited of which supplementary audit was conducted.

Sl. No.	Name of the Joint Venture/Subsidiary	Type of the Company
1.	IFCI Venture Capital Funds Limited	Subsidiary
2.	IFCI Factors Limited	Subsidiary
3.	IFCI Infrastructure Development Limited	Subsidiary
4.	IFCI Financial Services Limited	Subsidiary
5.	MPCON Limited	Subsidiary

IFCI LIMITED

CONSOLIDATED IFCI's COMMENTS ON CAG SUPPLEMENTARY AUDIT OBSERVATIONS ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS CONDUCTED FOR FINANCIAL YEAR 2021-22

CAG Observations	IFCI Management Comments
A. Comments on Consolidated Profitability **A.1 Assets:** **Financial Assets, Loans (Note 7) ₹ 2623.48 crore** Loan has been overstated and loss for the year has been understated by ₹ 350.01 crore as detailed below:	
(i) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 per cent) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹ 70.31 crore against the outstanding dues of ₹ 383.50 crore. Further as per Management, an amount of ₹ 125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹ 302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹ 4.40 crore (1.03 per cent of ₹427 crore). Thus, the maximum recoverable from VIL worked out to ₹ 74.71 crore only (₹ 70.31 crore plus ₹ 4.40 crore) against the total outstanding amount of ₹ 383.50 crore. Therefore, balance amount of ₹ 308.79 crore (₹ 383.50 crore - ₹ 74.71 crore) should have been written off. Non-writing off the balance amount of ₹ 308.79 crore has resulted in understatement of loss by ₹ 101.56 crore (after adjustment of impairment loss allowance of ₹ 207.23 crore (67.11 per cent)) and overstatement of loan by same amount. Despite being pointed out during previous year vide comment No. A.1 (iii), no corrective action was taken by the Company.	**(i) Videocon Industries Ltd.** At the 19th meeting of the Committee of Creditors (COC), the Resolution Plan submitted by Twin Star Technologies Limited (A Vedanta Group Company) along with the Distribution Mechanism so worked out to accommodate the Creditors (IDBI Bank and IFCI) with exclusive security was approved by 98.17% of the COC. IFCI had dissented to all the Resolutions including the above. IFCI's voting share in COC is 1.03%. Accordingly, it was held by the NCLT to pay the dissenting creditor i.e. IFCI an amount of ₹ 70.31 crores, through upfront payment in cash (₹ 40 crore pertains to GRAN Electronics). However, due to difference in calculation of liquidation value to the dissenting Financial Creditor and 90-96% haircut being envisaged for financial creditors, IFCI had filed an appeal for a stay in the execution of the above resolution. Based on the appeal filed by IFCI the appellate tribunal on January 5, 2022 ruled that winning bidder Twin Star Technologies' plan was not compliant with the Insolvency and Bankruptcy Code and thus remitted the matter back to the committee of creditors (CoC) to complete the resolution process. Thereafter, the majority of lenders voted in favour of restarting the process by inviting EoI. However, Twin Star Technologies filed an application in the Supreme Court against the same and SC stayed the resolution process of Videocon Industries and its 12 units until it decided on an appeal filed by Vedanta Ltd holding company Twin Star Technologies Ltd. IFCI has also filed an application before NCLT for consolidation of resolution of VOVL with VIL, since IFCI has charge on assets and cashflows pertaining to VOVL. In view of the continuing proceedings, a decision on write-off of the unsecured portion of the loan shall be taken up upon conclusion of the applications filed by IFCI and other litigations. Further, in case the write-off is made now when crystallization has not occurred, it would lead to overstatement of losses. The same is explained below: **₹ crore** **As per Books** Outstanding: 383.50 Portfolio ECL @67.11%: 257.37 Net outstanding: 126.13 There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore. The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallization event.

CAG Observations

(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding dues of ₹135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹ 10.37 crore. Company received an amount of ₹ 13 crore after liquidation of assets and adjusted the same towards interest.

As no further recovery is expected, the outstanding principal of ₹ 135.81 crore should have been written off.

Non-writing off the balance amount of ₹ 135.81 crore has resulted in understatement of loss by ₹ 44.67 crore (after adjustment of impairment loss allowance of ₹ 91.14 crore (67.11 per cent)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (ii), no corrective action was taken by the Company.

IFCI Management Comments

(ii) Gran Electronics Private Limited

At the 19th meeting of the Committee of Creditors (COC), the Resolution Plan submitted by Twin Star Technologies Limited (A Vedanta Group Company) along with the Distribution Mechanism so worked out to accommodate the Creditors (IDBI Bank and IFCI) with exclusive security was approved by 98.17% of the COC.

IFCI had dissented to all the Resolutions including the above. IFCI's voting share in COC is 1.03%. Accordingly, it was held by the NCLT to pay the dissenting creditor i.e. IFCI an amount of ₹ 70.31 crores, through upfront payment in cash (₹ 40 crore pertains to GRAN Electronics).

However, due to difference in calculation of liquidation value to the dissenting Financial Creditor and 90-96% haircut being envisaged for financial creditors, IFCI had filed an appeal for a stay in the execution of the above resolution. Based on the appeal filed by IFCI the appellate tribunal on January 5, 2022 ruled that winning bidder Twin Star Technologies' plan was not compliant with the Insolvency and Bankruptcy Code and thus remitted the matter back to the committee of creditors (CoC) to complete the resolution process. Thereafter, the majority of lenders voted in favour of restarting the process by inviting EoI.

However, Twin Star Technologies filed an application in the Supreme Court against the same and SC stayed the resolution process of Videocon Industries and its 12 units until it decided on an appeal filed by Vedanta Ltd holding company Twin Star Technologies Ltd.

Further, it may be mentioned that one of the 3rd party securities in GRAN i.e. a land exclusively mortgaged to IFCI but owned by VIL has been pooled in for VIL resolution and an amount of approximate ₹ 40 crore is expected to be received against the said security, under the resolution plan.

Since, the resolution plan in VIL has been stayed by Supreme Court, IFCI may take a decision on write off only upon crystallisation of the amount i.e. upon receipt of proceeds under resolution plan.

Further, in case the write-off is made now when crystallisation has not occurred, it would lead to overstatement of losses. The same is explained below:

₹ crore

As per Books	As per observation
Outstanding: 135.81 Portfolio ECL @67.11%: 91.14 Net outstanding: 44.66 There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level.	Outstanding: 135.81 Write-off: 135.81 Remaining: NIL Portfolio ECL @67.11%: NIL Net outstanding: 0 Overstatement of losses: 40.00

The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td>

(iii) Above includes outstanding principal of ₹ 298.72 crore against M/S Coastal Energen Pvt. Ltd (CEPL) which was declared NPA on 30 June 2018.

NCLT ordered (27 August 2021) to initiate liquidation of CEPL. IFCI Limited also submitted (21 February 2022) its claim of ₹ 584.17 crore (inclusive of outstanding interest of ₹ 285.45 crore).

As per valuation report (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February 2022). The debt of IFCI Limited is ₹ 584.17 crore which is approximately 5 per cent of the total outstanding of CEPL.

Accordingly, share of IFCI in the assets of CEPL during liquidation works out to ₹ 147.80 crore (approx). Further, IFCI holds exclusive charge on a mortgage property valuing ₹ 22.74 crore. Accordingly, total recoverable from CEPL works out to ₹170.54 crore (₹ 147.80 crore plus ₹ 22.74 crore) only against the outstanding principal loan amount of 298.72 crore. Thus, the balance amount of ₹ 128.18 crore (₹ 298.72 crore minus ₹ 170.54 crore) should have been written off.

Non-writing off the balance amount of ₹ 128.18 crore has resulted in understatement of loss by ₹ 42.16 crore (after adjustment of impairment loss allowance of ₹ 86.02 crore (67.11 per cent)) and overstatement of loan by the same amount.

</td><td>

(iii) Coastal Energen Pvt. Ltd

It may be noted that the company has been admitted into NCLT on 04/02/2022 and presently the Corporate Insolvency Resolution Process (CIRP) has been suspended due to stay by NCLAT acting upon certain petitions filed by some promoter entities. Once the CIRP restarts post vacation of the stay by NCLAT, the resolution plans shall be invited by the Resolution Professional (RP) as part of the CIRP. It is quite premature to project failure of CIRP process and liquidation of the company.

Further, in case the write-off is made now when crystallisation has not occurred, it would lead to overstatement of losses. The same is explained below:

(₹ in crore)

<table>
<tr><th>As per Books</th><th>As per observation</th></tr>
<tr><td>Outstanding: 298.72
Portfolio ECL @67.11%: 200.47
Net outstanding: 98.72

There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td><td>Outstanding: 298.72
Write-off: 128.18
Remaining: 170.54
Portfolio ECL @67.11%: 114.45
Net outstanding: 56.09
Overstatement of losses: 42.63</td></tr>
</table>

The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.

</td></tr>
<tr><td>

(iv) Above includes outstanding principal of ₹147 crore against Reliance Naval and Engineering Limited (RNVL). Due to default by RNVL, Corporate Insolvency Resolution Process (CIRP) was initiated (15 January 2020) for recovery of outstanding dues. Committee of Creditors (COC) received two resolution plans (RP) from two bidder. As per RPs, maximum recovery to IFCI was ₹ 31.93 crore, if IFCI assent for the plan and if dissent, an amount of ₹ 28.14 crore will be received by IFCI.

As IFCI Limited dissented (14 March 2022) for RP, the maximum possible recovery is ₹ 28.14 crore against the outstanding amount of ₹ 147 crore. Therefore, the balance amount of ₹ 118.86 crore (₹ 147 crore minus ₹ 28.14 crore) should have been written off.

Non-writing off the balance amount of ₹ 118.86 crore has resulted in understatement of loss by ₹ 39.09 crore (after adjustment of impairment loss allowance of ₹ 79.77 crore (67.11 per cent)) and overstatement of loan by same amount.

</td><td>

(iv) Reliance Naval and Engineering Limited

It may be noted that the resolution plan submitted by Hazel Mercantile Limited has only been approved by COC. However, the same is yet to be approved by NCLT. Several parties namely, Reliance Infrastructure Limited, Jindal Steel & Energy Limited, Citi Securities have filed applications against the resolution plan which are being heard.

Write-off of balance amount of ₹ 118.86 crore will be done post receipt of entire amount receivable upon dissent under the resolution plan approved by NCLT.

Further, in case the write-off is made now when crystallisation has not occurred, it would lead to overstatement of losses. The same is explained below:

(₹ in crore)

<table>
<tr><th>As per Books</th><th>As per observation</th></tr>
<tr><td>Outstanding: 147.00
Portfolio ECL @67.11%: 98.65
Net outstanding: 48.3

There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td><td>Outstanding: 147.00
Write-off: 118.86
Remaining: 28.14
Portfolio ECL @67.11%: 18.88
Net outstanding: 9.25
Overstatement of losses: 18.88</td></tr>
</table>

</td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td></td><td>The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.</td></tr>
<tr><td>(v) Above includes outstanding principal of ₹ 151.50 crore against Madhucon Infrastructure Limited (MIL) as on 31 March 2022.

The Company worked out the maximum recoverable amount as ₹ 31.43 crore only based on securities available with it and accordingly agreed (January 2020) for One Time Settlement (OTS) of ₹ 70 crore which was not honoured by MIL. Therefore, the Company revoked (December 2020) the OTS. Fresh OTS proposal of ₹ 50 crore has been offered by MIL on 06 June 2022.

Accordingly, maximum possible recovery is only ₹ 50 crore against the total outstanding of ₹ 151.50 crore. Therefore, the balance amount of ₹ 101.50 crore (₹ 151.50 crore minus ₹ 50 crore) should have been written off.

Non-writing off the balance amount of ₹ 101.50 crore has resulted in understatement of loss by ₹ 33.38 crore (after adjustment of impairment loss allowance of ₹ 68.12 crore (67.11 per cent)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (i), no corrective action was taken by the Company.</td><td>(v) Madhucon Infrastructure Limited

OTS of ₹ 70.00 crore was approved by IFCI, out of which ₹ 10.50 crore was paid by MIL. Due to non-honoring of OTS by the borrower, the sanction of OTS was revoked by vide letter dated 31.12.2020. However, MIL has again approached IFCI with a revised OTS for which negotiations are in progress. The OTS amount is being negotiated and upon finalization of the OTS terms, the same shall be put up to Competent Authority for approval. In OTS cases, the write-off of balance non-recoverable amount is done only after receipt of entire OTS amount because in case of non-receipt of entire amount, the original liabilities are to be restored after revocation of OTS. Therefore write-off of balance amount, if required, shall be done post receipt of entire amount envisaged under any settlement.

Further, in case the write-off is made now when crystallisation has not occurred, it would lead to overstatement of losses. The same is explained below:

(₹ in crore)
<table>
<tr><th>As per Books</th><th>As per observation</th></tr>
<tr><td>Outstanding: 151.50
Portfolio ECL @67.11%: 101.67
Net outstanding: 49.93

There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td><td>Outstanding: 151.50
Write-off: 101.50
Remaining: 50
Portfolio ECL @67.11%: 33.56
Net outstanding: 16.44
Overstatement of losses: 33.56</td></tr>
</table>
The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.</td></tr>
<tr><td>(vi) Above includes outstanding principal of ₹ 75.90 crore against C&C Projects Limited. As per the records, resolution plan relating to C&C Projects Limited had elapsed and matter went into liquidation. The liquidation value worked out to ₹ 234 crore and IFCI's share in case of liquidation is only ₹ 0.17 crore. However, IFCI has recognized entire outstanding amount of ₹ 75.90 crore instead of company's share in liquidation value. As the maximum recoverable is only ₹ 0.17 crore against the total outstanding of ₹ 75.90 crore, the balance amount of ₹ 75.73 crore (₹ 75.90 crore minus ₹ 0.17 crore) should have been written off.

Non-writing off the balance amount of ₹ 75.73 crore has resulted in understatement of loss by ₹ 24.91 crore (after adjustment of impairment loss allowance of ₹ 50.82 crore (67.11 per cent)) and overstatement of loan by same amount.

Despite being pointed out during previous year vide comment No. A.1 (iv), no corrective action was taken by the Company.</td><td>(vi) C&C Projects Limited

In the captioned case, a resolution plan/settlement proposal was submitted by the promoters, which was deliberated by the lender. However, since there was no improvement in the plan as suggested by the lenders, lenders didn't go ahead with the plan given by the promoters and application under NCLT is being withdrawn in the captioned case and other recovery measures are being taken for recovery. Therefore, in absence of any certainty of recovery amount, write-off has not been proposed in the account.

₹ Crore
<table>
<tr><th>As per Books</th></tr>
<tr><td>Outstanding: 75.90
Portfolio ECL @67.11%: 50.94
Net outstanding: 24.96
There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td></td><td>The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.</td></tr>
<tr><td>(vii) Above includes outstanding principal of ₹ 91.40 crore against Liz Traders and Agents Private Limited (LTAPL). Due to default by LTAPL, a case was filed before Resolution Professional (RP). RP informed that there are no assets other than security and financial assets in the corporate debtor and no business has been conducted for the last 3-4 year. It was observed that IFCI only has exclusive charge of a property at Kollum, Kerala which is having a fair value of ₹ 32.69 crore only. As no other security is available with the Company, the balance amount of ₹ 58.71 crore should have been written off.

Non-writing off the balance amount of ₹ 58.71 crore (₹ 91.40 crore minus ₹ 32.69 crore) has resulted in understatement of loss by ₹ 19.31 crore (after adjustment of impairment loss allowance of ₹ 39.40 crore (67.11 per cent)) and overstatement of loan by same amount.</td><td>(vii) Liz Traders and Agents Private Limited

The account at present is undergoing CIRP. The claim was filed in view of the legal opinion that not filing claim may be detrimental in case a Resolution Plan is received and the contours of the plan contain assignment of all the loan of the borrower to Resolution Applicant. This may lead to IFCI's loan being assigned and may jeopardize IFCI's recovery from third party mortgage. Further, since the company is undergoing CIRP and the 3rd auction under SARFAESI is underway, IFCI would take a decision on write-off upon receipt of amount from the sale of the mortgaged asset.

Further, in case the write-off is made now when crystallization has not occurred, it would lead to overstatement of losses. The same is explained below:

(₹ in crore)
<table>
<tr><th>As per Books</th><th>As per observation</th></tr>
<tr><td>Outstanding: 91.40
Portfolio ECL @67.11%: 61.34
Net outstanding: 30.06

There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td><td>Outstanding: 91.40
Write-off: 58.71
Remaining: 32.69
Portfolio ECL @67.11%: 21.93
Net outstanding: 10.76
Overstatement of losses: 21.93</td></tr>
</table>
The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.</td></tr>
<tr><td>(viii) Above includes outstanding principal of ₹ 78.21 crore as on 31 March 2022, against Khed Sinnar Expressway Ltd. (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. IL&FS Group filed resolution plan in NCLT which was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹ 63 crore. As maximum expected recovery is ₹ 63 crore, the balance amount of ₹ 15.21 crore (₹ 78.21 minus ₹ 63 crore) should have been written off.

Non-writing off the balance amount of ₹ 15.21 crore has resulted in understatement of loss by ₹ 5 crore (after adjustment of impairment loss allowance of ₹ 10.21 crore (67.11 per cent)) and overstatement of loan by same amount.</td><td>(viii) Khed Sinnar Expressway Ltd.

It may be noted that the resolution of the account shall happen through the termination payment by NHAI, which is already received in the escrow account being maintained at IDBI Bank in Jun 2022. Further, it may be noted that the decision to withdraw the civil appeal at Supreme Court was collectively taken by the consortium lenders, including IFCI. The amount is yet to be distributed among the creditors as per the NCLAT approved distribution framework (approved in Mar 2020), since the NCLT approval is awaited for the same. Therefore, only when IFCI receive the amount of ?63 crore, the amount shall be appropriated and the balance shall be written-off.

Further, in case the write-off is made now when crystallisation has not occurred, it would lead to overstatement of losses. The same is explained below:</td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td>Despite being pointed out during previous year vide comment No. A.1 (v), no corrective action was taken by the Company.</td><td>

(₹ in crore)

<table>
<tr><th>As per Books</th><th>As per observation</th></tr>
<tr><td>Outstanding: 78.21
Portfolio ECL @67.11%: 52.49
Net outstanding: 25.72

There is no understatement of losses as Portfolio ECL captures average losses at the portfolio level. This is further evident from the fact that Portfolio ECL provision of ₹ 4957 crore is higher than sum of individual level provision as per IRAC norms of ₹ 4461 crore.</td><td>Outstanding: 78.21
Write-off: 15.21
Remaining: 63
Portfolio ECL @67.11%: 42.28
Net outstanding: 20.72
Overstatement of losses: 5.00</td></tr>
</table>

The method applied in the audit observation may be reviewed as portfolio ECL and individual write-off is being applied simultaneously over individual account without occurrence of write-off crystallisation event.</td></tr>
<tr><td>(ix) (a) Above includes outstanding principal of ₹ 100 crore against IL&FS Development Co. Ltd. (IEDCL). As the borrower defaulted in payment since November 2019, the account was declared as NPA by the Company. Further, pursuant to the default made by the IL&FS group, IEDCL was classified as a "Red Company".

Further, based on the forensic audit report most of the lender banks declared the account as fraud during December 2020 to February 2022. However, Company has shown the loan as stage 3 and provided impairment allowance @ 67.11% instead of treating the loan account as fraud and making 100 per cent provision.

This has resulted in understatement of loss by ₹ 32.89 crore (after adjustment of impairment allowance @ 67.11%) and overstatement of loan by same amount.</td><td>**(ix) (a) IL&FS Development Co. Ltd.**

In the captioned case, Yes Bank (lead) got the Forensic audit done from Haribhakti & Co and the report was finalised in March 2021. Subsequently in the JLM held on 09/04/2021, Forensic Audit report was discussed and it was understood that the report dealt in detail with regard to the financial assistance sanctioned by Yes Bank only and there were no major comments/ observations on the assistance sanctioned by other lenders and therefore, lenders requested YBL to convene another meeting to discuss the Forensic Report in detail. However, due to outbreak of the second wave of the pandemic, YBL convened the next JLM only on 06/01/2022 wherein it was understood that other lenders have also declared the account as fraud in their books. Accordingly, IFCI initiated the process and the Competent Authority, on 23/06/2022, has approved for declaring the account of IEDCL as Fraud and same has also been reported to RBI on 30/06/2022. Accordingly, 100% provision has been made on 30/06/2022.</td></tr>
<tr><td>(b) Similarly, in the case of Costal Projects Limited (CPL) outstanding principal of ₹ 4.96 crore was booked by the company as on 31.03.2022. KPMG in its forensic report (dated 06.01.2020) observed CPLs loan account as fraud and on the basis of that lender bank viz SBI, Bank of Maharashtra, PNB and Bank of Baroda declared CPLs loan account as fraud. However, IFCI Limited has shown the CPL loan account as stage-3 and provided impairment allowance @67.11 per cent instead of treating the same as fraud and making 100 per cent provision.

This has resulted in understatement of loss by ₹ 1.63 crore (after adjustment of impairment allowance @67.11 per cent) and overstatement of loan by same amount.</td><td>**(ix) (b) Costal Projects Limited**

Initially, the account was not declared as Fraud based on the observations of the Forensic Audit Report, as there was no specific adverse observation for IFCI's facility. However, after various internal discussions, IFCI has informed RBI vide response dated 28/01/2022 that "With regard to consortium cases, where IFCI facility has not been included or there is lack of clarity in the forensic audit report w.r.t its facility, IFCI is devising a way to independently engage forensic Auditor to examine fraud angle pertaining to its facility." It was further discussed that in the current case as the company is in liquidation, no significant transactions would have happened post order of liquidation and the Forensic Audit carried out during the period of CIRP may be considered for evaluating the case from the perspective of fraud. Accordingly, IFCI's Competent Authority accorded approval on 22/06/2022 for declaring the loan account of M/s Coastal Projects Limited (CPL) as Fraud. Accordingly, 100% provision has been made on 30/06/2020.</td></tr>
</table>

CAG Observations	IFCI Management Comments
	Pertains to IFCI Factors Ltd. (IFL). Response submitted by the Management of IFL is as under :-
(x) IFCI Factors Limited (the Subsidiary) sanctioned (June 2018 and September 2020) two loans of ₹ 5.00 crore and ₹ 4.00 crore to Margdarshak Financial Services Limited (MFSL). The loans were secured by way of six Fixed Deposits (FDs) lien marked with the company for ₹ 1.02 crore. As MFSL defaulted in payment of its dues, the Company encashed (April/June 2021) all the six FDs and adjusted the loan accounts. The loans were declared as NPA in September 2021. Accordingly, impairment loss of ₹ 0.68 crore has been provided (at the rate of 15 per cent of outstanding dues of ₹ 4.49 crore as on 31 March 2022) considering the loan account as sub-standard asset. As per RBI's prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, in respect of accounts where there are potential threats for recovery on account of erosion in the value of security it will not be prudent that such accounts should go through various stages of asset classification. In cases of such serious credit impairment, the asset should be straightaway classified as doubtful or loss asset as appropriate. Accordingly, the company should have treated the loan account as doubtful asset and made an impairment loss allowance of ₹ 4.49 crore i.e. at the rate of 100 per cent. This has resulted in understatement of impairment loss allowance and overstatement of loan by ₹ 3.81 crore (₹ 4.49 crore - ₹ 0.68 crore). Consequently, loss for the year is also understated to the same extent.	**(x) Margdarshak Financial Services Limited** MFSL loan account was in overdue from July 2020 on account of COVID & MFSL cleared all overdue till Dec 2020 by 26 March 2021 (From own source). Thus as on the 31st March 2021 the account was overdue for 60 days & the company was being constantly followed up for clearance of overdues. As per NPA norms if any account was overdue for more than 90 days, then the same was classified NPA on the date. As the said account was overdue only for 60 days as on March 31, 2021 the account was stress account and not a NPA account as on March 31, 2021. If the account was not NPA as on 31March 2021, as per norms further 85% provisioning was not required as on 31st March 2021. Subsequently the company requested to encash the FDR for regularisation of the account. IFL did the same and as on 30th June 2021 the account was regular. However, subsequently MFSL failed to clear the overdues and the account was classified as NPA on 30th Sept 2021. Provision of 15% was made as per policy & balance will be provided by June 2022. Hence there is no understatement of the impairment loss allowance and loss to the company. It may be mentioned that the rectification has since been done in June, 2022.
(xi) IFCI Factors Limited (the Subsidiary) sanctioned (May 2014) a short-term loan of ₹ 16 crore to MVL Limited (MVL). Loan was secured by way of mortgage of six flats situated at MVL Coral Housing Group Housing Complex in Alwar (Rajasthan). Loan account was declared NPA by the company in June, 2015 and the outstanding amount as on 31 March 2022 was ₹ 11.51 crore. To recover its dues from MVL, the company sold four flats till March 2022. As per the valuation report (June 2019) the realizable value of each flat is ₹ 29.70 lakh. Thus, the amount recoverable from the MVL vide sale of two remaining flats is ₹ 59.40 lakh. Accordingly in view of RBI Master Directions dated 17 February 2020, 100 per cent provision to the extent to which the advance is not covered by the realizable value of security and 50 per cent provision for the secured part of the doubtful loan was required to be made which works out to ₹ 11.21 crore (₹ 0.30 crore plus ₹ 10.91 crore) against 10.61 crore made by the Company. This has resulted in understatement of impairment loss allowance and overstatement of loans by ₹ 0.60 crore (₹ 11.21 crore minus ₹ 10.61 crore). Consequently, loss for the year is also understated to the same extent.	**(xi) MVL Limited** The same was missed due to oversight. Necessary provision will be made in the Financial Statements for the Quarter ended June 2022. It may be mentioned that the provision of the differential amount has since been made in June, 2022.
(xii) IFCI Factors Limited (the Subsidiary) sanctioned (December 2014) a short-term loan of ₹ 18 crore to VNR Infrastructure Limited (VNR) secured by way of mortgage of two properties of corporate guarantors situated at Nyamathabad village and Burdipadu village in Telangana State. Loan account was declared NPA in March 2016 and the outstanding amount as on 31 March 2022 was ₹ 18.01 crore.	**(xii) VNR Infrastructure Limited** As per valuation report dated 16 Nov 2020 the Realisable Sales Value (RSV) of the property was ₹ 21.69 crore. Accordingly, we have created 50% provision on the outstanding amount. As the RSV more than the total outstanding amount we have created 50% provision as per norms. Thus, there was no short provisioning in the account and no understatement of impairment loss allowance.

CAG Observations	IFCI Management Comments
To recover its dues from VNR, the Company tried to sell the mortgaged properties under The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI Act) on three occasions, however, the sale could not materialize due to non-receipt of any bids in all the three occasions. Further, for e-auction of the properties, NPA sale committee of the company on 22.12.2021 fixed the reserve price of the two mortgaged properties at Distress Sale Value level of ₹ 17.36 crore as per the valuation report dated 16 November 2020. Accordingly in view of RBI Master Directions dated 17 February 2020, 100 per cent provision to the extent to which the advance is not covered by the realizable value of security and 50 per cent provision for the secured part of the doubtful loan was required to be made which works out to ₹ 9.33 crore (₹ 8.68 crore plus ₹ 0.65 crore) against ₹ 9.01 crore made by the Company. This has resulted in understatement of impairment loss allowance and overstatement of loans by ₹ 0.32 crore (₹ 9.33 crore minus ₹ 9.01 crore). Consequently, loss for the year is also understated to the same extent.	However provision for the differential amount will be made in the Financial Statements for the Quarter ended June 2022. It may be mentioned that the provision of the differential amount has since been made in June, 2022.
(xiii) The above includes loan of ₹ 11.69 crore (sanctioned by IFCI Venture Capital Funds Limited, the Subsidiary) pertaining to Arcotech Limited. Loan was secured by way of pledge of 83,31,812 listed shares of borrower as on 31.03.2022. Loan account was declared NPA in December, 2018. The facility of trading in the shares of the Arcotech Ltd was discontinued with effect from August 31, 2021 by SEBI vide notice dated 16.08.2021. As the company does not have any alternate security to recover its dues from the borrower, the loan account of Arcotech Limited should have been treated as unsecured. As per the ECL model followed by the company, 100 per cent impairment loss allowance needs to be provided for loan accounts where company does not have any security to recover its dues from the borrower. However, the company has made an impairment loss allowance of ₹ 11.01 crore only which has resulted in understatement of impairment loss allowance and loss for the year by ₹ 0.68 crore (₹ 11.69 crore - ₹ 11.01 crore) and overstatement of loan by same amount.	**Pertains to IFCI Venture Capital Funds Ltd. (IVCF). Response submitted by the Management of IVCF is as under :-** **(xiii) Arcotech Ltd.** The shares of Arcotech Ltd. were being traded intermittently and the company had indicated that the same would be traded shortly after resolution of issues with the Stock Exchange. Also as the company has shown intention for settlement, the last traded share price was taken for computation of security value on a conservative basis.
A.1.2 Financial Assets, Investments (Note No.-8) - ₹ 6540.90 crore (i) Above includes investment of ₹ 5.91 crore in 57,50,000 unquoted equity shares of M/s Coastal Energen Pvt. Ltd. (CEPL) at the rate of ₹ 10.28 per share based on the fair value as on 31st March 2019. It was observed that the NCLT, Chennai ordered (27.08.2021) to initiate liquidation of CEPL. IFCI ltd. has also submitted (21.02.2022) its claim amounting to ₹ 584.17 crore in respect of the corporate insolvency process of CEPL. As per valuation report dated (June 2019), value of the assets of CEPL was ₹ 2956.12 crore in case of forced liquidation, whereas, the total outstanding of the company was ₹ 6975.76 crore (June 2019) which escalated to ₹ 11604.02 crore (February, 2022). The debt of IFCI is ₹ 584.17 crore which is approximately 5% of the total outstanding of CEPL. Since CEPL is under liquidation at NCLT and the assets of the company are not sufficient to dispense its debt, the valuation of the investment in equity shares of the company should have been taken as nil instead of fair value based on 31 March, 2019. This has resulted in overstatement of investments and understatement of loss for the year by ₹ 5.91 crore.	**(i) Coastal Energen Pvt. Ltd.** Agree with CAG observation and the investment value has been taken as NIL as on 30th June, 2022.

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td>(ii) Above includes investment in Preference shares of JSW Steel Ltd. (JSL) amounting to ₹ 1.72 crore as on 31 March 2022. It was observed that all the Preference shares of JSL have got redeemed till March 2020 and the Company does not have any preference shares in JSL as on 31 March 2022.

Incorrect inclusion of investments in JSW shares has resulted in overstatement of investments and understatement of loss for the year by ₹ 1.72 crore.</td><td>(ii) JSW Steel Ltd.

We agree with observations of CAG and the same has been rectified & updated in Q1 of FY22-23.</td></tr>
<tr><td>(iii) A reference is invited to the Note No. 55 (B) of Notes to Accounts which stipulates that, "The respective operational departments perform the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quarterly reporting period".

However, in three cases investment value was shown at ₹ 360.37 crore. This was based on Fair Valuation on 31 December 2019 and 31 March 2021 and not as on reporting date viz. 31 March, 2022. Moreover, no disclosure to this effect was given in the Notes to Accounts.

Impact of the same on the financials of the company cannot be quantified in the absence of fair value as on 31 March 2022.

Despite being pointed out during previous year vide comment No. A.2, no corrective action was taken by the Company.

Further, market value of one equity share of Gujarat State Energy Generation Ltd. on 31 March 2021 was ₹ 12.85 whereas the Company has taken the value of one share as ₹ 12.75. This has resulted in understatement of investment and overstatement of losses for the year by ₹ 0.18 crore.</td><td>(iii) Gujarat State Energy Generation Ltd, Gujarat State Petroleum Corporation & HPCL-Mittal Energy Ltd.

It may be noted that Gujarat State Energy Generation Ltd (GSEG) and Gujarat State Petroleum Corporation (GSPC) are unlisted entities and hence, the annual financial results for FY22 were not available during the period under review.

For FY22, the shares of GSEG were valued based on FY21 book value at ₹ 12.75 per share in place of ₹ 12.85. The typographical error is regretted. IFCI has since received the audited financial results for FY22 from GSEG on 12/07/2022. As per ABS 2022, the Book Value per share works out to ₹ 13.36 per share. Since there is decline in the revenue and net profit over previous year, book value is considered as an approximate representative of FMV. The FMV has since been updated in Q1 of FY22-23.

For FY22, the shares of GSPC were being valued on the basis of the valuation report dated 12/04/2021 giving fair valuation of shares at ₹ 9.87/- per share. IFCI has since received the audited financial results for FY22 and also valuation report from GSPC on 12/07/2022. As per the valuation report, the FMV of share of GSPC is ₹ 11.18/- per share as on 31/03/2022. The FMV has since been updated in Q1 of FY22-23.

Regarding HPCL-Mittal Energy Ltd. (HMEL), it is submitted that the last valuation that is available with IFCI is as on 31/12/2019, carried out by RBSA. As per the valuation report, the internally accepted rate is ₹ 26.96 per share. Since the petrochemical complex has not commenced operations, fresh valuation has not been carried out. The company is likely to commence operations in FY23 and thereafter fresh valuation shall be undertaken.</td></tr>
<tr><td>(iv) The above includes investment of ₹ 3.25 crore made by IFCI Venture Capital Funds Limited (the Subsidiary) in 42,00,000 unquoted equity of M/s Jangipur Bengal Mega Food Park Ltd. (investee) at the market rate of ₹ 7.73 per share, being the value calculated by Crest Valuation Services Private Limited (Valuer) as on 31 March 2022. For working out this figure, Valuer had considered amount of assets/liabilities of unaudited financial statement of the investee as on 24 February 2022.

Audit observed that the Valuer considered revenue of ₹ 1.21 crore instead of ₹ 0.44 crore being the actual revenue as per the profit and loss statement of the investee as on 24 February 2022 and worked out value per share at ₹ 7.73. Considering only this difference and taking rest other values to be the same as taken by the Valuer, fair value per share of investee should have been ₹ 6.66 instead of ₹ 7.73.

This has resulted in overstatement of investment and understatement of loss by ₹ 0.45 crore (₹ 3.25 crore minus ₹ 2.80 crore).</td><td>Pertains to IFCI Venture Capital Funds Ltd. (IVCF). Response submitted by the Management of IVCF is as under :-

(iv) Jangipur Bengal Mega Food Park Ltd.

The valuation of Jangipur Mega Food Park Limited was done by IBBI registered valuer " Crest Valuations Ltd." , based on data available of the company. On a query with the valuer regarding the above, they had indicated that the company's CFO had resigned and the Tally data provided had no authenticity to be relied upon for FY 21-22. The real data may be vastly different from the figures provided and cannot be relied upon. As such the average sales of last 4 years has been taken as under:

(₹ in Lakh)<table><tr><th></th><th>Mar18</th><th>Mar19</th><th>Mar20</th><th>Mar21</th><th>Avg</th></tr><tr><td>Total Sales</td><td>304</td><td>80</td><td>60</td><td>40</td><td>121</td></tr></table>
It may be noted that the valuation is typical exercise and need specific knowledge. Hence, IFCI Venture would not question the methodology adopted in the given situation.</td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td>A.1.3 Financial Assets -
Other Financial Assets (Note No. 9) - ₹ 734.77 crore
Above includes ₹ 0.64 crore (₹ 0.40 crore for FY 2014-15 and ₹ 0.24 crore for FY 2015-16) on account of TDS receivable.
Audit observed that the Income Tax Department (department) determined a refund of ₹ 0.23 crore and ₹ 0.22 crore for FY 2014-15 and 2015-16 respectively and adjusted the same against the outstanding demands of earlier FYs. The MPCON Limited (the Subsidiary) did not file any appeal against the adjustment of said refunds determined by the department.
In view of above, the Company should have adjusted the aforesaid TDS receivables against the tax expenses of the earlier years. Non- adjusting of the same has resulted in overstatement of other current financial assets and understatement of prior period expenditure by ₹ 0.64 crore. Consequently, loss for the year is also understated to the same extent.</td><td>Pertains to MPCON Ltd. (MPCON). Response submitted by the Management of MPCON is as under :-
Refund for AY 15-16 and AY 16-17 is pending from the department, however, the refund amount is adjusted from pending outstanding demand of earlier years which is under follow up with the department for nullification of demand and release of refunds. It may be mentioned that this does not overstate profit but reserves and surpluses.</td></tr>
<tr><td>B. Statement of Profit and Loss
Fee and Commission Income (Note 28) - ₹ 62.46 crore
Above does not include ₹ 2.45 crore receivable from Ministry of Textile (MoT) against the milestone achieved by Company as per the PLI Scheme of MoT. As the work has been completed by the Company till 31 March 2022, corresponding revenue should have been recognised.
Similarly, the above does not include a commission of ₹ 2.71 crore pertaining to FY2020-21 to be received on Sugar Development Fund being managed by IFCI Limited.
Non booking of the same has resulted in understatement of Fee and Commission by ₹ 2.45 crore, prior period income by ₹ 2.71 crore and overstatement of loss by ₹ 3.47 crore (₹ 2.08 crore and ₹ 1.39 crore). Consequently, GST payable is also understated by ₹ 1.69 crore (₹ 0.37 crore and ₹ 1.32 crore).</td><td>As per the Work Order dated 24/12/2021, fee payable to IFCI Limited for the year 2021-22 is ₹ 2.50 crore plus GST (i.e. ₹ 2.95 crore, inclusive of GST).
Vide letter dated 27/11/2021, Ministry of Textiles (MOT) informed that the Ministry shall pay ₹ 50 lakh before 31/12/2021 and the remaining amount shall be paid by first fortnight of April, 2022 due to budget constraints. IFCI agreed to the same. However, post receipt of Work Order (with amended terms as agreed on 27/11/2021), IFCI and MoT were required to execute Non-Disclosure Agreement (NDA) and Contractual Agreement/ Memorandum of Understanding (MOU) which is pending finalisation by MoT.
IFCI issued invoice on 24/03/2022, for ₹ 50 lakh (inclusive of GST) which was contested by MoT in absence of MoU. However, after several rounds of discussions MoT released payment of ₹ 50 lakh to IFCI, as a special case, on 28/07/2022.
IFCI, is now in the process of issuing invoice for balance amount of ₹ 2.45 crore (inclusive of GST).
With respect to observation regarding commission on sugar development Fund, it is to be mentioned that SDF-GoI has appointed IFCI as one of the Nodal Agency (Agent) since 1986 and is continuing to appoint as such for every two years for the purpose of disbursement, follow-up, monitoring of implementation of project and recovery of loan for rehabilitation and modernization; ethanol, co-generation, cane development loans. For this purpose, commission (A) @ 2% would be paid on actual recovery of principal and interest on annual basis and (B) Commission @ various rates for each loan such as (modernization, Ethanol, Cogeneration and Cane) on the principal amount not fallen due on annual basis. As per agreement the Bills are raised annually.
As per past practice, for Claiming the Agency Commission, IFCI compiles the data separately for the above two components (actual recovery and principal not fallen due) on annual basis and afterwards submit the data to Office of Chief Controller of Accounts (PAO Ministry of Food) for reconciliation/ verification.
After the reconciliation/ verification of data by CCA, PAO, SDF, IFCI submits the bill in the form of a letter to Department of Food. Department of Food takes around 3-6 months time and admits the claim and release the payments in multiple tranches as per availability of funds during the same year or in multiple years. Sometime, at the time of admission Deptt. of Food reduces our claim amount (mostly in the case of Outstanding Principal not fallen due cases due to certain conditionalities). Similarly, it is also observed that some time even after reconciliation/ verification and admission of amount by the SDF Department deducted from the admitted amount as well.</td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td></td><td>
Since the process is time consuming and the exact amount is uncertain, SDF Department books the income on quarterly basis for each year.
After receipt of reconciliation Statement, IFCI simultaneously raises Proforma Invoice as well as Bill through letter to Deptt. of Food. As and when the SDF-GoI pays the amount, the Tax Invoice is raised accordingly and GST amount is paid.
For ready reference, statement since FY 2018-2019 onwards are summarised as under:
(₹ Crore)
<table>
<tr><th>FY</th><th>Claimed Amt</th><th>Admitted Amt</th><th>Paid Amount</th><th>Diff. between Claimed and Paid Amount</th><th>Remarks, if any</th></tr>
<tr><td>18-19</td><td>12.27</td><td>12.19</td><td>12.11</td><td>0.16</td><td>Reduced admitted amount and also deducted from the admitted amount</td></tr>
<tr><td>19-20</td><td>12.76</td><td>12.62</td><td>12.62</td><td>0.14</td><td>Reduced admitted amount</td></tr>
<tr><td>20-21</td><td>12.25</td><td>8.28*</td><td>3.59</td><td></td><td>*Not fully paid actual recovery bill and yet to admit the outstanding principal not fallen due bill</td></tr>
<tr><td>21-22</td><td></td><td></td><td></td><td></td><td>Yet to reconcile the actual recovery bill by CCA.</td></tr>
</table>
As per practice, estimated income of ₹ 9 crore for FY 2020-21 was booked. Later on, claim of ₹ 12.25 cr was raised for FY 2020-21 against which only ₹ 8.28 crore has been admitted by SDF/GOI. Proforma invoice has been raised for admitted amount and final tax invoice is raised on receipt of amount.
Hence there is no understatement of SDF income by ₹ 2.71 crore.
</td></tr>
<tr><td>
C. Comments on consolidated Cash Flow Statement
C.1 Cash Flow from Operating Activities:
Increase/Decrease in Assets held for Sale :- ₹ 3.77 crore
(i) The above represents assets of ₹ 3.77 crore acquired on accounts of NPA resolution plan of M/s KEW Industries Limited and shown as Asset Held for sale up to 31.03.2021 by IFCI Factors Limited (the Subsidiary). During current year the said assets were sold for ₹ 3.50 crore and loss on sale of these assets of ₹ 0.27 crore was booked as other expenses under P&L accounts. Since an amount of ₹ 3.50 crore was realized from sale of these assets, hence the same should have been considered as cash inflow from Proceeds from sale of investment in Cash Flow from Investing Activities and loss of ₹ 0.27 crore should be adjusted from (profit)/loss on sale of assets.
This has resulted in understatement of Net cash flow from investing activities by ₹ 3.50 crore and overstatement of net cash flow from operating activities by same amount.
</td><td>
Pertains to IFCI Factors Ltd. (IFL). Response submitted by the Management of IFL is as under :-
(i) KEW Industries Ltd.
This was a presentation error and is noted for preparation of future cash flow statements.
</td></tr>
</table>

CAG Observations	IFCI Management Comments
D. Comments on Auditors' report on Consolidated Financial Statements	**Pertains to Statutory Audit Report. Response submitted by Statutory Auditors is as under :-**
D.1 Independent Auditor's Report dated 28 May 2022	
(i) Reference is invited to paragraph 2 of Companies (Auditor's Report) order, 2020 (CARO) dated 25.02.2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013 wherein it is stated that clause (xxi) of paragraph 3 of CARO, 2020 i.e. "whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financials statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks" is applicable on auditor's report on consolidated financial statement. However, statutory auditor has not provided its comments on the above clause in its report. Hence Independent Auditor's report on the financials statements of the company is deficient to above extent.	(i) The disclosure of the same is given in standalone Audit Report.
(ii) A reference is invited to Annexure A (Part A - Point No. 3) wherein it has been stated by the Independent Auditor that " There is no grant/subsidy received/receivable by the company during the year under audit. Further, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilised as per terms and conditions of the scheme". However, it was observed that the Company received ₹ 50.01 crore for Project Management Agency (PMA) for Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) during FY 2021-22 which was not included/commented by the Independent Auditor in his report. As the direction in response to which above statement was made required the Auditors' to report on utilisation of funds received from Central/State Government or its agencies and was not restricted to grant/subsidy only, the Independent Auditor's report is deficient to that extent.	(ii) ₹ 50.01 Crores received under PMA for SPECS scheme are neither grant nor subsidy and the aforesaid funds are received by IFCI as PMA. At the time of finalisation of report, in the opinion of IFCI, the approval for disbursement of aforesaid amount to ultimate beneficiaries is required to be obtained from Ministry and IFCI is only custodian of money Thus, in view that IFCI is only custodian of money, the same is not reported.

Manoj Mittal
Managing Director &
Chief Executive Officer
DIN 01400076

Prasoon
Chief General Manager &
Chief Financial Officer

Priyanka Sharma
Company Secretary

Dated: November 09, 2022

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

As on March 31, 2022, the Board of the Company consisted of 7 (Seven) Directors, out of whom 5 (Five) Directors were Non-Executive Directors and 2 (two) Directors were Executive Directors - 1 (one) Managing Director (MD) and 1 (one) Deputy Managing Director.

The composition of the Board was not in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in the absence of Independent Directors on the Board. The composition of the Board, Number of Board Meetings held, Attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship/ Membership of Committees across all Companies in which he/she was a Director as on March 31, 2022, is given here-in below:

Sl. No.	Name of Director	Category	Attendance Category			No. of Directorships/ Committee Memberships/ Chairmanships across all Companies		
			No. of Board Meetings during the year FY 2021-22		At AGM held on December 17, 2021	Other Directorships (excluding IFCI)	Committee Memberships (including IFCI)	Committee Chairmanships (including IFCI)
			Held	Attended				
1	Shri Manoj Mittal (#)	Executive Director - Managing Director	9	9	Yes	4	-	-
2	Shri Sunil Kumar Bansal	Executive Director - Deputy Managing Director	9	9	Yes	5	2	-
3	Dr Bhushan Kumar Sinha	Nominee Director - Government of India (Non-Executive)	9	6	No	-	1	-
4	Ms. Anindita Sinharay	Nominee Director - Government of India (Non-Executive)	9	6	No	2	3	-
5	Prof Narayanaswamy Balakrishnan	Non-Executive Director	9	9	Yes	1	1	-
6	Prof Arvind Sahay	Non-Executive Director	9	9	Yes	2	4	2
7	Shri Kanakasabapathi Kadiresan ($)	Non-Executive Director	0	0	NA	-	-	-
DIRECTOR RETIRED/RESIGNED DURING THE FY 2021-22								
1	Shri Madan Mohan Lal Verma (%)	Non-Executive Director	8	8	Yes	-	1	-

(#) Shri Manoj Mittal was appointed as Managing Director on 12.06.2021

($) Shri Kanakasabapathi Kadiresan was appointed on Board on 30.03.2022

(%) Shri Madan Mohan Lal Verma ceased to be on Board w.e.f. 04.03.2022

NOTES:

1. Number of Meetings represents the Meetings held during the period in which the Directors were members of the Board.
2. Other Directorships (excluding IFCI Ltd.) indicated above include all public companies whether listed or not. Directorships held in other body corporates, Private Companies and Non-Profit Organisations have not been included in the above table.
3. Committee Memberships / Chairmanships indicated above, include Memberships only in Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies, including IFCI Ltd. Committee Memberships / Chairmanships held in other body corporates have not been included in the above table.
4. Number of Membership includes Chairmanships held in Committees.
5. In the case of Directors Retired / Resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director.
6. None of the Directors are related to each other or to any Key Managerial Personnel of the Company.
7. None of the Directors on the Board are Members of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2022 have been made by the Directors. Further, for the purpose of reckoning the limit for Committee(s) Chairmanship/Membership, only Audit Committee and Stakeholders Relationship Committee have been considered.
8. The independence of a Director is determined by the criteria stipulated under the Listing Regulations, wherever applicable. As on March 31, 2022, there were no Independent Directors on the Board of the Company.
9. Other Directorships in Listed entities (whose equity is listed), where a Board Member, IFCI, is a Director and the category of Directorship:- As on March 31, 2022, no other Board Member holds directorship in other listed entities, except the following:-

Sl. No.	Name of Director	Name of other Listed Entities and Category of Directorship
1.	Dr. B K Sinha	Central Bank of India (Non-Executive – Government Nominee Director)
2.	Prof. N Balakrishnan	Equitas Small Finance Bank Limited (Non-Executive - Independent Director)
3.	Prof Arvind Sahay	HIL Limited (Independent Director)

(B) Number of Board Meetings held and dates:

During the FY 2021-22, the Board of Directors met 9 (nine) times. The dates of the Meetings held were June 28, July 31, August 10, September 16, October 28 & November 11 in 2021 and on January 25, February 11 & March 30 in 2022.

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

(D) None of the Non-Executive Directors held shares of the Company as on March 31, 2022.

(E) Familiarization Programme for Independent Director

Familiarization programme is an ongoing process. The Company endeavours to undertake familiarization programmes for the Directors of the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, the Business model of the Company and so on. The detail of such familiarization programme held in past has been disclosed on the website of the Company, at www.ifciltd.com. However, during the FY 2021-22 no such programme was held as there was no Independent Director on the Board.

(F) Chart/ Matrix setting out the skills/expertise / competence of Board of Directors & name of Directors who have such skills/ expertise/ competence.

1. Educational Qualification	(i)	Possess any Graduation/ Post Graduation/ M. Phil / Doctorate/such other qualification as may be deemed fit.
	(ii)	Possess any other Professional Qualification / Degree/ Diploma/such other qualification as may be deemed fit.
2. Experience / Expertise	(i)	Possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
	(ii)	Preferably have undergone requisite training programme or mid-career Professional Development trainings which would have enabled him/her to adapt to changing dynamics of business environment.

All the Directors on the Board as on March 31, 2022, met above-mentioned Educational Qualification and Experience / Expertise.

(G) As per the disclosure made by the Directors of the Company, none of them hold any shares or any other convertible instruments of IFCI as on March 31, 2022.

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

3. AUDIT COMMITTEE:

(A) Terms of Reference:

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

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

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

As on March 31, 2022, the Audit Committee of IFCI consisted of four Directors. The Chairman of the Committee was a Non-Executive Director. The composition of the Audit Committee and attendance of Directors at the Meetings during the FY 2021-22 is shown below:

Sl. No.	Name of Director	Category	Date of Appointment	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Prof Arvind Sahay	Chairman *	30.10.2017	7	7
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	7	5
3.	Prof. Narayanaswamy Balakrishnan	Member	30.01.2020	7	7
4.	Shri Sunil Kumar Bansal	Member	23.06.2021	7	7

Note:* In the absence of Independent Directors, Prof Arvind Sahay had been elected as Chairman to chair the Meeting of the Committee, till the time an Independent Director is appointed 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 to the Audit Committee.

During the FY 2021-22, the Audit Committee of Directors of IFCI met 7 (Seven) times. The Meetings were held on June 28, August 10, September 16 & November 11 in 2021 and on January 25, February 11 & March 30 in 2022.

4. NOMINATION AND REMUNERATION COMMITTEE:

(A) Terms of Reference:

The Nomination and Remuneration Committee of Directors was not in conformity with the requirement of the Listing Regulations and the Companies Act, 2013. The terms of reference of the Committee is to identify persons who are qualified to become Directors (excluding Independent Directors and Nominee Directors), recommendation of the appointment of Senior Management. The Committee recommend to the Board, all remuneration, in whatever form, payable to Senior Management, to formulate the criteria for evaluation of performance of Independent Directors and Board. The Committee also peruse the Policy on HR matters including career management and succession planning.

(B) Performance Evaluation:

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

(C) Composition, Meetings and Attendance of the Committee:

As on March 31, 2022, the Committee consisted of four Directors, the majority being Non-Executive Directors. During the year, 4 (four) Meetings of the Committee were held on June 28, 2021, August 10, 2021, September 16, 2021, and March 30, 2022. The composition of the Committee and attendance of Directors at the Meeting are shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Prof. Narayanaswamy Balakrishnan	Chairman	04.06.2020	4	4
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	4	2
3.	Prof Arvind Sahay	Member	30.10.2017	4	4
4.	Shri Sunil Kumar Bansal	Member	04.06.2020	4	4
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2021-22					
1.	Shri Madan Mohan Lal Verma	Member	04.03.2022*	3	3

*Shri Madam Mohan Lal Verma was inducted as member of the Committee on 31.07.2020.

(D) Following are the details of the remuneration paid to the managerial personnel during the FY 2021-22:

(i) Shri Manoj Mittal, Managing Director and Chief Executive Officer, from 12.06.2021 to 31.03.2022.

Particulars	(₹ in lakhs)
Salary & Allowances (excluding Perquisites)	26.21
Perquisite Allowance (inclusive of Tax borne by IFCI on perquisites)	4.87
Contribution to PF & Other Funds	1.99
Perquisites as per IT Act Sec – 17(2)	15.36
Others-Medical Reimbursement	0.28
TOTAL	**48.71**

(ii) Shri Sunil Kumar Bansal, Deputy Managing Director, from 01.04.2021 to 31.03.2022

Particulars	(₹ in lakhs)
Salary & Allowances (excluding Perquisites)	31.10
Perquisite Allowance (inclusive of Tax borne by IFCI on perquisites)	4.74
Contribution to PF & Other Funds	2.42
Perquisites as per IT Act Sec – 17(2)	9.20
Perquisites as per IT Act Sec – 17(3)	3.80
Others-Medical Reimbursement	2.18
TOTAL	**53.45**

(E) During the FY 2021-22, the Company paid sitting fees to the Non-Executive Directors excluding Government Nominee Directors. The sitting fees of 40,000/- and 20,000/- per Meeting is paid for attending the Board and Committee of Directors Meeting, respectively. Further, additional sitting fee of 10,000/- and 5,000/- per Meeting was also payable for Chairing the Board and Committee of Directors Meeting, respectively.

The Non-Executive and Independent Directors do not receive any remuneration besides the sitting fees. There were no Independent Directors during the FY 2021-22.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(A) Stakeholders' Relationship Committee of Directors of IFCI consisted of two Directors as on March 31, 2022. During the FY 2021-22, the Committee met four (4) times on June 28, August 10, November 11 in 2021 and February 11 in 2022. The composition of the Committee and attendance of Directors at the Meetings during the FY 2021-22 is shown below:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Prof Arvind Sahay	Chairman	31.10.2017	4	3
2.	Shri Sunil Kumar Bansal	Member	04.06.2020	4	4
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2021-22					
1.	Shri Madan Mohan Lal Verma	Member	04.03.2022	4	4

(B) Name & Designation of Compliance Officer

Smt. Priyanka Sharma, Deputy General Manager & Company Secretary

Email: complianceofficer@ifciltd.com

(C) The number of complaints received from the shareholders and bondholders of the listed securities, during FY 2021-22 and the number of pending complaints are shown below:

Equity Shares & Bonds	
No. of Complaints received during the FY 2021-22*	**2167**
Pending as on March 31, 2022	**0**

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

The company has redeemed IFCI Family Bonds, issued under Public Issue in 1996 on completion of the tenure/ exercise of call option. Payment of redemption amount has been made to the bondholders. Payment in respect of the redemption cheques lying under stale cheques, is being made on receipt of request from bondholders. Application being received from investors to get refund from IEPF is being processed from time-to-time.

(D) The Company has constituted a Committee of its executives for approval of the share transfers, transmissions and transpositions, etc. As the transfer of shares in physical form has been prohibited after April 01, 2019, in terms of SEBI Gazette Notification dated June 08, 2018 read with SEBI Press Release dated December 03, 2018, the Share Transfer Committee of Executives, now meets as and when required, instead of four times a month. All the requests for share transfers etc. were processed and the related share certificates were dispatched within 15 days from the date of receipt of complete documents thereof. Except for certain cases under litigation, there was no share transfer pending for more than 15 days.

(E) In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, officers, employees and other connected persons from trading in the securities of IFCI at the time when there is unpublished price sensitive information. The Company has obtained the relevant disclosures as on March 31, 2022 under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

6. Details of Other Committees:

The Company also has in place other Board level Committees. The number and dates of Meetings of such other Committees held during the FY 2021-22 and attended by the Members is as under:

(A) Executive Committee– The Meetings of the Executive Committee during the FY 2021-22 were held on April 15, April 20, May 06, May 13, May 31, June 08, June 23, October 22, November 12 and December 16. The composition of the Committee as on March 31, 2022 and attendance of the Directors at said Meetings were as under:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Shri Manoj Mittal	Chairman	12.06.2021	4	4
2.	Shri Sunil Kumar Bansal	Member	04.06.2020	10	10
3.	Prof Narayanaswamy Balakrishnan	Member	30.10.2017	10	9
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2021-22					
1.	Shri Madan Mohan Lal Verma	Member	04.03.2022	10	10

(B) Risk and Asset Liability Management Committee –The Risk and Asset Liability Management Committee met five times during the FY 2021-22 on June 28, August 10, November 11 in 2021, February 11 and March 30. The composition of the Committee as on March 31, 2022 and attendance of the Directors at said Meetings were as under:

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Shri Sunil Kumar Bansal	Member*	04.06.2020	5	5
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	5	3
3.	Prof. Narayanaswamy Balakrishnan	Member	14.02.2019	5	5
4.	Prof Arvind Sahay	Member	30.10.2017	5	5
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2021-22					
1.	Shri Madan Mohan Lal Verma	Chairman	04.03.2022	4	4

(*) Post cessation of Shri Madan Mohan Lal Verma as Director on the Board of Company and in absence of regular Chairman of the Committee, the Members present elected Shri Sunil Kumar Bansal to Chair the Meeting held on March 30, 2022.

(C) IT- Strategy Committee – As on March 31, 2022, the Committee consisted of three Directors viz. Prof. Narayanaswamy Balakrishnan, Chairman of the Committee, Shri Manoj Mittal as Member, Shri Sunil Kumar Bansal as Member; Shri Pushpinder Singh as External Member and Shri Harjeet Singh, CTO & CIO as Member. The Committee met 2 (two) times during the FY 2021-22 on August 10, 2021 and February 09, 2022 and attendance of the Directors at said Meetings was as under.

Sl. No.	Name of Director/Member	Category	Date of Appointment	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Prof. Narayanaswamy Balakrishnan	Chairman	30.10.2017	2	2
2.	Shri Manoj Mittal	Member	12.06.2021	2	2
3.	Shri Sunil Kumar Bansal	Member	04.06.2020	2	2
4.	Shri Pushpinder Singh	External Member	10.08.2021	1	1
5.	Shri Harjeet Singh, CTO & CIO	Member	10.08.2021	1	1

(D) Business Responsibility Reporting Committee – The Committee met once on August 10, 2021 in the FY 2021-22. The composition of the Committee as on March 31, 2022, and attendance of the Directors at said Meeting was as under:

Sl. No.	Name of Director	Category	Date of Appointment	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Shri Manoj Mittal	Chairman	12.06.2021	1	1
2.	Shri Sunil Kumar Bansal	Member	04.06.2020	1	1
3.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	1	0
4.	Prof Arvind Sahay	Member	30.10.2017	1	1

(E) Review Committee on Wilful Defaulters - The Committee consisted of 4 Directors viz. Shri Manoj Mittal, Chairman of the Committee, Shri Sunil Kumar Bansal, Dr. Bhushan Kumar Sinha and Prof. Narayanaswamy Balakrishnan as Members. However, no Meeting of the Committee was held during FY 2021-22.

(F) Review Committee of Non-Cooperative Borrowers and Recovery & NPA Management Committee - The Committee consisted of 3 Directors viz. Shri Manoj Mittal, Chairman, Shri Sunil Kumar Bansal and Prof. Arvind Sahay, as Members as on March 31, 2022. The committee met 2 (two) times during the FY 2021-22 on November 11, 2021, and February 11, 2022 and attendance of the Directors at said Meetings was as under.

Sl. No.	Name of Director	Category	Date of Appointment/ Cessation	No. of Meetings during the FY 2021-22	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Shri Manoj Mittal	Chairman	12.06.2021	2	2
2.	Shri Sunil Kumar Bansal	Member	04.06.2020	2	2
3.	Prof. Arvind Sahay	Member	30.10.2017	2	2
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2021-22					
1.	Shri Madan Mohan Lal Verma	Chairman	04.03.2022	2	2

7. GENERAL BODY MEETING:

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

Sl. No.	AGM Date	Location	Time
1.	17.12.2021	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	11:30 A.M.
2.	22.12.2020	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	11:30 A.M.
3.	30.10.2019	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	10:30 A.M.

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

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

AGM Date	As per Companies Act.	Particulars of special resolutions
17.12.2021	u/s Section 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
22.12.2020	u/s Section 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
	u/s Section 13, 61, 64 of Companies Act, 2013	Approve increase of the Authorised Equity Share Capital
	u/s Section 14 of Companies Act, 2013	Approve substitution of the existing Article 3 with New Article 3 for increase in the Authorised Equity Share Capital
30.10.2019	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities

8. DISCLOSURES:

(A) Related Party Transactions

Related Party Transactions [RPT(s)] during the year have been disclosed in the Notes to Accounts in the Annual Report as required under Ind AS 24 (erstwhile Accounting Standard 18) issued by the Institute of Chartered Accountants of India. The RPT(s) were in the normal course of business and were done at arm's length. There were no materially significant RPT(s) during the FY 2021-22. The Company also has in place a Policy on Materiality of Related Party Transactions (RPT(s)) and Dealing with RPT(s) and the same is placed on the website of the Company at www.ifciltd.com.

(B) Disclosure of Accounting Treatment

The financial statements for the year ended March 31, 2022 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 as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

(C) Risk Management

Business Risk evaluation and management is an ongoing process wherein risks are identified, assessed, managed and mitigated arising out of business, viz. Credit Risk, Market Risk and Operational Risk. The effectiveness of a Risk Management System depends on putting in place appropriate and effective Risk Management architecture. In pursuance of RBI Guidelines, Your Company has set up necessary role centers in the organizational structure to facilitate discharge of Risk Management functions.

The organizational structure for Risk Management in IFCI comprises of the Board of Directors, the Risk and Asset Liability Management Committee of Directors (RALMCD), the Risk and Asset Liability Management Committee of Executives (RALMCE) and the Integrated Risk Management Department (IRMD).

Your Company periodically reviews Lending Policy, Risk Management Policies, Treasury & Investment Policy, etc. in order to strengthen and align with industry best practices, learning curve gained from various financing/investment activities, regulations from the Reserve Bank of India and striving towards reduction in turnaround time. Your Company has availed premier services & products from acclaimed Credit Rating Agencies like CRISIL and CARE towards effective Credit Risk Management and sanctioning process."

(D) Management Discussion and Analysis Report

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

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

There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except fines of 1,68,07,920/- inclusive of taxes (for the quarters ended from June 2019 to March 31, 2022), per exchange, imposed by BSE Limited and the National Stock Exchange of India, for non-compliance with the provisions of Regulation 17(1) & (2A), 18(1), 19(1) & (2), 20 and 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, relating to the composition of the Board of Directors and Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee. As the appointment of Independent Directors are absolutely outside the control of the Company and its Board of Directors, hence the Stock Exchanges were requested not to impose the fine and any subsequent actions on the Company. Considering the submissions of the Company, BSE had waived fines amounting to 1,02,31,500/- for the period from June 2019 to March 2020, September 2020 to December 2020.

(F) Details of Compliance with requirements

1. The Company has duly complied with all the mandatory requirements of Corporate Governance stipulated in Listing Regulations, except w.r.t. the composition of the Board, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee in the absence of Independent Director on the Board of IFCI. Letters were sent to the Department of Financial Services (DFS), Ministry of Finance (MOF), being the Administrative Ministry requesting appointment/ nomination of Independent Directors. The said appointments are awaited.
2. Shri Suryakant Gupta, Practicing Company Secretary has certified the Corporate Governance Report for the Financial Year 2021-22 as stipulated in Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is appended to this report. Further, Shri Suryakant Gupta, Practicing Company Secretary has also certified that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(G) Subsidiary Companies

The Company as on March 31, 2022 had 6 (six) subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd., IFCI Infrastructure Development Ltd., IFCI Factors Ltd., MPCON Ltd., Stock Holding Corporation of India Ltd. The Company also had 7 (seven) step-down subsidiaries viz. IIDL Realtors Pvt. Ltd., IFIN Commodities Ltd., IFIN Credit Limited., IFIN Security Finance Ltd., Stockholding Document Management Solution Ltd., SHCIL Services Ltd. and Stockholding Securities IFSC Ltd. The requirement under the Listing Regulations, as applicable, in respect of the above Companies, as and when required, have been duly complied with. The Company has also formulated a policy for determining "material" subsidiary and the same has been placed on the website of the Company at www.ifciltd.com.

(H) CEO/CFO Certificate

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

(I) Whistle Blower Policy

The Company has put in place a Vigil Mechanism in terms of the provisions of Section 177 (9) and (10) of the Companies Act, 2013, Listing Regulations. The Company has a Board approved Whistle Blower Policy which was updated during the year. Under Whistle Blower Policy, Director(s) and employee(s) of IFCI, can report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the IFCI's code of conduct or ethics policy and to provide adequate safeguards to them against any sort of victimization on raising an alarm. The Policy also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel has been denied access to the Audit Committee.

(J) Training of Board Members

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

(K) Details of Adoption of Discretionary Requirements

The Company has complied with and adopted the following discretionary Requirements of Regulation 27(1) of Listing Regulations, 2015, w.r.t **Shareholder Rights:** The half-yearly declaration of financial performance is not sent individually to each household of shareholders but published in the newspapers and also disseminated to the Stock Exchanges where shares of the Company are listed.

(L) There were no expenditure debited in the books of accounts, which are not for the purpose of the business. The administrative & office expenses and financial expenses constitutes 9.91% and 36.21% respectively of total expenses as against 4.33% and 31.57 % in previous year i.e. FY 2020-21.

(M) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations – During the year, an amount of 100 crore was received from GOI on January 17, 2022, towards subscription to the share capital of the Company for the FY 2021-22 as share application money. Subsequently, pursuant to fund infusion, 6,10,12,812 number of equity shares @ ₹ 16.39/- per equity share (including security premium of ₹ 6.39/- per equity share) were allotted to GOI. The funds have been used for the purpose for which the same has been raised.

(N) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part -** Details of fee paid to statutory auditor for standalone and consolidated for the year end March 31, 2022 is mentioned below:

Sl. No.	Particulars of Payments to Auditors	Standalone Information (₹ in crores)	Consolidated Information (₹ in crores)
1.	Audit Fees	0.28	1.45
2.	Certification and other services	0.03	0.15
3.	Reimbursement of Expenses	0.03	0.06
	Total	**0.34**	**1.66**

(O) Credit Rating

Ratings assigned by credit rating agencies and migration of ratings during the period ended 31-March, 2022:-

Rating by	31-Mar-2021	Migration during the FY 2021-22	31-Mar-2022
Long Term (Bonds/NCDs/Term Loans)			
Brickwork	[BWR] BBB+	Downgraded from [BWR] BBB+ to BWR BBB - w.e.f 20/07/2021 Downgraded from [BWR] BBB- to BWR BB w.e.f 24/08/2021	[BWR] BB
ICRA	[ICRA] BBB-	Rating (ICRA) BBB- reaffirmed on 22/06/2021 Downgraded from [ICRA] BBB- to [ICRA] BB w.e.f 10/08/2021 Downgraded from [ICRA] BB to [ICRA] B+ w.e.f 26/11/2021	[ICRA] B+
CARE	[CARE] BBB-	Downgraded from [CARE] BBB- to [CARE] BB w.e.f 13/08/2021	[CARE] BB
Short Term (Commercial Paper/ Short term borrowings)			
Brickwork	[BWR] A2+	Downgraded from [BWR] A2+ to [BWR] A3+ w.e.f 20/07/2021 Downgraded from [BWR] A3+ to [BWR] A4+ w.e.f 24/08/2021	[BWR] A4+
ICRA	[ICRA] A3	Rating [ICRA] A3 reaffirmed on 22/06/2021 Downgraded from [ICRA] A3 to [ICRA] A4 w.e.f 10/08/2021 Rating [ICRA] A4 reaffirmed on 26/11/2021	[ICRA] A4
For Structured Secured NCDs			
Brickwork	[BWR] A+(CE)	Downgraded from [BWR] A+ (CE) to [BWR] BBB+ w.e.f 20/07/2021 Downgraded from [BWR] BBB+ to [BWR] BB+ w.e.f 24/08/2021	Redeemed on Nov 3, 2021
CARE	[CARE] BBB+	Downgraded from [CARE] BBB+ to [CARE] BB+ w.e.f 10/08/2021	
Subordinate Bonds			
CARE	[CARE] BBB-	Downgraded from [CARE] BBB- to [CARE] BB w.e.f 10/08/2021	[CARE] BB
Brickwork	[BWR] BBB+	Downgraded from [BWR] BBB+ to BWR BBB - w.e.f 20/07/2021 Downgraded from [BWR] BBB- to BWR BB w.e.f 24/08/2021	[BWR] BB
ICRA	[ICRA] BBB-	Rating [ICRA] BBB- reaffirmed on 22/06/2021 Downgraded from [ICRA] BBB- to [ICRA] BB w.e.f 10/08/2021 Downgraded from [ICRA] BB to [ICRA] B+ w.e.f 26/11/2021	[ICRA] B+

*Please refer website of BSE and NSE w.r.t rationale of downgrade and other details.

(P) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

a. number of complaints filed during the FY- Nil

b. number of complaints disposed of during the FY -1 complaint of previous FY was disposed off on 05/04/2021

c. number of complaints pending as on end of the FY. Nil

(Q) There was no commodity holding and /or trading during the year. Foreign Exchange Risk associated with outstanding ECBs have been mitigated by the way of hedging in form of currency swap/ future/forward contracts.

9. MEANS OF COMMUNICATION:

IFCI's quarterly/half yearly/yearly financial results are published in the leading Hindi and English newspapers. The financial results for FY 2021-22 were published in Financial Express (English in all editions) and Jansatta (Hindi in all editions) newspapers. Official press releases are also displayed on the Company's Website (www.ifciltd.com). All price-sensitive information is made public at the earliest through intimation to Stock Exchanges where the Equity Shares are listed viz. The National Stock Exchange of India Limited and BSE Limited. During the year, no presentation was made to the Institutional Investors or to the Analysts.

10. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting:

Date : December 22, 2022

Time : 11:30 A.M.

Venue : Auditorium, First Floor, IFCI Tower, Nehru Place, New Delhi (Electronic means)

(ii) Financial Calendar (Tentative):

Results for quarter ending June 30, 2022	: August 10, 2022
Results for quarter ending September 30, 2022	: November 09, 2022
Results for quarter ending December 31, 2022	: Second Week of February, 2023
Results for quarter ending March 31, 2023	: Third week of May, 2023

(iii) Dates of Book Closure : Friday, December 16, 2022 to Thursday, December 22, 2022 (both days inclusive)

(iv) Dividend Payment Date : No dividend had been declared on the Equity Shares of the Company for the F.Y. 2021-22

(v) Listing on Stock Exchange:

(a) Equity Shares are listed on both the exchanges:

-BSE Limited (BSE)
Department of Corporate Services
25th Floor, Phiroze JeeJeebhoy Tower
Dalal Street, Fort, Mumbai – 400 001

-The National Stock Exchange of India Limited (NSE)
Exchange Plaza
Plot No. C1, Block G, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051

Note:

(i) During the FY 2003-04, IFCI had redeemed all the Family bonds and advised the Stock Exchanges to discontinue the listing of the bonds. Bonds issued under Private Placement basis under Series 47 to Series 62, Infrastructure (3 Series), Subordinate Bonds (5 Series) and Tax-Free Bonds and erstwhile SLR Bonds are listed on BSE Ltd. Secured NCDs issued through Public Issue are listed both on BSE and NSE.

(ii) The Annual Listing Fee for the FY 2021-22 had been paid to the BSE and NSE.

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

ISIN number

Equity Shares : INE039A01010

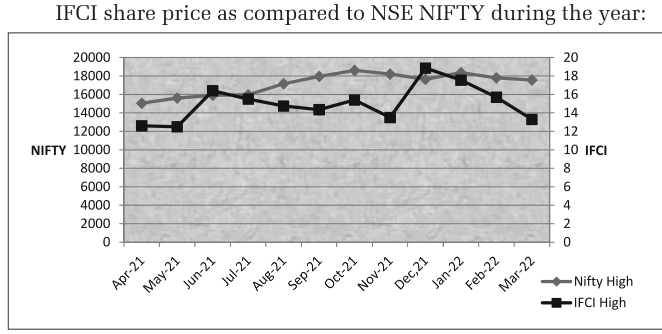
(vii) Market Price data: **(Price in ₹)**

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2021	12.60	10.30	12.63	10.25
May, 2021	12.50	10.35	12.49	10.38
June, 2021	16.40	11.80	16.40	11.84
July, 2021	15.50	13.35	15.45	13.35
August, 2021	14.75	10.55	14.78	10.54
September, 2021	14.35	11.05	14.30	11.06
October, 2021	15.40	12.05	15.40	12.07
November, 2021	13.50	11.50	13.48	11.51
December, 2021	18.85	11.75	18.87	11.76
January, 2022	17.55	14.35	17.55	14.35
February, 2022	15.70	10.80	15.70	10.80
March, 2022	13.30	11.05	13.14	11.00

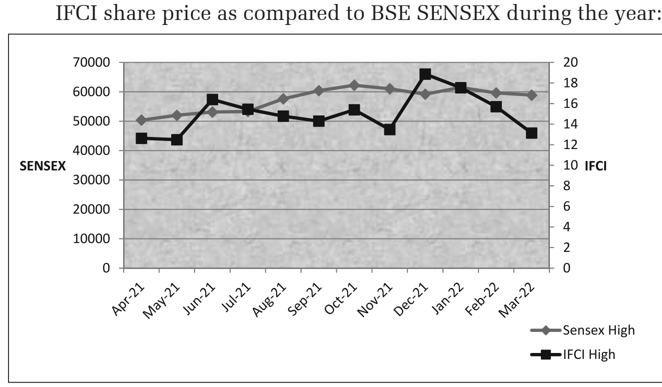
Source: NSE / BSE

viii) Performance in comparison to broad based indices:

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



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



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

Both for Equity Shares and Family bonds

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

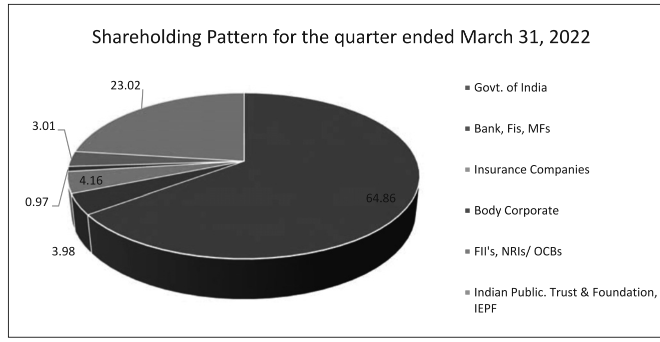
For Infrastructure Bonds(series I & II)	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, New Delhi-110062 Website: www.beetalfinancial.com Email: ifci@beetalfinancial.com, ifciinfrabonds@gmail.com Contact Number: 011-29961281-83 011-26051061/64
For Infrastructure Bonds (series III, IV & V) and Secured Non-Convertible Debentures Tranche I & II	KFin Technologies Private Limited Selenium Tower B, Plot Number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Website: www.kfintech.com Email: einward.ris@kfintech.com Contact Number: 040-67161589/1672/1678
For Subordinate Bonds (series I & III)	Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083 Website: www.linkintime.co.in Email: bonds.helpdesk@linkintime.co.in Team.bonds@linkintime.co.in Contact Number: 022-49186000
For all other Private Placement, Tax Free Bonds And any other query	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi – 110 019 CIN: L74899DL1993GOI053677 Website: www.ifciltd.com Email: ppbonds@ifciltd.com tier2bonds@ifciltd.com Contact: 011 – 41732000/41792800

(x) Share Transfer System :

As the transfer of shares in physical form has been prohibited after April 01, 2019, in terms of SEBI Gazette Notification dated June 08, 2018 read with SEBI Press Release dated December 03, 2018, the old cases of transfer of shares received in physical form after correction of objections, etc., are duly transferred within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects.

(xi) Distribution of Shareholding (as on March 31, 2022):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2022 is as under:



(A) Shareholding Pattern:

Shareholding Pattern of Equity Shares of IFCI as on March 31, 2022 and March 31, 2021 is given as under:

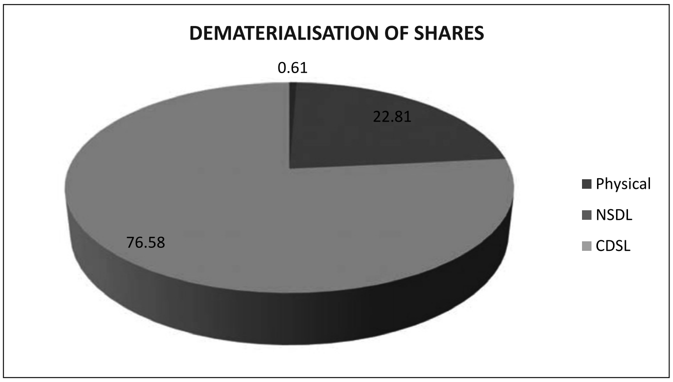
Category	As on 31.03.2022		As on 31.03.2021	
	No. of Equity Shares	%	No. of Equity Shares	%
Government of India	1,36,39,54,070	64.86	1,15,69,55,857	61.02
Banks, Financial Institutions & Mutual Funds	8,36,33,792	3.98	8,67,24,235	4.57
Insurance Companies	8,75,12,368	4.16	10,06,34,843	5.31
Bodies Corporate	2,04,82,947	0.97	3,25,57,634	1.72
FIIs, NRIs & OCBs	6,32,24,185	3.01	6,63,88,660	3.50
Public	48,41,83,943	23.02	45,27,31,863	23.88
Total	**2,10,29,91,305**	**100.00**	**1,89,59,93,092**	**100.00**

(B) Distribution Schedule Range Analysis as on March 31, 2022:

Sl. No.	Category From	To	No. of Shareholders	% of total Shareholders	No. of Equity Shares	% Shares
1	1	500	436972	78.9749	66556951	3.1649
2	501	1000	52831	9.5483	44530649	2.1175
3	1001	2000	28995	5.2403	45431704	2.1603
4	2001	3000	10745	1.9420	28040000	1.3333
5	3001	4000	4947	0.8941	17996620	.8558
6	4001	5000	5268	0.9521	25303162	1.2032
7	5001	10000	7434	1.3436	56702305	2.6963
8	10001	50000	5187	0.9375	108226521	5.1463
9	50001	100000	578	0.1045	42911740	2.0405
10	100001 and above		348	0.0629	1667291653	79.2819
	Total		**553305**	**100.0000**	**2102991305**	**100.0000**

(xii) Dematerialization of Shares and liquidity:

About 99.39 % of the Equity Shares of the Company have already been dematerialized up to March 31, 2022. IFCI's Shares are listed at major Stock Exchanges of the Country and being traded actively.



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

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

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

Regional Offices at: Hyderabad, Kolkata and Mumbai

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

This is to confirm that the Company has adopted a Code of Conduct for Board Members and its employees. The Code of Conduct as adopted is available on the Company's website. It is further confirmed that the Company has in respect of the Financial Year ended March 31, 2022, received from the employees of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

(Manoj Mittal)
Managing Director & Chief Executive Officer
DIN: 01400076

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

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

(a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

(d) We have indicated to the auditors and the Audit Committee

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

  The financial statements for the year ended 31st March 2022 have been drawn up on the basis of Ind AS that are applicable to the Company as at 01st April 2018 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18 January 2016. Any application guidance/ clarifications/ directions issued by RBI or other regulators shall be implemented as and when they are issued/ made applicable.

Sd/-	Sd/-
(Prasoon)	**(Manoj Mittal)**
Chief General Manager & Chief Financial Officer	Managing Director & Chief Executive Officer

Date: May 27, 2022
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S IFCI LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s IFCI Limited ("Company"), for the year ended on March 31, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that:-

1. The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except w.r.t. the composition of the Board, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee in the absence of Independent Directors on the Board of IFCI Limited.
2. None of the directors on the board of IFCI Limited, have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

Suryakant Gupta
Practicing Company Secretary
M. No. FCS 9250
COP No. 10828
UDIN: F009250D000949541

Date: 09-08-2022
Place: Delhi

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1993GOI053677
2.	Name of the Listed Entity	IFCI Limited
3.	Year of incorporation	1993
4.	Registered office address	IFCI Limited, IFCI Tower, 61 Nehru Place, New Delhi-110019
5.	Corporate address	IFCI Limited, IFCI Tower, 61 Nehru Place, New Delhi-110019
6.	E-mail:	complianceofficer@ifciltd.com
7.	Telephone	011-41732000
8.	Website	www.ifciltd.com
9.	Financial year for which reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 2102,99,13,050
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Prasoon, Chief General Manager Phone: 011-41732000 Email: complianceofficer@ifciltd.com;
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financing Activity	Interest Income	77.64%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Financing Activity	64920	77.64%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	4	4
International	-	-	-

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	4 (Mumbai, Delhi, Hyderabad and Kolkata)
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? Not Applicable

c. A brief on types of customers: As on 31st March, 2022, IFCI has 453 number of corporate borrowers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	168	111	66.07	57	33.93
2.	Other than Permanent (E)	10	8	80.00	2	20.00
3.	**Total employees (D + E)**	178	119	66.85	59	33.15
	WORKERS					
4.	Permanent (F)	2	2	100.00	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	**Total workers (F + G)**	2	2	100.00	Nil	Nil

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	Nil	Nil	1	100.00
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees(D + E)	1	Nil	Nil	1	100.00
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	Nil	Nil	Nil	Nil	Nil

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29
Key Management Personnel	4	1	25.00

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2021 - 22 (Turnover rate in current FY)*			FY 2020 - 21 (Turnover rate in previous FY)*			FY 2019 - 20 (Turnover rate in the year prior to the previous FY)*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.96	8.26	13.22	3.68	4.44	8.12	1.35	-	1.35
Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Voluntary separations (i.e. resignation, Voluntary retirements).

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/Subsidiary/ Associates Companies/Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of share held by listed entity	Does the entity indicated at column A, Participated in Business Responsibility Initiatives of listed entity ? (Yes/No)
1	Stock Holding Corporation of India Limited (SHCIL)	Subsidiary	52.86%	No
2	Stockholding Document Management Solution Ltd. (SDMSL)	Step Down Subsidiary	100% held by SHCIL	No
3	SHCIL Services Ltd. (SSL) - name changed to Stockholding Services Ltd	Step Down Subsidiary	100% held by SHCIL	No
4	Stockholding Securities IFSC Limited (SSIL)	Step Down Subsidiary	100% held by SHCIL	No
6	IFCI Financial Services Ltd. (IFIN)	Subsidiary	94.78%	No

S. No.	Name of the holding/Subsidiary/ Associates Companies/Joint Ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of share held by listed entity	Does the entity indicated at column A, Participated in Business Responsibility Initiatives of listed entity ? (Yes/No)
7	IFIN Commodities Ltd. (ICOM)	Step Down Subsidiary	100% held by IFIN	No
8	IFIN Credit Limited (ICL)	Step Down Subsidiary	100 % held by IFIN	No
9	IFIN Security Finance Ltd. (ISFL)	Step Down Subsidiary	100 % held by IFIN	No
10	IFCI Infrastructure Development Ltd. (IIDL)	Subsidiary	100%	No
11	IIDL Realtors Pvt. Ltd. (IIDL)	Step Down Subsidiary	100 % held by IIDL	No
12	IFCI Venture Capital Funds Ltd. (IVCF)	Subsidiary	98.59%	No
13	IFCI Factors Ltd. (IFL)	Subsidiary	99.90%	No
14	MPCON Ltd.	Subsidiary	79.72%	No
15	KITCO	Associate	20.26%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) 756,95,18,244.95

(iii) Net worth (in ₹) 445,43,67,668.25

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of Complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of Complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	-	2,027	-	-	2,244	-	-
Shareholders	-	68	-	-	492	-	-
Employees and workers	-	7	7	Pending grievances are under active consideration	6	6	Pending grievances are under active consideration
Customers	-	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Other (Please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Sl. No.	Material Issued Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial Implication of the risk or opportunity (Indicate positive or negative implication)
1.	Discrimination based on caste, creed, sex, race, ethnicity, age, colour, religion, disability, socio-economic status, or sexual orientation	R	These material issue can hamper the productivity and create discrimination among employees.	Necessary Guidelines are in place covering the issues.	Negative Implication. As, these hamper the productivity of employees.
2.	Sexual Harassment and Violence	R			
3.	Workplace Environment (is it safe, hygienic, and accessible to all the employees)	R			

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	N	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	-	Y	-	Y	Y
c. Web Link of the Policies, if available	#	Policy being an internal document is accessible to employees only	Policy being an internal document is accessible to employees only	#	-	Policy being an internal document is accessible to employees only	-	#	#
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	-	Y	-	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	-	Y	-	Y	Y
4. Name of the national and international codes/certifications/labels/ standards adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	@	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

(#) the links relevant to this policy are mentioned at the end of this report.

@Entity has set a target to convert the corporate office into a **Green Building** recognized by the IGBC which will have benefit in reducing the water & energy consumption from 5-10%, that will lead to enhanced air quality, health & wellbeing of occupants, energy efficiency etc. The said target is targeted to be completed in the forthcoming Financial Year.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

IFCI being an NBFC has limited applicability of NGRBC principles. However, the company strives to follow applicable directions/ guidelines provided by the Government of India. Further, efforts are being made on the ESG front to contribute to the community either through CSR activities or supporting the GOI in the initiative made in this regard.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Business Responsibility Reporting Committee of Directors
9. Does the entity have a specified Committee of the Board / Director Responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Business Responsibility Reporting Committee of Directors

10. Details of Review of NGRBCs by the Company:

Subject for Review	**Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee**									**Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)**								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Review is being undertaken by a Committee of Directors									Annual Review								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	NO								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)					#		#		

(#) IFCI being an NBFC, this principle is not applicable or has limited applicability. However, the company strives to follow applicable directions/guidelines provided by Government of India.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Regulatory Updates - Principle 1	100.00
Key Managerial Personnel	2	Corporate Governance, ESG - Principle 1 and 6	50.00
Employees other than BoD & KMPs	10	Preventive Vigilance, Disciplinary Proceedings, ESG Investing, Corporate Governance, Gender Sensitization & POSH, KYC & Anti Money Laundering - Principle 1, 5 and 6	34.76
Workers	Nil	Nil	Nil

Impact: The trainings conducted on the said topics / Principle helped in sensitizing the employees towards business sustainability and responsibility by being more vigilant, ethical and accountable in their duties and responsibilities.

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

   NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or nonmonetary action has been appealed.

   NIL

4. Does the company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the Policy.

   In this regard the following preventive measures have been adopted by the Company:-

   (i) Fair Practice Code - The Guidelines for Fair Practices Code for IFCI is available on website of the company at the link https://www.ifciltd.com/2022/Fair%20Practices%20Code_July%202022.pdf

   (ii) The Company follows procedures and norms of CVC regarding anti-corruption and anti-bribery and also the PIDPI Resolution (GOI Resolution on Public Interest Disclosure and Protection of Informers) relating to complaints for disclosure on any allegation of corruption or misuse of office wherein CVC is Designated Agency.

   (iii) Apart from the above, IFCI also adopted Whistle Blower Policy.

   (iv) Centralized Procurement Policy - With reference to award of contract, IFCI has Centralized Procurement Policy duly approved by Board of Directors of IFCI. Anti-Corruption clauses as mentioned in the Policy are as follows:

   5.28 Debarment from bidding

   A bidder shall be debarred if he has been convicted of an offence under the Prevention of Corruption Act, 1988 the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract. The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment. IFCI may debar a bidder for a period not exceeding two years, if it determines that the bidder has breached the code of integrity

Debarment from bidding (GFR 2017 - Rule 151)

1. A bidder shall be debarred if he has been convicted of an offence -
    a. under the Prevention of Corruption Act, 1988

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2021-22	FY 2020-21
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

NIL

2. a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

The Company undertakes procurement of goods, works and services from ₹ 2.5lakhs and above by way of open and limited tender. GeM portal has MSME compliance inbuilt in the system. For procurement other than GeM portal, MSME clause is incorporated in the RFP as per the MSME guidelines.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health* insurance		Accident insurance**		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent employees (Officers)										
Male	111	111	100	111	100	Nil	Nil	111	100	111	100
Female	57	57	100	57	100	57	100	Nil	Nil	57	100
Total	168	168	100	168	100	57	100	111	100	168	100

*IFCI has its own Medical Scheme.

**IFCI has GTLI Policy covering all permanent employees and two contractual employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Other than Permanent employees										
Male	8	8	100	8	100	Nil	Nil	8	100	8	100
Female	2	2	100	2	100	2	100	Nil	Nil	2	100
Total	10	10	100	10	100	2	100	8	100	10	100

b. Details of measures for the well-being of workers:

Category	% of workers covered by (Workmen)										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent workers										
Male	2	Nil	Nil	2	100	Nil	Nil	2	100	2	100
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	2	Nil	Nil	2	100	Nil	Nil	2	100	2	100
	Other than Permanent workers										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits, for Current FY and Previous Financial Year. -

	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	NA	NA	NA	NA	NA	Y
Others - please specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises / offices of IFCI Ltd. are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, IFCI has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. The web link is as under:

Equal Opportunity Policy.pdf (ifciltd.com)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees (officers)		Permanent Workers	
Gender	Return to Work rate	Retention Rate	Return to Work rate	Retention Rate
Male	7	100	NA, No worker availed Parental Leave during the year.	
Female	3	100		
Total	10	100		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/ No (If yes, the details of the mechanism in brief)
Permanent Workers	Yes, IFCI has a three stage Grievance redressal policy with a predefined scope with regard to employment conditions. Grievances are resolved as per the following structure: Stage I: Reporting Officer Stage II: Grievance Redressal Committee (HR Review Committee) Stage III: MD & CEO
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, IFCI has a three stage Grievance redressal policy with a predefined scope with regard to employment conditions. Grievances are resolved as per the following structure: Stage I: Reporting Officer Stage II: Grievance Redressal Committee Stage III: MD & CEO
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	**Financial Year (Current Financial Year 2021-22)**			**Financial Year (Previous Financial Year 2020-21)**		
	Total Employees/ Workers in respective Category	**No. of Employees/ Workers in respective Category, who are part of association or union**	**% (B/A)**	**Total Employees / Workers in respective Category**	**No. of Employees / Workers in respective Category, who are part of association or union**	**% (D/A)**
	(A)	**(B)**		**(C)**	**(D)**	
Total Permanent Employees	167	152	91%	190	175	92%
- Male	110	98	89%	126	115	91%
- Female	57	54	95%	64	60	94%
Total Permanent Workers*	-	-	-	-	-	-
- Male	2	0	0	3	0	0
- Female	-	-	-	-	-	-

*The workman employees are part of total employees but not members of Officers Association.

8. Details of training given to employees and workers:

Category	**FY 2021-22**					**FY 2020-21**				
	Total (A)	**On Health & Safety Measures**		**On Skill upgradations**		**Total (D)**	**On Health & Safety Measures**		**On Skill upgradations**	
		No. (B)	**%(B/A)**	**No. C**	**% (C/A)**		**No. (E)**	**%(E/D)**	**No. F**	**% (F/D)**
Employees										
Male	111	-	-	64	57.64	130	-	-	119	91.53
Female	60	-	-	41	68.33	65	-	-	63	96.92
Total	171	-	-	105	-	195	-	-	182	-
Workers										
Male	2	-	-	-	-	3	-	-	2	66.67
Female	-	-	-	-	-	-	-	-	-	-
Total	2	-	-	-	-	3	-	-	2	-

9. Details of performance and career development reviews of employees and worker:

Category	FY2021-22			FY2020-21		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees (Officers)						
Male	109	108	99.08	121	117	96.69
Female	57	56	98.25	63	62	98.41
Total	166	164	-	184	179	-
Workers (Workmen)						
Male	2	2	100	3	3	100
Female	NIL	NIL	NIL	NIL	NIL	NIL
Total	**2**	**2**	**-**	**3**	**3**	**-**

10. Health and safety management system:
    a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system? **Not Applicable**.
    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? **No Hazardous waste generated by the entity, however, daily routine garbage disposed of through AMC service provider.**
    c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) **No Hazardous waste generated by the entity, however, daily routine garbage disposed of through AMC service provider.**
    d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**.
    Yes

11. Details of safety related incidents:
    NIL

12. Describe the measures taken by the entity to ensure a safe and healthy work place:
    Necessary safety measures were taken / in place such as firefighting equipment, fire refuge, Maintenance of lifts, Emergency signages, Emergency exit doors and lobby area. Due to the massive covid outbreak, additional measures were followed such as sensor enabled taps in washroom, sanitizers, social distancing, Work from Home facility etc.

13. Number of Complaints on the following made by employees and workers, on working conditions and Health & Safety: **NIL**

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 (Head Office and 4 Regional Offices)
Working Conditions	-

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
    NA

PRINCIPLE 4: Businesses should respect the interest of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
   No such process has been defined, however in view of the business activity of the listed company and being an NBFC ND SI, the categories of stakeholders are mentioned in point no. 2 below.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/Others - please specify	Purpose and scope of engagement including key topics and raised during such engagement
Security holders (equity and Bondholders)	NO	Emails, SMS, Newspaper, Notices, Website etc	Need based events and covers all half yearly, quarterly and Annually	Repayments, Meetings updates, KYC related, grievance related
Clients (advisory business)	NO	Website, Emails, Personal visits, presentations	Event based	Work order/ Project related
Employees (Including retired employees)	NO	Emails, Website, Intranet, Internal Meetings	Event based	Trainings, Work orders, Grievances etc

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half yearly/ Quarterly/Others - please specify	Purpose and scope of engagement including key topics and raised during such engagement
Regulatory Authorities	NO	Emails, Telephonically, Website etc	Quarterly, Event based	Compliance updates
Borrowers	NO	Website, Emails, Personal visits	Monthly, Quarterly	Follow ups and Routine updates
Lenders	NO	Website, Emails, Personal visits	Monthly, Quarterly, event based	Follow ups, Routine updates

PRINCIPLE 5: Business should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:
   NIL

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2021-22 Current Financial Year					FY2020-21 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Permanent										
Male	111	Nil	Nil	111	100	142	Nil	Nil	142	100
Female	57	Nil	Nil	57	100	70	Nil	Nil	70	100
Other than Permanent										
Male	10	Nil	Nil	10	100	2	Nil	Nil	2	100
Female	2	Nil	Nil	2	100	-	-	-	-	-
Workers										
Permanent										
Male	2	Nil	Nil	2	100	3	Nil	Nil	3	100
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	Nil	-	-	-	-	-	-	-	-	-
Female	Nil	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	-	-	-	-
Key Managerial Personnel (includes MD and WTD)	3	53.45 Lakhs	3	35.62 lakhs
Employees other than BOD and KMP	116 (4 Deputed)	27.5 Lakhs (For Deputed, renumeration is paid by concerned organisation)	58	26 Lakhs Including Associates
Workers	2	12.5 Lakhs		

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issue caused or contributed to by the business?
   No

5. Describe the internal mechanism in place to redress grievances related to human rights issues.
   Employee Grievances are redressed through a Grievance Redressal System which has fairly wide scope to cover such issues pertaining to Human Rights.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2021-22 Current Financial Year			**FY 2020-21 Previous Financial Year**		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	0	0		1	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The cases of complaints regarding Sexual Harassment are regulated by the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, which has built in safeguards against any adverse consequences to the complainant. Besides, IFCI also has Liaison Officers and Employee Association for SC/ST employees which cater to the issue raised by employees belonging to marginalised sections of society, including discrimination at workplace.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) **NO**

9. Assessments for the year: **Not Applicable**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	
Forced/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others - please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 Above. **Not Applicable**

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	**FY 2021-22 (Current Financial Year)**	**FY 2020-21 (Previous Financial Year)**
Total electricity consumption (A)	Approx. 2111383 kwh	Approx. 2478660 kwh
Total fuel consumption (B)	Approx. 25000 kwh	Approx. 25000 kwh
Energy consumption through other sources (C)	NIL	NIL
Total energy consumption (A+B+C)	Approx. 2136383 kwh	Approx. 2503660 kwh
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	2136383 (kwh)/32940070 (Amount) = 0.064	2503660 (kwh)/32840110 (Amount) =0.076
Energy intensity(optional) - the relevant metric may be selected by the entity		

   Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency. **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   NIL

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Approx. 362 KL	Approx. 270 KL
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	Approx. 362 KL	Approx. 270 KL
Total volume of water consumption (in kilolitres)	Approx. 362 KL	Approx. 270 KL
Water intensity per rupee of turnover (Water consumed / turnover)	362 (unit) / 37591 (Amount) = 0.0096	270 (unit) / 34203 (Amount) = 0.0078
Water intensity(optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency. **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **Not Applicable**

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: **Not Applicable**

6. Please provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: **Not Applicable**

7. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.

   Not Applicable

8. Provide details related to waste management by the entity, in the following format: **No Hazardous waste generated by entity, however, daily routine garbage disposed of through AMC service provider.**

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practice adopted to manage such waste.

   No Hazardous waste generated by entity, however, daily routine garbage disposed of through AMC service provider.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: **NIL**

11. Details of environment impact assessment of projects undertaken by the entity based in applicable laws, in the current financial year:

    Not Applicable

12. Is entity complaint with the applicable environment law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliance, in the following format:

    YES, entity is complying with mentioned laws.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. A. Number of affiliations with trade and industry chambers/ associations.

Sl. No.	Particular	Number	Detail
1.	Business Association Memberships	i.	ASSOCHAM
2.	Other Memberships	i.	Indian Banks Association
		ii.	Indian Institute of Banking and Finance

B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	ASSOCHAM	National

2. Provide details of corrective actions taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities. **NIL**

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessment (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. **Not Applicable**
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **Not Applicable**
3. Describe the mechanisms to receive and redress grievances of the community.

   Not Applicable
4. Percentage of input material (input to total inputs by value) sourced from suppliers:

	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Directly sourced from MSMEs/small producers	**0.95Cr**	**4.51Cr**
Sourced directly from within the district and neighbouring districts	-	-

PRINCIPLE 9: Businesses should engage with and provide value to their consumer in a responsible manner.

Essential Indicators

1. Describe the mechanism in place to receive and respond to consumer complaints and feedback.

   Resolution of investors' queries/ complaints/ grievances in bond servicing is given top most priority & attention by IFCI.

   In respect of bonds which are being serviced in-house at IFCI, all the complaints/grievances are replied by IFCI directly to investors. Similarly, in respect of the bonds which are being serviced through R&TAs, the resolution of the complaints/grievances is taken care by R&TAs directly. However, if any support or help is required same by the investor in resolving the queries, same is provided by IFCI.

   To have better control on the resolution of investor complaints/grievances, reports in the prescribed formats indicating type of complaints, number of complaints received, resolved and pending resolution, if any, at the end of the period are obtained from the respective R&TAs and compiled in the Department on quarterly intervals. Based on such compiled data, a Board Memo is also placed before the Investor Grievances Committee of the Board.

   SCORES- SEBI has an online portal for redressing of investors' grievances called SCORES. The complaints received on the portal are accessed by IFCI and Interim replies and/or Action taken reports are filed in co-ordination with the R&TA of respective issues. It is ensured that all grievances are addressed in a time bound manner.

   Besides, investors' grievances and requests are also received on:

   - IFCI website through *Bondholders section*
   - Email ID compliance officer@ifciltd.com
   - Email ID bondscomplianceofficer@ifciltd.com
   - Email ID infrabonds@ifciltd.com for Infra Bonds
   - Email ID tier2bonds@ifciltd.com for Subordinate Bonds
   - Email ID ifcipublicissue@ifciltd.com for Public issue of Bonds
   - Email ID ppbonds@ifciltd.com for Private placement bonds

   The queries or complaints received through email are replied through email itself. In case any complaint/grievance requires some time for resolution, an interim reply is also sent to the investor as an investor friendly gesture. Investors' grievances received through email/letter at IFCI, in case of bonds and equity handled by R&TA are forwarded to R&TAs. Thereafter the R&TA replies to the investor(s) through email/letter with a copy to IFCI.

   Some of the common grievances received from Investors' are as below:

   a. Correction of mistakes in bond certificates
   b. Issue of duplicate bond certificate
   c. Rematerialisation & Dematerialisation of bonds
   d. Transmission of bonds
   e. Splitting of bonds
   f. Updation of bank A/c, address, email ids
   g. Corporate actions for bonds in lock-in period
   h. Revalidation of warrants/ payment of unpaid amount

   As may be seen from the above table, major investor grievances / correspondences fall under Correction in Name/ Change of address / Bank details etc. which constitute % of total grievances

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environment and social parameters relevant to the product	**Not Applicable**
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following: **NIL**
4. Details of instance of product recalls on account of safety issues: **Not Applicable**
5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide the web-link of the policy.

   IFCI has a IS and Cyber Security policy in place, the policy is reviewed annually. The policy is an internal document.
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customer; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not Applicable

ANNEXURE -1 TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	**Web-link**
Fair Practice Code	https://www.ifciltd.com/?q=content/fair-practices-code
Code of Conduct	https://www.ifciltd.com/?q=content/code-conduct
Vigil Mechanism	https://www.ifciltd.com/?q=content/whistle-blower-policy
CSR Policy	https://www.ifciltd.com/?q=content/our-csr-policy

The other policies are internal documents and accessible only to employees of the organization.

WELFARE OF SCs/STs/OBCs/EWSs/PWDs

Your Company follows various policies and guidelines issued by the Government of India towards the upliftment of Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), Economically Weaker Sections (EWSs), Persons with Disabilities (PwDs), etc. In accordance with the guidelines issued by the Government of India, the rules governing reservations and relaxations for certain categories are strictly adhered to. Additionally, appropriate representation of such employees is ensured by Your Company in various training programmes. During the year, Your Company provided training to 57% SCs, 100% STs and 65% OBCs employees.

Your company had 170 regular employees as of March 31, 2022, of whom 23 (14%) belonged to Other Backward Classes, 14 (8%) to Scheduled Castes, and 1 (1%) to Scheduled Tribes.

Annual Statement showing the representation of SCs, STs, OBCs & EWSs as on First January of the Year 2022 and Number of Appointments made during the preceding Calendar Year is as under:

Sl. No.	Class	Number of Employees (as on 01.01.2022)					Number of appointments made during the preceding calendar year										
							By Direct Recruitment					By Promotion			By Deputation/ Absorption		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Class I	168	14	1	23	-	-	-	-	-	-	-	-	-	-	-	-
2	Class III	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Class IV	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Contractual	7	-	-	1	-	3	-	-	1	-	-	-	-	-	-	-
	Total	**177**	**14**	**1**	**24**	**0**	**3**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annual Statement showing the representation of SCs, STs, OBCs & EWSs in various grades as on First January of the Year 2022 is as under:

Sl. No.	Grades	Number of Employees (as on 01.01.2022)					Number of appointments made during the preceding calendar year										
							By Direct Recruitment					By Promotion			By Deputation/ Absorption		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	21	1	-	2		-	-	-	-	-	-	-				
4	D	33	2	-	3		-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	57	6	1	7		-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	46	4	-	7		-	-	-	-	-	-	-	-	-	-	-
7	A	9	1	-	4		-	-	-	-	-	-	-	-	-	-	-
8	Class III	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-
9	Class IV	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-
10	Contractual	7	-	-	1		3	-	-	1	-	-	-	-	-	-	-
	Total	**177**	**14**	**1**	**24**	**0**	**3**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Group-wise representation of Persons with Disabilities (PwDs) up to 31.12.2021 is as under:

Sl. No.	Group	Nature of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calender year 2021(i.e. 01.01.2021 to 31.12.2021)																				
							Appointment by Direct Recruitment										Promotion										
							No. of vacancies reserved					No. of Appointments made					No. of vacancies reserved					No. of Appointments made					
		Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1	Class I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Class-III	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Class-IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**2**	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

NOTE:

i. VH stands for Visually Handicapped (persons suffering from blindness or low vision)

ii. HH stands for Hearing Handicapped (persons suffering from hearing impairment)

iii. OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

iv. ID stands for Intellectual Disability

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

As at March 31, 2022 **(₹ in Crores)**

Sr. No.	Name of the Subsidiary	Direct Subsidiaries						Step-down Subsidiaries						
		IFCI Venture Capital Funds Ltd.	IFCI Infrastructure Development Ltd.	IFCI Factors Ltd.	IFCI Financial Services Ltd.	Stock Holding Corporation of India Ltd.	MPCON Ltd.	IIDL Realtors Pvt. Ltd.	IFIN Commodities Ltd.	IFIN Credit Ltd.	IFIN Securities Finance Ltd.	Stockholding Document Management Services Ltd.	SHCIL Services Ltd.	Stockholding Securities IFSC Ltd.
1	Share capital	60.37	427.09	279.44	41.53	21.05	1.00	0.01	5.00	2.50	30.01	55.75	6.09	18.00
2	Reserves & surplus	106.37	79.71	-172.99	29.18	4,531.94	7.45	7.51	-0.87	-0.52	-1.05	-19.12	85.64	-5.07
3	Total assets	183.79	539.16	305.63	100.50	6,852.70	17.90	14.74	5.56	1.98	29.30	156.93	481.96	26.78
4	Total liabilities	17.05	32.36	199.18	29.79	2,299.71	9.45	7.22	1.43	-	0.34	120.30	390.23	13.85
5	Investments	31.36	136.56	9.38	38.53	4,977.74	-	-	-	-	10.21	-	-	-
6	Turnover	19.53	42.59	25.03	20.87	596.35	76.39	2.44	0.63	0.08	2.44	67.77	118.79	0.15
7	Profit before taxation	-4.66	10.13	-11.97	1.07	161.70	1.70	0.93	-0.66	0.004	0.43	2.16	28.06	-2.30
8	Provision for taxation	-1.68	1.81	2.29	-	25.15	0.50	0.23	0.00	0.001	0.13	0.60	7.25	-
9	Profit after taxation	-2.98	8.32	-9.68	1.07	136.55	1.20	0.70	-0.66	0.004	0.31	1.56	21.35	-2.30
10	Proposed dividend	-	-	-	-	24.22	0.10	-	-	-	-	-	7.00	-
11	% of shareholding *	98.59%	100.00%	99.90%	94.78%	52.86%	79.72%	100.00%	100%	100%	100%	100%	100%	100%

* % of shareholding indicated for step-down subsidiaries represents the shareholding of their respective immediate holding company

Note: All subsidiary companies have been incorporated in India and are following the same reporting period as of Holding co. i.e. 12 months ending on 31st March each year.

As per our report of even date attached

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

S. No.	Name of Associates/ Joint Ventures	Athena Chattisgarh Power Pvt. Ltd.	Gati Infrastructure Bhasmey Power Pvt. Ltd. $	Kitco Ltd. $	Nagai Power Pvt. Ltd.	Shiga Energy Private Ltd.	Vadraj Cements Ltd.	Vadraj Energy (gujarat) Ltd.
1	Latest audited Balance Sheet Date	31-Mar-20	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-18	31-Mar-18
2	Shares of Associate/Joint Ventures held by the company on the year end							
	No. of Equity Shares	13,85,40,000	4,50,20,000	19,950	56,40,000	5,10,00,000	6,39,16,797	3,60,00,000
	Amount of Investment in Associates/Joint Venture - Equity Shares	137.29	45.02	0.04	5.17	51.00	63.92	35.44
	Extend of Holding	7.01%	38.73%	20.26%	26.46%	28.43%	3.20%	24.00%
3	Reason why the associate/joint venture is not consolidated	As per Ind AS 28, para 20, an entity shall apply Ind AS 105 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, an entity shall account for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the entity uses the equity method. As the investment in these companies have been classified as held for sale, accordingly these companies has not been consolidated.						
4	Networth of the Company	1,954.75	116.44	51.56	-69.20	-191.07	-1,112.87	-137.35
	- Equity Share Capital	1,975.06	116.24	9.85	21.31	179.42	2,000.00	150.00
	- Preference Share Capital	-			344.16	-		
	- Convertible Pref Share Capital	-						
	- Reserves & Surplus	-20.01	0.20	41.71	-434.67	-370.48	-3,112.87	-287.35
5	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	137.03	45.10	10.45	-18.31	-54.31	-35.57	-32.96
6	Profit / Loss for the year	-0.30	-	-9.07	-235.31	-140.28	-1,595.29	-212.99
	i. Considered in Consolidation	-	-	-	-	-	-	-
	ii. Not Considered in Consolidation	-0.30	-	-10.02	-235.31	-140.28	-1,595.29	-212.99

$ I-GAAP financials have been considered.

As per our report of even date attached

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of IFCI Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **IFCI Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its Loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA's) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in "**Auditor's Responsibilities for the Audit of Standalone 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter:

1. We draw attention to **Note No. 39** of the financial statements regarding change in accounting policy towards non-recognition of interest income on Stage 3 assets. Accordingly, the interest income is lower by ₹ 248.03 Crores (net of ECL) for the reporting period.
2. We draw attention to **Note No. 40**, regarding the entity's impact of COVID-19 pandemic on its financial statements.
3. We draw attention to **Note No. 41**, where the valuation of the investments in subsidiary companies has been considered on the basis of financial results for the quarter ended 31st December 2021.
4. We draw attention to **Note No. 54** where the Capital Risk Adequacy Ratio (CRAR) stands at (-) 64.85% as on 31.03.2022, below the RBI stipulated guideline vide circular dated 31st May, 2018 (RBI/2017-18/181 DNBR (PD) CC.No.092/03.10.001/2017-18).

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How our matter was addressed in the audit
1.	**Impairment of Loan Assets – Expected Credit Loss (ECL)** [Refer Note No. 53 to the Standalone Financial Statements read with accounting policy No. 6(b)] The most significant areas where we identified greater levels of management judgment are: • ECL model–Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed classification of various Stages – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In the event of any improper application of assumptions, the carrying value of loan assets could be materially misstated either individually or collectively. In view of the significance of the amount of loan assets in the standalone Financial Statements, the impairment of loan assets thereon has been considered as Key Audit Matter in our audit.	**Our Audit Procedure includes:** We have obtained an understanding of the guidelines as specified in Ind AS 109 "Financial Instruments", various regulatory updates and the Company's internal instructions and procedures in respect of the expected credit loss and adopted the following audit procedures: 1. Evaluation and understanding of the key internal control mechanisms with respect to the loan assets, assessment of the loan impairment including assessment of relevant data quality, and review of the real data entered. 2. Verification/review of documentations, operations/performance of Loan asset accounts, on test check basis of the large and stressed loan assets, to ascertain any overdue, unsatisfactory conduct or weakness in any loan asset account. 3. Review of the reports of the internal audit and any other audit/inspection mechanisms to ascertain the loan assets having any adverse indication/ comments, and review of the control mechanisms of the Company to ensure the proper classification of such loan assets and expected credit loss thereof. 4. The accuracy of critical data elements input into the system used for computation of PD and LGD. 5. The completeness and accuracy of data flows from source systems into the ECL calculation. 6. Independent assessment of all Loan assets based on IRACP norms of RBI.

S. No.	Key Audit Matters	How our matter was addressed in the audit
		Our results: We considered the credit impairment charge and provision recognized and the related disclosures to be acceptable & satisfactory.
2.	**Valuation of financial instruments at Fair Value** [Refer Note No. 52 to the Standalone Financial Statements read with accounting policy No. 6(b)] Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorized at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to its material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our Audit Procedure includes:** We involved our team to review the management's underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts and the possible outcome of the underlying contracts accruing any profit or loss to the company. Our team also considered general market practices and other underlying assumptions in arriving at such fair valuation of the financial derivative contracts as outstanding/pending for settlement as on March 31, 2022s. Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value and the related disclosures to be acceptable & satisfactory.
3.	**Valuation of investments in Subsidiaries and Associates** The carrying value of the Company's investment in subsidiaries represents 2.83 times of the Company's total net worth. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of Company's audits Hence, it was considered as a key Audit matter in our Report.	**Our Audit Procedure includes:** Review of financial statements of all subsidiaries and associates. **Our results:** We did not find any material risk in recoverability of the investments and the valuation of the investments has been done on fair value.
4.	**Assessment of Information Technology (IT)** The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	**Our Audit Procedure includes:** Evaluated sample of key controls operating over the information/input in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone 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 Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company'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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per **Annexure "B"**, our report for the Company on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet and the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of change in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) As per notification number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "C"**. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Control over financial reporting.
   g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, since it is a government company, the provision of section 197 of the Act is not applicable to the company as per GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at 31st March 2022on its financial position in its standalone financial statements – Refer Note No. 35.2 to the financial statements;
      ii. The Company has made appropriate adjustment in the

Profit & Loss Account, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 52 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The Management has represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. There has been no dividend declared or paid by the company during the year under audit.

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUVXO2993

Place: New Delhi
Date: May 28, 2022

Annexure A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements

(i) a) (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than certain assets having gross block of ₹ 197.92 crores which have been fully depreciated in the earlier years.

B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, the management carries out the physical verification of fixed assets once in a year during the year which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. The management of the company has physically verified the assets during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds off all immovable's properties (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) a) The Company is a Non-Banking Financial Company; accordingly it does not hold any inventory. Thus, clause 3(ii) (a) of the Companies (Auditor's Report) Order, 2020 is not applicable to it.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year. Thus, clause 3(ii) (b) of the Companies (Auditor's Report) Order, 2020 is not applicable to it

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has made investments in, provided any guarantee or security or granted any loans and advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties during the year.

a) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it.

b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting and dealt with as per the provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms.

d) The total Gross NPA of the company as at 31.03.2022 stands at ₹ 6514.89 Crores. The amount overdue for more than ninety days out of the above could not be ascertained. However, reasonable steps have been taken by the company for recovery of the same.

e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

f) Based on our audit procedures & according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, investment, guarantees and securities which may be covered under section 185 and 186 of the Companies Act, 2013.

(v) According to the information provided and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amount which is deemed to be deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, directives issued by Reserve Bank of India is not applicable. Further, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal with respect to such deposits.

(vi) The Central Government has not prescribed the maintenance of cost records under Sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(vii) In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:

a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax and other material statutory dues as applicable to it and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on 31 March, 2022, as per the accounts of the Company.

b) Wherever any dues/demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the Statute	Nature of disputed dues	Disputed Amount (amount in crore)	Pending amount not deposit/adjusted out of (A) (amount in crore)	Year to which demand relates	Forum, where dispute is pending
The Income- Tax Act, 1961 *	Penalty	1.78	1.23	A Y 2015-16	CIT(A), New Delhi
The Income- Tax Act, 1961*	Income Tax	43.40	2.61	A Y 2016-17	CIT(A), New Delhi
The Income- Tax Act, 1961 *	Income Tax	74.52	54.85	AY 2019-20	CIT(A), New Delhi
Finance Act, 1994 (Service Tax)	Service Tax and Penalty	1.80	1.80	FY 2008-09 to FY 2010-11	CESTAT, New Delhi

* *Income tax matters which are disputed/unpaid as appearing in e-filing portal of Income tax department as on 31March 2022.*

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing in the payment of interest thereon to any banks, financial institutions and Government.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has utilized the money obtained by way of term loans for the purpose for which they were obtained.

d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds have been raised on short term basis by the company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information provided and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information provided and explanations given to us and on the basis of our examination of the records of the Company, the Government of India has infused a sum of ₹ 200 Crores and ₹ 100 Crores towards share capital on March 15, 2021 and January 17, 2022 respectively. The company has allotted 14.59 Crore shares of ₹ 13.70/- each on April 23, 2021 and 6.10 Crores shares of ₹ 16.39/- each on 25.02.2020 to the President of India (Government of India) against the receipt of ₹ 200 Crores and ₹ 100 Crores respectively on preferential basis and the company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which the funds were raised.

(xi) a) According to the information provided and explanations given to us and on the basis of our examination of the records of the Company, no fraud commited by the company was noticed during the course of our audit. Further as per the nature of business being NBFC, fraud against the company identified during the year is reported as per regulatory provisions. The amount of advances related fraud reported to Reserve Bank of India during the year is ₹ 547.52 Crores.

b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us, there was no whistle blower complaints received during the year by the Company

(xii) According to information and explanations given to us, the Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) a) In our opinion and based on examination, the company has an internal audit system commensurate with their size and nature of its business.

b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.

(xvi) a) The Company is a Non- Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934. The Company has been granted certificate of registration to commence/carry on the business of non-banking financial institution without accepting pubic deposits on August 18, 2009 vide registration No. is B-14.00009.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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 is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) According to the information and explanations given to us and on the basis of our examination, the group has no CIC as part of the Group.

(xvii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has incurred cash losses in the financial year and in the immediately preceding financial year for ₹ 1892.79 Crores and ₹ 1648.24 Crores respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, and that our opinion is a merely an estimation and basis various contingent events and probable future scenarios. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, it is not required to transfer any unspent amount to a Fund specified in Schedule VII of the Companies Act in compliance with the provision of sub section (6) of Section 135 of the said Act.

b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no amount which is remaining unspent under sub section 5 of Section 135 of the Act pursuant to any ongoing CSR project.

(xxi) We did not find any qualifications or adverse remarks (except observations) by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUVXO2993

Place: New Delhi
Date: May 28, 2022

Annexure B referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements.

Part A - Directions

<table>
<tr><th>S. No.</th><th>Directions</th><th>Reply</th></tr>
<tr><td>1.</td><td>Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</td><td>Yes, all the accounting transactions process through IT system. The income tax computation and deferred tax computation have been done manually on MS excel, however the accounting entries for both are passed through IT system only.</td></tr>
<tr><td>2.</td><td>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. Whether such cases are properly accounted for?
(In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company)</td><td>There is no restructuring of loans availed by the company during the year under reference.
There are no 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.
However, according to the information and explanations provided to us by the Company, company as a lender, following are case(s) of waiver/ write-off of debts/ loan/ interest etc. The details of such write-off/waiver are as under:
<table>
<tr><th>S. No.</th><th>Nature of Dues</th><th>No. of cases</th><th>Amount (₹ in crores)</th></tr>
<tr><td>A.</td><td>Waiver/Write-off/ Technical write-off of loans</td><td>11</td><td>861.28</td></tr>
<tr><td>B.</td><td>Recovery of Amount Earlier Written Off</td><td>-</td><td>(88.12)</td></tr>
<tr><td>C.</td><td>Debtors write-offs</td><td>1</td><td>0.03</td></tr>
</table>
Further, the company has write off interest income (Stage 3 Income) of ₹ 1917.63 Crores (Net:- ₹ 615.52 Crores) during the year.
It was informed that the waiver/write-off is decided on case-to-case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver.</td></tr>
<tr><td>3.</td><td>Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.</td><td>There is no grant/subsidy received/receivable by the company during the year under audit.
Further, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme.</td></tr>
</table>

Part B – Sub-Directions

<table>
<tr><th>S. No.</th><th>Sub-Directions</th><th>Reply</th></tr>
<tr><td>1.</td><td>Investments</td><td></td></tr>
<tr><td></td><td>Whether the titles of ownership in respect of CGS/SGS/ Bonds/Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.</td><td>According to the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures, etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, except for the cases mentioned below.
a) Where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.
<table>
<tr><th>S. No.</th><th>Company Name</th><th>Mode</th><th>No of shares</th></tr>
<tr><td>1.</td><td>ACC Ltd.</td><td>Demat</td><td>80</td></tr>
<tr><td>2.</td><td>Reliance Industries Ltd</td><td>Demat</td><td>4664</td></tr>
<tr><td>3.</td><td>Tata Motors Limited</td><td>Demat</td><td>600</td></tr>
<tr><td>4.</td><td>Tata Steel Limited</td><td>Demat</td><td>300</td></tr>
<tr><td>5.</td><td>Asian Hotels (East) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>6.</td><td>Asian Hotels (North) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>7.</td><td>Asian Hotels (West) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>8.</td><td>Bengal & Assam Company Ltd</td><td>Demat</td><td>23</td></tr>
<tr><td>9.</td><td>Bhilwara Technical Textiles Ltd</td><td>Demat</td><td>958</td></tr>
</table></td></tr>
</table>

S. No.	Sub-Directions	Reply

S. No.	Company Name	Mode	No of shares
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24550
12.	E I D Parry (India) Ltd.	Demat	430
13.	Eveready Industries India Ltd.	Demat	200
14.	Excel Glasses Ltd	Demat	50
15.	Gabriel India Ltd., Parwanoo	Demat	3500
16.	GKW Ltd	Demat	110
17.	Graphite India Ltd	Demat	366
18.	Gujarat Sidhee Cement Ltd	Demat	275
19.	Heg Ltd	Demat	1785
20.	Hi-Tech Gears Ltd	Demat	2700
21.	Indian Metals & FerroAlloys Ltd.	Demat	89
22.	ITC Ltd	Demat	67
23.s	J.K. Cement Ltd	Demat	20
24.	Larsen & Toubro Ltd	Demat	1125
25.	National Organic Chemical Industries Ltd	Demat	130
26.	Ponni Sugars & Chemicals Ltd	Demat	64800
27.	Rainbow Denim Ltd	Demat	40
28.	Rajasthan Spg & Wvg Mills Ltd (Rswm Limited)	Demat	383
29.	Reliance Capital Ltd	Demat	223
30.	Reliance Communications Ltd	Demat	4482
31.	Reliance Infrastructure Ltd	Demat	335
32.	Reliance Power Ltd	Demat	1120
33.	Tata Power Co. Ltd	Demat	900
34.	Titagarh Wagons Ltd.	Demat	25
35.	Ultratech Cement Ltd	Demat	100
36.	Winsome Textile Industries Ltd	Demat	200
37.	Zenith Steel Pipes & Industries Ltd (earlier known as Zenith Limited)	Demat	38
38.	Aditya Birla Capital Ltd	Demat	194
39.	Aditya Birla Fashion And Retail Limited	Demat	483
40.	Banswara Syntex Limited	Demat	100
41.	Core Education & Technologies Ltd	Demat	3
42.	Era Infra Engineering Ltd	Demat	27
43.	Grasim Industries Limited	Demat	139
44.	Indian Seamless Enterprises	Demat	1028
45.	Jaykay Enterprises Limited	Demat	100
46.	Kama Holdings Limited	Demat	150
47.	Reliance Home Finance Ltd	Demat	223
48.	Western India Shipyard Ltd	Demat	30
49.	Ansal Hotel	Physical	4727750
50.	Aryavastra Plywoods Ltd.	Physical	60000
51.	Bhilwara Processors	Physical	209998
52.	Biotech Synergy	Physical	440000
53.	BR Foods	Physical	350000
54.	Cimmco Ltd.	Physical	2860
55.	DCM Shree Ram	Physical	16016
56.	Depro Foods	Physical	1320
57.	Essar Coated Steel Ltd.	Physical	753000
58.	Excelsior Plants Co. Ltd.	Physical	51998
59.	Flower and Tissue India Ltd.	Physical	500000

S. No.	Sub-Directions	Reply

S. No.	Company Name	Mode	No of shares
60.	Gian Agra Industries Ltd.	Physical	1995
61.	Globe United	Physical	3958
62	Golden Polymarbles Ltd.	Physical	380000
63	Hind Food Ltd.	Physical	300000
64	Hindal Co. India	Physical	116
65	Jauss Polymers Ltd.	Physical	11000
66	JCT Ltd.	Physical	500315
67	JK Paper Limited	Physical	27813
68	Kinzle India Samay Ltd. (now known as Dufa Indian Samay Limited)	Physical	123400
69	Maharastra Steel Ltd.	Physical	2995
70	MM Polytex Ltd.	Physical	100000
71	Modi Alkalies and Chemicals	Physical	784590
72	Mohta Electro Steel	Physical	18361
73	MP Plywood	Physical	25000
74	Naina Semiconductor Ltd	Physical	509481
75	ORDE Textiles	Physical	20000
76	Orrissa Synthetics Ltd.	Physical	100
77	Oshi Foods Ltd.	Physical	210000
78	Perfect Drugs Ltd.	Physical	400000
79	Pratibha Syntex Ltd.	Physical	1250000
80	Punjab Fibre Ltd.	Physical	87076
81	Punsuni Frine and Components Ltd.	Physical	220000
82	Saurashtra Chemicals Ltd.	Physical	1107024
83	Shama Forge	Physical	24863
84	Shama Forge (Pref Shares)	Physical	7495
85	Siel Ltd.	Physical	336348
86	Siel Sugar Ltd.	Physical	300
87	Standard Woolens	Physical	50000
88	Tridev Duplex Board Pvt. Ltd.	Physical	200000
89	Tripati Woolens	Physical	59789
90	Usha Forging and Stamping	Physical	45000
91	Usha Forging and Stamping (Pref)	Physical	1968
92	Rain Industries Ltd.	Physical	11000
93	Usha Spinning and Weaving Mill Ltd.	Physical	2783

As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.

Further, no documents showing transfer of shares by the Company is available with the Company.

b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.

S. No.	Company Name	No of shares
1.	AJANTA TEXTILES LTD (PREF.)	38,219
2.	BST MFG LTD (PREF.)	9,920
3.	I C TEXTILES LTD (PREF.)	9,52,394
4.	LML LTD (PREF.)	21,50,912
5.	OCM INDIA LTD	5,89,743
6.	PRAG BOSMI SYNTHETICS LTD (PREF.)	26,14,577
7.	PUNJ STEEL MACHINE TOOLS PVT LTD(PREF.)	1,50,000
8.	SAMCOR GLASS LTD	20,00,000

<table>
<tr><th>S. No.</th><th>Sub-Directions</th><th>Reply</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>S. No.</th><th>Company Name</th><th>No of shares</th></tr>
<tr><td>9.</td><td>SOUTHERN WIND FARMS PVT. LTD.</td><td>1,00,000</td></tr>
<tr><td>10.</td><td>STEEL & ALLIED PRODUCTS LTD (PREF.)</td><td>5,980</td></tr>
<tr><td>11.</td><td>YUIL MEASURE (I) LTD (PREF.)</td><td>39,500</td></tr>
<tr><td>12.</td><td>ASHOK PAPER MILLS LTD (PREF.)</td><td>30,000</td></tr>
<tr><td>13.</td><td>ASHOK PAPER MILLS LTD</td><td>3,00,000</td></tr>
<tr><td>14.</td><td>ASSAM ISPAT LTD</td><td>95,900</td></tr>
<tr><td>15.</td><td>CACHAR SUGAR MILLS LTD (PREF.)</td><td>14,953</td></tr>
<tr><td>16.</td><td>CONCAST PRODUCTS LTD</td><td>45,500</td></tr>
<tr><td>17.</td><td>KILBURN OFFICE AUTOMATION LTD</td><td>400</td></tr>
<tr><td>18.</td><td>MEGHALAYA PHYTO-CHEMICALS LTD</td><td>39,483</td></tr>
<tr><td>19.</td><td>S&P ENGINEERING PRODUCTS LTD</td><td>24,094</td></tr>
</table>
</td></tr>
<tr><td>2.</td><td>Loans
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realizable 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.</td><td>There is a system of assessment of realizable value of securities available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances.
In view of adoption of Ind AS norms the financial accounts of the company are drawn as per Ind AS. Resulting into non-adherence to IRAC norms of RBI. Impairment in the assets has been calculated in accordance with Ind AS by calculating Expected Credit Loss (ECL) in case of loans as per accounting policy of the company.</td></tr>
<tr><td>3.</td><td>Whether Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration for booking of the outstanding loan amount and for adjustment of Impairment loss allowance</td><td>Proper accounting adjustments for impairment and settlement have been done with respect of OTS Settlements.</td></tr>
</table>

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUVXO2993

Place: New Delhi
Date: May 28, 2022

Annexure C referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements:

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IFCI Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company 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. 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 authorizations 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, to the best of information and according to the explanations given to us, 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, 2022 so far as our examination has revealed regarding 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 M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUVXO2993

Place: New Delhi
Date: May 28, 2022

IFCI LTD.

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in Rupees crores unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	**148.29**	533.56
(b) Bank balance other than (a) above	4	**612.51**	588.33
(c) Derivative financial instruments	5	**2.02**	-
(d) Trade receivables	6	**30.52**	57.31
(e) Loans	7	**2,382.59**	6,479.71
(f) Investments	8	**1,683.60**	2,950.34
(g) Other financial assets	9	**49.93**	139.49
Total Financial Assets		**4,909.46**	10,748.74
(2) Non-financial Assets			
(a) Investment in subsidiaries	10	**1,260.09**	1,343.71
(b) Investment accounted using equity method	11	**-**	-
(c) Current tax assets (Net)		**48.28**	62.23
(d) Deferred tax assets (Net)	12	**1,852.75**	2,122.05
(e) Investment property	13	**271.41**	185.50
(f) Property, plant and equipment	14	**634.49**	741.73
(g) Capital work-in-progress		**-**	-
(h) Other intangible assets	15	**0.43**	0.91
(i) Other non-financial assets	16	**93.25**	95.28
Total Non-Financial Assets		**4,160.70**	4,551.41
Assets classified as held for sale	17	**0.04**	0.04
Total Assets		**9,070.20**	15,300.19
II. LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative financial instruments	5	**-**	15.91
(b) Trade payables			
(i) Total outstanding dues of MSMEs			
(ii) Total outstanding dues of creditors other than MSMEs	18	**52.85**	165.68
(c) Debt securities	19	**5,054.47**	7,270.78
(d) Borrowings (other than debt securities)	20	**982.77**	2,285.70
(e) Subordinated liabilities	21	**974.66**	1,313.30
(f) Other financial liabilities	22	**1,480.69**	1,794.12
Total Financial Liabilities		**8,545.44**	12,845.49
(2) Non-financial liabilities			
(a) Provisions	23	**79.31**	82.18
(b) Other non-financial liabilities	24	**-**	0.42
Total Non-Financial Liabilities		**79.31**	82.60
(3) Equity			
(a) Equity share capital	25	**2,102.99**	1,895.99
(b) Other equity	26	**(1,657.54)**	476.11
Total Equity		**445.45**	2,372.10
Total Liabilities and Equity		**9,070.20**	15,300.19

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations			
	Interest income	27	**592.88**	1,085.73
	Dividend income		**37.80**	25.69
	Rental income		**35.74**	38.60
	Fees and commission Income		**49.54**	34.72
	Net gain/(loss) on fair value changes	28	**40.98**	193.26
I.	**Total revenue from operations**		**756.94**	1,378.00
II.	Other income	29	**6.67**	18.92
III.	**Total income (I+II)**		**763.61**	1,396.92
	Expenses			
	Finance costs	30	**922.88**	1,118.97
	Foreign exchange loss		**18.52**	8.96
	Impairment on financial instruments	31	**1,373.32**	2,271.63
	Employee benefits expenses	32	**92.43**	91.09
	Depreciation and amortisation	33	**23.03**	29.30
	Others expenses	34	**118.53**	24.20
IV.	**Total expenses**		**2,548.71**	3,544.15
V.	**Profit before exceptional items and tax (III- IV)**		**(1,785.10)**	(2,147.23)
VI.	Exceptional items		**-**	-
VII.	**Profit/(Loss) before tax (V-VI)**		**(1,785.10)**	(2,147.23)
VIII.	**Tax expense:**			
	- Current tax		**-**	-
	- Taxation for earlier years		**-**	8.57
	- Deferred tax (net)	12	**206.24**	(197.99)
	Total Tax expense		**206.24**	(189.42)
IX.	**Profit/(Loss) for the Year (VII-VIII)**		**(1,991.33)**	(1,957.81)
X.	**Other comprehensive income**			
A.	**(i) Items that will not be reclassified to profit or loss**			
	- Fair value changes on FVTOCI - equity securities		**140.98**	27.77
	- Gain/(loss) on sale of FVTOCI - equity securities		**(102.70)**	-
	- Actuarial gain/(loss) on defined benefit obligation		**-**	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Equity securities		**(49.27)**	(9.71)
	- Tax on Actuarial gain/(loss) on Defined benefit obligation		**-**	-
	Subtotal (A)		**(10.99)**	18.06
B.	**(i) Items that will be reclassified to profit or loss**			
	- Debt securities measured at FVTOCI - net change in fair value		**(10.54)**	2.35
	- Debt securities measured at FVTOCI - reclassified to profit and loss		**-**	-
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Debt securities		**(13.80)**	1.72
	Subtotal (B)		**(24.34)**	4.07
	Other comprehensive income / (loss) (A + B)		**(35.33)**	22.13
XI.	**Total comprehensive income / (loss) for the year (IX+X)**		**(2,026.66)**	(1,935.68)
XII.	**Earnings per equity share**			
	Basic Earnings per share of ₹ 10 each		**(9.47)**	(10.33)
	Diluted Earnings per share of ₹ 10 each		**(9.47)**	(10.33)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LTD.

STATEMENT OF CASH FLOW FOR THE YEAR ENDING 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITES**		
	Net Profit before Tax	**(1,785.10)**	(2,147.23)
	Adjustments for:		
	Depreciation and amortisation	**23.03**	29.30
	Impairment provision/ write offs	**1,373.32**	2,271.63
	Unrealised gain/(loss) on investments	**(96.29)**	(304.53)
	Impairment on Non-financial asset	**-**	(11.34)
	(Profit)/ Loss on Sale of Assets	**(0.02)**	(0.01)
	Interest cost on preference shares	**-**	-
	Operating Profit before Working Capital Changes & Operating Activities	**(485.06)**	(162.18)
	Adjustments for Operating Activities:		
	(Increase)/ decrease in Investments	**1,523.29**	(716.34)
	(Increase)/ decrease in Loans & Advances	**2,674.80**	1,589.08
	(Increase)/ decrease in Derivative Financial Instruments	**(17.93)**	65.95
	Increase/ (decrease) in Trade Payables	**(112.83)**	99.08
	Increase/ (decrease) in Subordinated Liabilities	**(338.64)**	-
	(Increase)/ decrease in Receivables	**26.54**	19.99
	Increase/ (decrease) in Debt Securities	**(2,216.31)**	(573.82)
	Increase/ (decrease) in Borrowings	**(1,302.93)**	(879.80)
	Operating Profit before Working Capital Changes	**(249.07)**	(558.04)
	Adjustments for:		
	(Increase)/ decrease in Other Financial Assets	**2.03**	7.90
	Increase/ (decrease) in Other Non-financial Assets	**89.70**	(9.54)
	Increase/ (decrease) in Other Financial Liabilities	**(313.43)**	(92.33)
	Increase/ (decrease) in Other Non-financial Liabilities	**(0.42)**	(0.44)
	Increase/ (decrease) in Provision	**(3.97)**	(82.21)
	Increase/ (decrease) in other bank balances	**(24.18)**	1.43
	Increase/ (decrease) in assets held for sale	**-**	(0.04)
	Cash Flow before taxation	**(250.27)**	(175.23)
	Income Tax (paid)/ refund - Net	**13.94**	110.67
	Net cash flow from Operating Activities	**(485.40)**	(622.60)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of / Advance for property, plant and equipments (including Leased property)	**(1.21)**	(78.26)
	Purchase of/ Advance for Intangible Asset	**(0.03)**	0.36
	Proceeds from sale of property, plant and equipments (including leased property)	**0.24**	0.03
	Sale of Investment	**1.13**	-
	Net cash flow from Investing Activities	**0.13**	(77.87)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Equity Shares	**61.01**	-
	Share Premium (net of expenses)	**38.99**	-
	Share application money received	**-**	200.00
	Net cash flow from Financing Activities	**100.00**	200.00
	Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(385.27)**	(500.47)
	Add : Cash and Cash Equivalents at beginning of the year	**533.56**	1034.03
	Cash and Cash Equivalents at the end of the year	**148.29**	533.56
Details of Cash and Cash Equivalents at the end of the year :			
	Cash in hand (including postage stamps)	**-**	-
	Balances with Banks		
	- Bank balance	**58.32**	519.86
	- Bank Deposits	**89.97**	-
	Collaterised borrowings lending operations (CBLO)	**-**	13.70
	Cheques on hand & under collection and remittances in transit	**-**	-
	Total Cash and Cash Equivalents at the end of the year	**148.29**	533.56

The above statement of cash flows has been prepared under the Indirect Method as per set out in Ind AS 7 ' Statement of cash Flows'.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
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DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

a. Equity Share Capital

Balance as at 01 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,695.99		**1,695.99**	200.00	**1,895.99**	**-**	**1,895.99**	207.00	**2,102.99**

b. Other Equity

Particulars	Share application money pending allotment	Deemed equity contribution	Impairment Reserve	Reserves and Surplus								Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Remeasurements of the defined benefit plans	Total
				Reserve u/s 45IC of RBI Act	Special reserve under section 36(1) (viii) of the income Tax Act, 1961	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings				
Balance as at 01 April 2020	**200.00**	**335.82**	**22.98**	**875.04**	**136.69**	**0.85**	**967.69**	**231.92**	**247.08**	**353.58**	**(559.77)**	**17.49**	**(470.95)**	**53.36**	**2,411.78**
Total comprehensive income for the year											(1,957.81)	4.08	18.06	-	(1,935.67)
Application money transfer during the year	(200.00)														(200.00)
Application money received during the year	200.00														200.00
Transfer to/from retained earnings			11.56								(11.56)				
Balance as at 31 March 2021	**200.00**	**335.82**	**34.54**	**875.04**	**136.69**	**0.85**	**967.69**	**231.92**	**247.08**	**353.58**	**(2,529.14)**	**21.57**	**(452.89)**	**53.36**	**476.11**
Total comprehensive income for the period											(1,991.33)	(24.33)	(10.99)	-	(2,026.65)
Issue of equity shares during the period	(200.00)						93.00								(107.00)
Appropriations									(159.50)	159.50					-
Transfer to/from retained earnings			-								-				-
Balance as at 31 March 2022	**-**	**335.82**	**34.54**	**875.04**	**136.69**	**0.85**	**1,060.69**	**231.92**	**87.58**	**513.08**	**(4,520.47)**	**(2.76)**	**(463.88)**	**53.36**	**(1,657.54)**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
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DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

(All amounts are in Rupees crores unless otherwise stated)

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 BACKGROUND

IFCI Limited ('the Company'), incorporated in Delhi, India is a Non-Banking Finance Company in the public sector. Established in 1948 as a statutory corporation, IFCI is currently a company listed on BSE and NSE. The Company provide financial support for the diversified growth of Industries across the spectrum. The financing activities cover various kinds of projects such as airports, roads, telecom, power, real estate, manufacturing, services sector and such other allied industries.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements for the year ended March 31, 2022 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 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 accural 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 accounting policies set out below have been applied consistently to the periods presented in these financial statements.

The financial statements were authorised for issue by the Company's Board of Directors on 28 May, 2022.

3 Functional and Presentation currency

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

4 Basis of measurement

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

- Financial assets at FVTOCI that is measured at fair value
- 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

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.

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). The Company has changed its accounting policy whereby income on stage 3 assets (except on assets which are standard under IRAC norms) shall not be recognized in books of accounts with effect from 01st April 2021.

For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

ii. Penal interest and other overdue charges which are not included in effective interest rate is recognised on realisation, due to uncertainty of realisation and is accounted for accordingly.

iii. Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement.

iv. Premium on pre-payment of loans/ reduction in interest rates is recognised as income on receipt basis.

v. Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

vi. LC Commission is recognised over time as the services are rendered as per the terms of the contract.

vii. The dividend unclaimed on account of shares sold and outstanding in the books are recognised as income after the end of three years,the limitation period.

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 other comprehensive

(All amounts are in Rupees crores unless otherwise stated)

income ('FVTOCI') or 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 frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized;

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.

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 ('FVTOCI')

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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 in scope of Ind AS 109 (i.e. other than equity investments in subsidiaries / associates / joint ventures) are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

Derivative instruments

All derivative instruments are measured as FVTPL.

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.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate and is accordingly accounted for.

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.

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 amortisation 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 one 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 maximise 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

(All amounts are in Rupees crores unless otherwise stated)

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or fully recovered or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. The Company also recognise a liability for the consideration received attributable to the Company's continuing involvement on the asset transferred. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

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

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 recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- financial assets that are debt instruments
- lease receivables
- financial guarantee contracts issued
- loan commitment issued

No impairment loss is recognised on equity investments

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

- financial assets that are not credit impaired – 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 but not credit impaired – 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 credit impaired – 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 trade receivables and other 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 and is charged to statement of profit or loss.

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

c. Investment in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

d. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

I. The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

II. The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such

(All amounts are in Rupees crores unless otherwise stated)

increases are recognised in the year in which such cost incurred. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

e. 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 employement benefits

a. Defined contribution plans

Pension

Prior to 1 April 2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme in August 2008 for employees existing on 1 April 2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

b. Defined benefit plans

Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates and 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. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

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.

Medical facility

The Company has a post-retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment.

The 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.

iii. Other long term employee benefits

Benefits under the Company's leave encashmenand 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. Provison for Leave fare concession is being made on actuarial valuation basis.

f) Income Taxes

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.

g) 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

(All amounts are in Rupees crores unless otherwise stated)

installation of the respective assets. Assets having individual value of less than ₹ 5,000/- are charged to statement of Profit and Loss in the year of purchase.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the straight line method over the useful life as prescribed under Schedule II to the Companies Act, 2013. 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 or retirement 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.

h) 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.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

The intangible assets shown in the Balance Sheet include computer software having perpetual license and are amortized on Straight Line Method over the period of six years from the date of capitalization.

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.

i) 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.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Foreign currency transactions

The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/ at the forward rate, if booked, for such transaction.Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/ losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss

k) 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.

l) 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.

m) Cash and cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

n) 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.

o) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets measured at the lower of their carrying amount and fair value less cost to sell with gains and losses on remeasurement recognised in profit or loss.

Once classified as held for sale, assets are no longer amortised. depreciated or impaired.

(All amounts are in Rupees crores unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
3	**CASH AND CASH EQUIVALENTS**		
	Cash in hand (including postage stamps) *	**-**	-
	Balances with Banks		
	- Bank balance	**58.32**	519.86
	- Bank Deposits	**89.97**	-
	Collaterised borrowings lending operations (CBLO)	**-**	13.70
	Cheques on hand & under collection and remittances in transit	**-**	-
	Total	**148.29**	533.56

* Cash in hand balance is ₹ 100 (Hundred rupees) as on respective reporting date

		As at March 31, 2022	As at March 31, 2021
4	**BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**		
	Bank Deposits against fund placed with company under Credit Guarantee Enhancement Scheme		
	- Bank balance	**0.19**	0.15
	- Bank deposits ^	**305.27**	293.96
	Balances with banks under PLI scheme	**50.57**	-
	Unclaimed dividend account	**5.92**	8.23
	Balances with banks held as margin money against guarantees *	**49.59**	80.02
	Bank deposits under directions of court and tribunal etc. #	**200.97**	205.97
	Total	**612.51**	588.33
	^ Includes balances for more than 12 months		
	* Includes balances for more than 12 months	**-**	12.40
	# Includes balances for more than 12 months	**-**	-

5 DERIVATIVE FINANCIAL INSTRUMENTS:

	As at 31 March 2022		As at 31 March 2021	
	Notional amounts	**Fair Value- Assets/ Liabilities**	Notional amounts	Fair Value- Assets/ Liabilities
Part I				
Currency derivatives:				
- Spot and forwards	**370.57**	**2.02**	795.16	(15.91)
Total Derivative Financial Instruments - Part I	**370.57**	**2.02**	795.16	(15.91)
Part II				
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:				
Undesignated derivatives	**370.57**	**2.02**	795.16	(15.91)
Total derivative financial instruments - Part II	**370.57**	**2.02**	795.16	(15.91)

The derivatives have been used by the Company for hedging the interest rate and principle risk for loans taken in foreign currency

Refer Note No.53 for management of risk arising from derivatives

6 RECEIVABLES:

		As at March 31, 2022	As at March 31, 2021
(A)	Secured		
	- considered good	**-**	-
	- considered doubtful	**-**	-
(B)	Unsecured		
	- considered good	**31.85**	58.72
	- considered doubtful	**-**	-
		31.85	58.72
	Less: Provision for impairment	**(1.33)**	(1.41)
	Total	**30.52**	57.31

(All amounts are in Rupees crores unless otherwise stated)

Trade receivables ageing

As at 31 March 2022	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months- 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	**24.91**	**-**	**-**	**-**	**-**	**24.91**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**-**	**3.01**	**1.66**	**1.19**		**5.86**
(iii) Undisputed Trade Receivables — credit impaired	**-**	**-**	**-**	**-**	**1.08**	**1.08**
(iv) Disputed Trade Receivables— considered good	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
(vi) Disputed Trade Receivables — credit impaired	**-**	**-**	**-**	**-**	**-**	**-**
	24.91	**3.01**	**1.66**	**1.19**	**1.08**	**31.85**
Less: Provision for impairment	**-**	**0.13**	**0.07**	**0.05**	**1.08**	**1.33**
Total						**30.52**

As at 31 March 2021	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	54.10	-	-	-	-	54.10
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	0.91	1.37	1.08		3.36
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	1.26	1.26
(iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
	54.10	0.91	1.37	1.08	1.26	58.72
Less: Provision for impairment	-	0.04	0.06	0.05	1.26	1.41
Total						57.31

For terms and conditions of trade receivables owing from related parties and transactions with related parties, see Note 47.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 53.

7 LOANS

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Term loans	**6,527.79**	11,638.10
(ii) Leasing	**0.04**	0.04
(iii) Debentures	**812.07**	1,065.14
Total (A) -Gross	**7,339.90**	12,703.28
Less: Impairment loss allowance	**4,957.31**	6,223.57
Total (A) - Net	**2,382.59**	6,479.71
(B) Security Details		
(i) Secured by tangible assets and intangible assets	**5,175.88**	7,993.09
(ii) Covered by bank/government guarantees	**54.37**	117.70
(iii) Unsecured	**2,109.65**	4,592.49
Total (B)- Gross	**7,339.90**	12,703.28
Less: Impairment loss allowance	**4,957.31**	6,223.57
Total (B)-Net	**2,382.59**	6,479.71
(C) Loans in India		
(i) Public sector	**54.11**	54.39
(ii) Others	**7,285.79**	12,648.89
Total (C)- Gross	**7,339.90**	12,703.28
Less: Impairment loss allowance	**4,957.31**	6,223.57
Total (C)-Net	**2,382.59**	6,479.71
(D) Loans outside India	**-**	-
Total (D)- Gross	**-**	-
Less: Impairment loss allowance	**-**	-
Total (D)-Net	**-**	-

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53

(All amounts are in Rupees crores unless otherwise stated)

8 INVESTMENTS

		Amortised cost	At Fair Value			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)**
As at 31 March 2022							
(A)							
(i)	Mutual funds	-	-	**90.96**	-	-	**90.96**
(ii)	Government securities	-	**0.72**		-	-	**0.72**
(iii)	Treasury Bill	-	**533.09**		-	-	**533.09**
(iv)	Debt securities	-	**93.29**	-	-	-	**93.29**
(v)	Equity instruments	-	**54.75**	**600.92**	-	-	**655.67**
(vi)	Others	-	-		-	-	-
	Venture capital	-	-	**114.48**	-	-	**114.48**
	Security receipts	-	-	**190.53**	-	-	**190.53**
	Preference shares	-	-	**4.86**	-	-	**4.86**
	Total – Gross (A)	-	**681.85**	**1,001.75**	-	-	**1,683.60**
(B)							
(i)	Investments in India	-	**681.85**	**1,001.75**	-	-	**1,683.60**
(ii)	Investments outside India	-	-	-	-	-	-
	Total – Gross (B)	-	**681.85**	**1,001.75**	-	-	**1,683.60**
(C)	Less: Allowance for Impairment loss	-	-	-	-	-	
(D)	**Total – Net (A-C)**	-	**681.85**	**1,001.75**	-	-	**1,683.60**

		Amortised cost	At Fair Value			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)
As at 31 March 2021							
(A)							
(i)	Mutual funds	-	-	1,123.38	-	-	1,123.38
(ii)	Government securities	-	481.43		-	-	481.43
(iii)	Debt securities	-	-				
(iv)	Equity instruments	-	114.36	-	-	-	114.36
(v)	Others	-	40.39	637.17	-	-	677.56
	Venture capital	-	-		-	-	-
	Security receipts	-	-	109.34	-	-	109.34
	Commercial paper	-	-	414.55	-	-	414.55
	Certificate of deposit	-	24.85	-	-	-	24.85
	Preference shares	-	-	4.87	-	-	4.87
	Total – Gross (A)	-	661.03	2,289.31	-	-	2,950.34
(B)							
(i)	Investments in India	-	661.03	2,289.31	-	-	2,950.34
(ii)	Investments outside India	-	-	-	-	-	-
	Total – Gross (B)	-	661.03	2,289.31	-	-	2,950.34
(C)	Less: Allowance for Impairment loss	-	-				
(D)	Total – Net (A-C)	-	661.03	2,289.31	-	-	2,950.34

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53

(All amounts are in Rupees crores unless otherwise stated)

9 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Interest on Investments	**2.44**	14.53
Accrued income	**14.31**	12.16
Loans to employees	**26.41**	27.48
Other deposits	**57.57**	86.31
Other doubtful deposits	**12.12**	12.12
Other recoverables	**7.49**	57.32
	120.34	209.92
Less: Allowance for impairment loss	**70.41**	70.43
Total	**49.93**	139.49

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53

10 INVESTMENT IN SUBSIDIARIES

	As at March 31, 2022	As at March 31, 2021
Investment in subsidiaries	**1,381.72**	1,381.72
Less: Allowance for impairment loss	**121.63**	38.01
Total	**1260.09**	1343.71

11 INVESTMENT ACCOUNTED USING EQUITY METHOD

	As at March 31, 2022	As at March 31, 2021
Investment in associates	**-**	-
Total	**-**	-

12 DEFERRED TAX ASSETS AND LIABILITIES

Particulars	**As at 01 April 2021**	**Recognised in equity**	**Recognised in profit or loss during the year**	**Recognised in OCI during the year**	**As at 31 March 2022**
Deferred tax assets:					
Loans	1,995.29	-	(251.73)	-	**1,743.56**
Others	377.71	-	-	-	**377.71**
Minimum alternate tax credit entitlement	-	-	-	-	**-**
	2,373.00	-	-251.73	-	**2,121.27**
Deferred tax liabilities:					
Property, plant and equipment	241.43	-	-	-	**241.43**
Investments	19.50	-	(5.13)	63.07	**77.43**
Investments in subsidiaries	(70.83)	-	(29.22)	-	**(100.05)**
DTL on Special Reserve u/s 36(i)(viii)	46.72	-	-	-	**46.72**
Borrowings	14.13	-	(11.15)	-	**2.98**
	250.95	-	-45.49	63.07	**268.52**
Net deferred tax assets	2,122.05	-	-206.24	(63.07)	**1,852.75**

13 INVESTMENT PROPERTY

	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions/ Adjustments	Disposals/ Adjustment	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals/ Adjustment	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
Owned Assets										
Freehold Land	9.84	1.98	-	**11.82**	-	-	-	**-**	**11.82**	9.84
Buildings	192.75	129.25	-	**322.00**	17.10	2.73	(66.83)	**86.66**	**235.34**	175.65
Assets under finance lease										
Leasehold land	0.02	24.23	-	**24.25**		-	-	**-**	**24.25**	0.02
Total	202.61	155.46	-	**358.07**	17.10	2.73	(66.83)	**86.66**	**271.41**	185.50

(All amounts are in Rupees crores unless otherwise stated)

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions/ Adjustments	Disposals/ Adjustment	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned Assets										
Freehold Land	9.84	-	-	9.84	-	-	-	-	9.84	9.84
Buildings	192.75	-	-	192.75	12.53	4.57	-	17.10	175.65	180.22
Assets under finance lease										
Leasehold land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Total	202.61	-	-	202.61	12.53	4.57	-	17.10	185.51	190.08

For details regarding rental income earned from investment property, refer statement of profit and loss

For details regarding investment property given on lease, refer Note 48

Fair value of investment property as on 31/03/2022 is ₹ 499.81 crore (PY - 31/03/2021 : ₹ 325.18 crore).

Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Company follows direct sale comparison technique. The valuation model considers the value of the subject property by comparing recent sales / listing of similar interest in the properties located in the surrounding area. By analysing sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments would be made for size, location, time, amenities and other relevant factors when comparing such sales price against the subject property. This approach is commonly used to value standard properties when realisable sales evidence is available.

14 PROPERTY, PLANT AND EQUIPMENT

	Gross Block				**Depreciation**				**Net Block**	
	As at 1 April 2021	Additions/ Adjustments	Disposals/ Adjustments	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals/ Adjustments	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
<u>**Owned Assets**</u>										
Freehold Land	99.13	-	1.98	**97.15**	-	-		**-**	**97.15**	99.13
Buildings	444.96	-	129.25	**315.71**	38.95	14.11	66.83	**(13.77)**	**329.48**	406.01
Leasehold Improvement	0.04	-	-	**0.04**	0.04	-	-	**0.04**	**-**	-
Plant & Machinery	7.39	0.79	-	**8.18**	1.43	0.60	-	**2.03**	**6.15**	5.96
Furniture & Fixtures	5.88	0.01	0.01	**5.89**	5.18	0.32	0.00	**5.49**	**0.39**	0.70
Vehicles	0.33	0.20	0.17	**0.36**	0.14	0.03	0.16	**0.01**	**0.35**	0.19
Office Equipments	2.71	0.21	0.35	**2.57**	1.72	0.44	0.34	**1.82**	**0.75**	0.99
Electrical Installations and Equipments	11.34	0.01	-	**11.35**	9.84	0.46	0.00	**10.29**	**1.06**	1.51
<u>**Assets under Lease**</u>										
Leasehold Land	264.34	-	24.23	**240.11**	37.10	3.85	-	**40.95**	**199.16**	227.24
Total	836.13	1.21	155.98	**681.35**	94.39	19.80	67.34	**46.86**	**634.49**	741.73

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2019
<u>Owned Assets</u>										
Freehold Land	52.71	46.39	(0.03)	99.13	-	-	-	-	99.13	52.71
Buildings	413.10	31.86	-	444.96	26.77	12.22	0.04	38.95	406.01	386.33
Leasehold Improvement	0.04	-	-	0.04	0.04	-	-	0.04	-	-
Plant & Machinery	7.10	0.29	-	7.39	0.89	0.54	-	1.43	5.96	6.21
Furniture & Fixtures	5.87	0.01	-	5.88	4.60	0.58	-	5.18	0.70	1.27
Vehicles	0.20	0.15	0.02	0.33	0.13	0.01	-	0.14	0.19	0.07
Office Equipments	2.84	0.12	0.25	2.71	1.54	0.44	0.26	1.72	0.99	1.30
Electrical Installations and Equipments	11.47	0.01	0.14	11.34	8.89	1.01	0.06	9.84	1.51	2.58
<u>Assets under Lease</u>										
Leasehold Land	264.34	-	-	264.34	27.73	9.37	-	37.10	227.24	236.61
Total	757.67	78.84	0.38	836.13	70.59	24.17	0.36	94.39	741.73	687.08

During the year company has not revalued its Property Plant and Equipment (PPE) and intangible assets.

Title Deeds of Immovable Properties not held in name of the Company - NIL

(All amounts are in Rupees crores unless otherwise stated)

15 INTANGIBLE ASSETS

	Gross Block				**Amortisation**				**Net Block**	
	As at 1 April 2021	Additions/ Adjustments	Disposals/ Adjustments	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals/ Adjustments	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
Computer Software	3.02	0.03	-	**3.05**	2.11	0.51	-	**2.62**	**0.43**	0.91
Total	3.02	0.03	-	**3.05**	2.11	0.51	-	**2.62**	**0.43**	0.91

	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2019
Computer Software	2.83	0.19	-	3.02	1.56	0.55	-	2.11	0.91	1.27
Total	2.83	0.19	-	3.02	1.56	0.55	-	2.11	0.91	1.27

16 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Capital advances	**0.82**	0.82
Pre-paid expenses	**0.22**	0.44
Other Assets	**92.21**	94.02
Total	**93.25**	95.28

17 ASSETS HELD FOR SALE

	As at March 31, 2022	As at March 31, 2021
Assistance under development financing (AUF) - Associates	**0.04**	0.04
Total	**0.04**	0.04

18 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to MSMEs	**-**	-
Total outstanding dues of creditors other than MSMEs	**52.85**	165.68
Total	**52.85**	165.68

Trade Payables ageing

	Outstanding for following periods from due date of payment				
As at 31 March 2022	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	**29.72**	**2.47**	**2.07**	**18.59**	**52.85**
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total					**52.85**

	Outstanding for following periods from due date of payment				
As at 31 March 2021	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	141.38	5.23	17.35	1.72	165.68
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total					165.68

(All amounts are in Rupees crores unless otherwise stated)

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at all the reporting dates. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

19 DEBT SECURITIES

			As at March 31, 2022	As at March 31, 2021
(A)	**At Amortised cost**			
	(i)	Non-Convertible Debentures		
	-	6.00% LIC - Redeemed on 28.12.2021	**-**	193.57
	-	6.00 % SBI - Redeemed on 25.01.2022	**-**	192.85
	-	9.37% LIC - Redeemed on 31.03.2022	**-**	418.19
	(ii)	Bonds		
	-	Privately Placed Bonds	**3,238.65**	3,606.71
	-	Privately Placed Zero Coupon Bonds	**298.43**	271.90
	-	Infrastructure Bonds	**321.05**	896.27
	-	Privately Placed Bonds issued to Subsidiaries	**75.00**	75.00
	-	Less: Interest accrued but not due	**(162.01)**	(430.08)
	(iv)	Tax-free Bonds (secured by floating charge on receivables of IFCI Ltd.)		
	-	held by subsidiary and associate companies	**45.00**	45.00
	-	held by others	**265.00**	265.00
	(v)	Public issue of NCDs		
		Secured Redeemable Non Convertible Debentures (secured by floating charge on receivables of IFCI Ltd.)		
	-	held by subsidiary and associate companies	**10.00**	10.00
	-	held by others	**1,025.28**	1,211.40
	-	Less: Interest accrued but not due	**(61.93)**	(60.03)
	(vi)	Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)		
	-	Others (Bonds/ Debentures etc.)	**-**	575.00
		Total (A)	**5,054.47**	7,270.78
(B)	**Debt securities issued in/outside India**			
	(i)	Debt securities in India	**5,054.47**	7,270.78
	(ii)	Debt securities outside India	**-**	-
	Total (B)		**5,054.47**	7,270.78

Terms of Repayment of Other Bonds

Series	Interest rate	Date of maturity	Amount
Zero Coupon Bonds	9.75%	7-Jul-40	18.95
Zero Coupon Bonds	9.75%	7-Jul-39	20.79
Zero Coupon Bonds	9.75%	7-Jul-38	22.82
Other Bonds	9.90%	5-Nov-37	106.88
Zero Coupon Bonds	9.75%	7-Jul-37	25.05
Zero Coupon Bonds	9.75%	7-Jul-36	27.50
Zero Coupon Bonds	9.75%	7-Jul-35	30.18
Zero Coupon Bonds	9.75%	7-Jul-34	33.11
Zero Coupon Bonds	9.75%	7-Jul-33	36.34
Other Bonds	9.90%	5-Nov-32	106.88
Zero Coupon Bonds	9.75%	7-Jul-32	39.90
Zero Coupon Bonds	9.75%	7-Jul-31	43.79
Other Bonds	9.98%	29-Oct-30	250.00
Other Bonds	9.75%	16-Jul-30	500.00
Other Bonds	9.75%	13-Jul-30	250.00
Other Bonds	9.70%	18-May-30	250.00
Other Bonds	9.70%	4-May-30	250.00
Other Bonds	9.75%	26-Apr-28	350.00
Other Bonds	9.90%	5-Nov-27	106.88
Other Bonds	10.12%	8-Oct-27	19.59
Other Bonds	10.10%	8-Oct-27	5.15

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Series	Interest rate	Date of maturity	Amount
Infra Bonds	8.72%	31-Mar-27	23.11
Infra Bonds	9.16%	15-Feb-27	40.02
Infra Bonds	8.75%	12-Dec-26	10.68
Other Bonds	9.55%	13-Apr-25	225.00
Other Bonds	9.55%	5-Mar-25	200.00
Other Bonds	9.75%	25-Jan-25	200.00
Infra Bonds	8.50%	31-Mar-24	85.23
Other Bonds	6.00%	10-Dec-22	50.00
Other Bonds	6.00%	18-Nov-22	25.00
Other Bonds	9.90%	5-Nov-22	106.88
Other Bonds	6.00%	22-Oct-22	50.00
Other Bonds	9.95%	8-Oct-22	5.41
Other Bonds	10.05%	28-Sep-22	8.20
Other Bonds	6.00%	27-Sep-22	45.00
Other Bonds	10.15%	26-Jun-22	2.80
Other Bonds	9.40%	21-Apr-23	200.00
Total			**3,771.12**

Terms of Repayment of Secured Bonds

Bonds	Rate of Interest (% p.a.)	Date of Maturity	Amount
Tax Free Bonds	8.76%	31-Mar-29	145.00
Public Issue of Bonds*	9.40%	13-Feb-25	325.37
Public Issue of Bonds*	9.90%	1-Dec-24	647.99
Tax Free Bonds	8.39%	31-Mar-24	165.00
Total			**1,283.36**

* additional interest @ 0.10% p.a. payable to individual investor

20 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Term loans		
- from banks and other parties	**610.02**	1,781.77
- from other parties		
- from financial institutions	**-**	94.10
- from KfW Line	**372.75**	409.83
Total (A)	**982.77**	2,285.70
(B) Borrowings (other than Debt Securities) in/outside India		
(i) Borrowings in India	**610.02**	1,875.87
(ii) Borrowings outside India	**372.75**	409.83
Total (B)	**982.77**	2,285.70

Terms of Repayment of Term Loans from Banks/ Fis

Repayment Mode	Rate of Interest(% p.a.)	Amount	Date of Maturity	Date of next Instalment	Number of instalments
Bullet	5.85%	191.47	23-Jul-22	23-Jul-22	1.00
Quarterly	7.50%	93.55	8-Dec-22	8-Jun-22	3.00
Quarterly	7.50%	175.00	23-Nov-23	23-May-22	7.00
Quarterly	7.20%	150.00	27-Sep-23	27-Jun-22	6.00
Total		**610.02**			

(All amounts are in Rupees crores unless otherwise stated)

Terms of Repayment of KfW lines of Credit

Name of Lender	Rate of Interest (% p.a.)	Amount(Euros)	Amount	Date of Maturity	Repayment	Date of next Instalment
KFW, Frankfurt	0.75%	961,228.86	8.10	31-Dec-26	Half Yearly	30-Jun-22
KFW, Frankfurt	1.25%	1,521,093.27	12.81	31-Dec-29	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	1,077,803.38	9.08	30-Jun-30	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	1,141,203.57	9.61	31-Dec-30	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	1,804,860.26	15.20	30-Jun-31	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	2,018,580.45	17.00	30-Jun-32	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	2,277,805.25	19.18	31-Dec-33	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	3,195,574.27	26.91	30-Jun-34	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	4,160,893.23	35.04	31-Dec-34	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	4,739,675.76	39.92	31-Dec-36	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	16,670,160.40	140.40	30-Jun-38	Half Yearly	30-Jun-22
KFW, Frankfurt	0.75%	4,690,591.85	39.50	31-Dec-32	Half Yearly	30-Jun-22
TOTAL		**44,259,470.55**	**372.75**			

21 SUBORDINATED LIABILITIES

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Subordinate - Tier II Bonds	**1,102.94**	1,464.29
- Less: Interest accrued but not due	**(128.28)**	(150.99)
Total (A)	**974.66**	1,313.30
(B) Subordinated Liabilities in/outside India		
(i) Subordinated Liabilities in India	**974.66**	1,313.30
(ii) Subordinated Liabilities outside India	**-**	-
Total (B)	**974.66**	1,313.30

Terms of Repayment of Other Bonds

Series	Interest rate	Date of maturity	Amount
Tier II Bonds	9.98%	5-Oct-37	20.00
Tier II Bonds	9.98%	18-Sep-37	50.00
Tier II Bonds	9.98%	15-Oct-32	10.00
Tier II Bonds	10.75%	31-Oct-26	102.49
Tier II Bonds	10.75%	1-Aug-26	468.55
Tier II Bonds	10.70%	28-Feb-22	123.63
Tier II Bonds	10.55%	25-Aug-22	100.00
Tier II Bonds	10.55%	25-Aug-23	100.00
Total			**974.67**

22 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on bonds and borrowings	**674.14**	1,069.13
Unsecured Loan	**-**	(0.54)
Security Deposits	**8.61**	11.60
Unclaimed Dividend	**5.92**	8.22
Unpaid Matured Debentures & interest	**0.46**	0.23
Funds Placed with the Corporation		
(a) Scheduled Cast Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**306.54**	294.65
(b) PLI scheme	**50.00**	-
(c) Employees Providend Fund	**80.14**	80.81
Other Liabilities	**354.88**	330.02
	1,480.69	1,794.12

(All amounts are in Rupees crores unless otherwise stated)

23 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Impairment provision on off balance sheet exposure	**32.17**	33.27
Employee Benefits	**47.14**	48.91
Total	**79.31**	82.18

24 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Deferred revenue	**-**	0.42
	-	0.42

25 EQUITY

	As at March 31, 2022	As at March 31, 2021
Authorised		
4,00,00,00,000 Equity Shares of ₹ 10/- each	**4,000.00**	4,000.00
	4,000.00	4,000.00
Issued		
2,17,02,38,759 Equity Shares of ₹ 10/- each	**2,170.24**	1,963.24
	2,170.24	1,963.24
Subscribed		
2,10,43,08,005 Equity Shares of ₹ 10/- each	**2,104.31**	1,897.31
	2,104.31	1,897.31
Paid up		
2,10,29,91,305 Equity Shares of ₹ 10/- each	**2,102.99**	1,895.99
	2,102.99	1,895.99

Reconciliation of the number of equity shares and share capital:

The Company had received ₹ 200 crore on March 15, 2021 from Government of India (GOI) towards subscription to the share capital of the Company during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85,401 number of equity shares of face value of ₹ 10/- each to GOI on April 23, 2021 @ ₹ 13.70/- per equity share (including security premium of ₹ 3.70/- per equity share).

Further, an amount of ₹ 100 crore was received from GOI on January 17, 2022, towards subscription to the share capital of the Company for the FY 2021-22 as share application money. In this regard, the Committee of Directors had allotted 6,10,12,812 number of equity shares of face value of ₹ 10/- each to the GOI on February 25, 2022 @ ₹ 16.39/- per equity share (including security premium of ₹ 6.39/- per equity share).

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at beginning of the period	**1,895,993,092**	**1,895.99**	1,695,993,092	1,695.99
Add: Shares issued	**206,998,213**	**207.00**	200,000,000	200.00
Outstanding at the end of the period	**2,102,991,305**	**2,102.99**	1,895,993,092	1,895.99
Paid up share capital	**2,102,991,305**	**2,102.99**	1,895,993,092	1,895.99

Terms/ rights attached to equity shares:

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

Shareholding of Promoters

Name of the Promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% of total Shares	% Change during the year	Number of shares	% of total Shares	% Change during the year
President of India	**1,363,954,070**	**64.86%**	**3.84%**	1,156,955,857.00	61.02%	4.60%

(All amounts are in Rupees crores unless otherwise stated)

26 OTHER EQUITY

		As at March 31, 2022	As at March 31, 2021
i	**Share application money pending allotment**		
	Opening balance	**200.00**	200.00
	Less: transfer during the year	**(200.00)**	(200.00)
	Add: Application money received during the year	**-**	200.00
	Closing balance	**-**	200.00
ii	**Reserve u/s 45IC of RBI Act**		
	Opening balance	**875.04**	875.04
	Closing balance	**875.04**	875.04
iii	**Impairment Reserve**		
	Opening balance	**34.54**	22.98
	Add: Transfer from retained earnings	**-**	11.56
	Closing balance	**34.54**	34.54
iii	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961**		
	Opening balance	**136.69**	136.69
	Closing balance	**136.69**	136.69
iv	**Capital Reserve**		
	Opening balance	**0.85**	0.85
	Closing balance	**0.85**	0.85
v	**Securities Premium Reserve**		
	Opening balance	**967.69**	967.69
	Add: Issue of equity shares	**93.00**	-
	Closing balance	**1,060.69**	967.69
vi	**Capital Redemption Reserve**		
	Opening balance	**231.92**	231.92
	Add: Transfer from retained earnings	**-**	-
	Closing balance	**231.92**	231.92
vii	**Debenture Redemption Reserve**		
	Opening balance	**247.08**	247.08
	Add: Transfer from retained earnings	**-**	-
	Add: Transfer to General reserve	**(159.50)**	
	Closing balance	**87.58**	247.08
viii	**General Reserve**		
	Opening balance	**353.58**	353.58
	Add: Transfer from Debenture Redemption Reserve	**159.50**	-
	Closing balance	**513.08**	353.58
ix	**Deemed equity contribution**		
	Opening balance	**335.82**	335.82
	Closing balance	**335.82**	335.82
x	**Retained Earnings**		
	Opening balance	**(2,529.14)**	(559.77)
	Add: profit/(loss) during the year	**(1,991.33)**	(1,957.81)
	Less: Transfer to Impairment reserve	**-**	(11.56)
	Closing balance	**(4,520.47)**	(2,529.14)

(All amounts are in Rupees crores unless otherwise stated)

26 OTHER EQUITY *(Contd.)*

		As at March 31, 2022	As at March 31, 2021
xi	**Debt instruments through Other Comprehensive Income**		
	Opening balance	**21.56**	17.49
	Add: Fair value change during the year	**(24.34)**	4.07
	Closing balance	**(2.78)**	21.56
xii	**Equity instruments through Other Comprehensive Income**		
	Opening balance	**(452.89)**	(470.95)
	Add: Fair value change during the year	**(10.99)**	18.06
	Closing balance	**(463.88)**	(452.89)
xiii	**Remeasurements of the defined benefit plans**		
	Opening balance	**53.36**	53.36
	Add: Actuarial gain/loss during the year	**-**	-
	Closing balance	**53.36**	53.36
	Total balance	**(1,657.54)**	476.11

Reserve u/s 45IC of RBI Act

Pusuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and the Company being a Government Company u/s 2(45) of the Companies Act, 2013 was exempt from such provisions under RBI Act upto 31/03/2019. Since there is net loss in the current year, no transfer has been made to the Reserve

Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961

Section 36(1)(viii) of the Income Tax Act allowes financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.

Capital Reserve

Capital Reserve represents proceeds of forfeited shares

Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 55 of the Companies Act, 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer. Later vide Notification GSR-574(E) dated 16/08/19, Ministry of Corporate Affairs (MCA) has notified amended rules for Share Capital and Debentures (Rules 2014), no additional DRR has to be created either for public issue of bonds or for private placements in case of existing bonds and debentures.

General Reserve

General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Deemed equity contribution

Deemed equity contribution on account of preferential rate borrowings from shareholders.

Retained Earnings

Represnets as at date accumulated surplus/(deficiet) of the profits earned by the Company.

Debt instruments through Other Comprehensive Income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

Equity instruments through Other Comprehensive Income

This comprises changes in the fair value of certain identified equity instruments recognised in other comprehensive income and accumulated within equity.

Remeasurements of the defined benefit plans

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

(All amounts are in Rupees crores unless otherwise stated)

27 INTEREST INCOME

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	On Financial Assets measured at fair value through other comprehensive income	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost
Interest on loans	**-**	**517.20**	-	1,005.90
Interest income from investments	**75.68**	**-**	79.83	-
Total	**75.68**	**517.20**	79.83	1,005.90

28 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Equity securities	**65.02**	119.76
- Derivatives	**(0.73)**	(0.60)
- Security Receipts	**7.53**	(7.01)
- Preference Shares	**-**	48.37
- Units of Venture Capital Funds	**13.93**	9.98
- Units of Mutual Funds	**26.08**	16.77
(B) Net gain on derecognition of financial instruments at fairv value through other comprehensive income	**(70.85)**	5.99
(C) Total Net gain/(loss) on fair value changes	**40.98**	193.26
Fair value changes :		
- Realised	**(55.31)**	(111.27)
- Unrealised	**96.29**	304.53
(D) Total Net gain/(loss) on fair value changes	**40.98**	193.26

29 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/(loss) on derecognition of property, plant and equipment	**0.02**	0.01
Interest from Income Tax Refund	**2.72**	15.10
Others	**3.93**	3.81
Total	**6.67**	18.92

30 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial liabilities measured at amortised cost		
Interest on borrowings	**908.39**	1,100.52
Interest on debt securities	**14.49**	15.84
Other interest expenses	**-**	2.61
Total	**922.88**	1,118.97

(All amounts are in Rupees crores unless otherwise stated)

31 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	On Financial Assets measured at fair value through other comprehensive income	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost
Loans *	**-**	**1,423.42**	-	2,265.95
Investments	**(50.03)**		2.95	
Other financial assets	**-**	**(0.07)**	-	2.73
Total	**(50.03)**	**1,423.35**	2.95	2,268.68
* Includes write off (net) during the year		**1388.67**		1477.50

32 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	**59.26**	57.74
Contribution to provident and others fund	**12.60**	11.96
Expenses towards post employment benefits	**16.05**	18.79
Staff welfare expenses	**4.52**	2.60
Total	**92.43**	91.09

33 DEPRECIATION AND AMORTISATION

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	**19.79**	24.18
Depreciation of investment property	**2.73**	4.57
Amortisation of intangible assets	**0.51**	0.55
Total	**23.03**	29.30

34 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	**0.66**	0.73
Rates and taxes	**4.63**	3.40
Insurance	**0.34**	0.34
Repairs and maintenance		
- Buildings	**7.90**	10.21
- IT	**3.25**	2.06
- Others	**0.18**	0.07
Electricity and water charges	**4.12**	4.44
Security expenses	**2.91**	4.18
Payment to auditors #	**0.39**	0.47
Directors fee & expenses	**0.24**	0.33
Publications and advertisement	**0.57**	0.56
Consultation and law charges	**6.07**	4.16
Travelling and conveyance	**0.47**	0.61
Training and development	**0.09**	0.13
Postage and telephone	**0.32**	0.35
Printing and stationery	**0.27**	0.32
Listing/ Filing/ Custody Fee	**2.06**	1.91
Library and membership subscription	**0.43**	0.64
Expenses on CSR Activity	**-**	0.15
Impairment loss on non-financial assets/assets held for sale	**83.61**	(11.34)
Other miscellaneous expenses	**0.02**	0.48
Total	**118.53**	24.20

Refer note no 35 for payment to Auditors

(All amounts are in Rupees crores unless otherwise stated)

35 PAYMENT TO AUDITORS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees	**0.28**	0.40
Certification and other services	**0.08**	0.04
Reimbursement of Expenses	**0.03**	0.03
Total	**0.39**	0.47

35.1 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the company for respective financial year	**0.00**	0.00
b) Construction/acquisition of any assets	**-**	-
c) Yet to be paid in cash	**-**	-
d) Amount spent during the period -		
- Development of Human Capital	**0.02**	0.11
- Development of Rural areas & sustainable development actvities		
- Promotion of sports		
- Other welfare activities	**0.00**	0.15
- Healthcare and sanitation	**0.00**	0.03
- Admin & other expenses	**0.00**	0.00
- Water Conservation and Sanitation	**0.2**	0
Total (d)	**0.22**	0.29

- Shortfall for current year is NIL
- Shortfall for previous years is ₹ 0.71 crores
- Resaon for shortfall - Projects could not take off due to Covid 19 Pandemic.
- where a provision is made with respect to a liability incurred by enetering into a contractual obligation - Nil

35.2 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
A. Contingent Liabilities #		
(i) Claims not acknowledged as debts	**108.93**	45.90
(ii) Guarantees excluding financial guarantees	**3.26**	3.23
(iii) Tax Matters :		
Income Tax *	**-**	-
Service tax / GST	**-**	-
Total	**112.19**	49.13

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2022

B. Commitments		
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**0.90**	0.90
(ii) Undrawn Commitments	**15.14**	168.67
Total	**16.03**	169.57
C. Contingent assets	**Nil**	Nil

(All amounts are in Rupees crores unless otherwise stated)

35.3 TAX EXPENSE

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Amounts recognised in profit or loss**		
	Current tax (a)		
	Current tax expense	**-**	-
	Current tax expense/ (benefit) pertaining to earlier years	**-**	8.57
	Sub-total (a)	**-**	8.57
	Deferred tax (b)		
	Deferred tax expense/ (credit)	**206.24**	(197.99)
	Sub-total (c)	**206.24**	(197.99)
	Tax expense (a)+(b)	**206.24**	(189.42)

B. Reconciliation of effective tax rate

	Year ended March 31, 2022		Year ended March 31, 2021	
	%	**Amount**	%	Amount
Profit/(Loss) before tax		**(1,785.10)**		(2,147.23)
Tax using the Company's domestic tax rate of 34.944%	**34.94%**	**(623.78)**	34.94%	(750.33)
Effect of:				
Tax exempt income	**0.00%**	**-**	0.00%	-
Non-deductible expenses	**0.10%**	**(1.72)**	0.00%	-
Changes in estimates related to prior years for current tax	**0.00%**	**-**	-0.40%	8.57
Current year depreciation for which no deferred tax asset was recognised	**0.36%**	**(6.35)**	0.42%	(8.97)
Others	**-46.95%**	**838.08**	-26.14%	561.30
Effective tax rate/ tax expense	**-11.55%**	**206.24**	8.82%	(189.42)

36 Certain balances appearing under trade receivables and payables are subject to confirmation.

37 The Company had received ₹ 200 crore on March 15, 2021 from Government of India (GOI) towards subscription to the share capital of the Company during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85,401 number of equity shares of face value of ₹ 10/- each to GOI on April 23, 2021 @ ₹ 13.70/- per equity share (including security premium of ₹ 3.70/- per equity share). Further, an amount of ₹ 100 crore was received from GOI on January 17, 2022, towards subscription to the share capital of the Company for the FY 2021-22 as share application money. In this regard, the Committee of Directors had allotted 6,10,12,812 number of equity shares of face value of ₹ 10/- each to the GOI on February 25, 2022 @ ₹ 16.39/- per equity share (including security premium of ₹ 6.39/- per equity share).

38 The Company is consistently following the policy of provision on loan assets on the basis of Ind AS norms vs IRAC norms, whichever is higher. As on March 31, 2022, Impairment allowance under Ind AS 109 is higher than RBI Prudential (IRACP) Norms (including standard assets provisioning). Accordingly the company has provided for the amount as per Ind AS in the books of accounts as on March 31, 2022. The existing impairment reserve of ₹ 34.54 crores created upto March 31, 2022 has not been reversed. Though ECL on Loan Assets is computed on portfolio basis, however full impairment allowance has been made on loan accounts declared as fraud as per RBI norms.

39 The Company has changed its accounting policy whereby interest income on stage 3 assets (except on assets which are standard under IRAC norms) shall not be recognized in books of accounts with effect from 01st April 2021. Accordingly interest income is lower by ₹ 248.03 crore (net of ECL) for the reporting period.

40 The global economy has subsumed the impact of Covid-19 and is gradually recovering. The company does not envisage any major disruptions and impact on its operations moving forward.

41 The valuation of Investments in subsidiary companies has been considered on the basis of financial statements of the subsidiaries for the period ended 31st December 2021, instead of 31st March 2022. There is no material impact of this on the financial statements of the company.

42 In the context of reporting business/geographical segment as required by Ind AS 108 - "Operating Segments", the Company operations comprise of only one business segment of financing. Hence, there is no reportable segment as per Ind AS 108.

42.1 On all the secured bonds and debentures issued by the Company and outstanding as on 31st March 2022, 100% security cover has been maintained against principal and interest, by way of floating charge on book debts/receivables of the Company. Further, asset cover for unsecured non convertible debentures issued by the company is 1.15 times as at 31st March 2022, on the basis of external valuation obtained by the Company from an independent expert.

42.2 These financial statements have been prepared as per Schedule III Division III of the Companies Act, 2013 which has been notified by the Ministry of Corporate Affairs and published in the official Gazette on 11th October 2018. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

43 IFCI is carrying the investment in subsidiary companies at cost net of impairment loss (if any) and opted for one time exemption under IndAS 101 for deemed cost being the carrying value of investment as at transition date i.e. April 1, 2017. As on March 31, 2022, the Company had investment in 27,91,54,700

(All amounts are in Rupees crores unless otherwise stated)

no. of Equity shares in its subsidiary, IFCI Factors Ltd. (IFL). The company got the shares of IFL fair valued internally, per which, the fair value of investments in shares of IFL was determined at ₹ 17.58 crore, using the generally accepted valuation methodologies against breakup value, in line with Indian Accounting Standards and accordingly, the resultant impairment loss has been charged in the Profit & Loss Account.

44 USES OF FUNDS

No funds are borrowed from banks and financial institutions during the year.

44.1 Change due to revaluation

During the year the company has not revalued its Proeprty Plant and Equipment (PPE) and intangible assets

44.2 Other additional regulatory disclosures as required under Schedule III

a. Loans and advances

The company has not granted any loans and advances in the nature of loans to promoters, directors, Key Managerial Personnel (KMPs) and the related parties, repayable on demand and where terms or period of repayment are not defined.

b. Ageing Analysis of Capital Work in Progress

There is no Capital work in progress in the current year as well as preceeding financial year.

c. Ageing Analysis of Intangible Assets under Development

There is no Intangible Assets under Development in the current year as well as preceeding financial year.

d. Benami Property:

No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transaction (Prohibition)Act, 1988 (45 of 1988) and rules made thereunder.

e. Borrowing against security of Current Assets

The company has no borrowings from bank or financial institutions against security of current assets.

f. Wilful Defaulter:

The company has not been declared as wilful defaulter by any bank or financial institution or any other lender during the year.

g. Relationship with Struck off company:

The compnay has no transanction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

h. Registration of Charges or satisfaction with Registrar of Companies (ROC)

There is no charge or satisfaction yet to be registered with ROC beyond the Statutory period.

i. Companies with number of Layer of Companies:

Company being a NBFC, clause(87) of section 2 of the Act is not applicable.

j. Scheme of arrangement

During the year there is no Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

k. Utilization of borrowed funds:

(i) The company has not advanced or loaned or invested any funds to any other person(s) or entity(ies), with the understanding that the intermediary shall directlly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The company has not received any funds from any other person(s) or entity(ies) including foreign entities, with the understanding that the intermediary shall directlly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

l. Undisclosed Income:

During the year the Company has not disclosed any income in terms of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

m. Details of Crypto Currency or Virtual Currency:

The company has not traded in Crypto Currency or Virtual Currency during the financial year.

45 EMPLOYEE BENEFITS

The Company operates the following post-employment plans -

i. Defined contribution plan

The Company makes monthly contribution towards pension 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 March 31, 2022	For the year ended March 31, 2021
Contribution to Pension Fund	**0.01**	0.01

ii. Defined benefit plan

A. Gratuity

The Company has a defined benefit gratuity plan in India, governed by the IFCI Gratuity Regulations, 1968. This plan entitles an employee, a sum equal to one month's pay plus dearness allowance for each completed year of service in IFCI or part thereof in excess of six months, subject to a maximum of twenty months pay plus dearness allowance or Rupees Eighteen Lakh whichever is less, for first twenty years of service.. The scheme is fully funded with Life Insurance Corporation of India (LIC). This defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(All amounts are in Rupees crores unless otherwise stated)

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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 March 31, 2022	As at March 31, 2021
Net defined benefit liability	**(1.03)**	(1.26)

(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 2021 is ₹ 1.62 cr

(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:

	As at March 31, 2022			As at March 31, 2021		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit(asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit(asset)/ liability
Balance at the beginning of the year	**29.10**	**30.36**	**(1.26)**	31.71	27.65	4.06
Current service cost	**1.48**	**-**	**1.48**	1.77	-	1.77
Past service cost including curtailment Gains/Losses	**-**	**-**	**-**	-	-	-
Interest cost (income)	**1.95**	**(2.03)**	**(0.08)**	2.12	(1.89)	0.23
	3.43	**(2.03)**	**1.40**	3.90	(1.89)	2.00
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	**-**	**-**	**-**	-	-	-
- financial assumptions	**-**	**(0.27)**	**(0.27)**	-	(0.66)	(0.66)
- experience adjustment	**(1.19)**	**-**	**(1.19)**	(2.49)	-	(2.49)
– on plan assets	**-**	**0.29**	**0.29**	-	(0.11)	(0.11)
	(1.19)	**0.02**	**(1.17)**	(2.49)	(0.77)	(3.26)
Contributions paid by the employer	**-**	**-**	**-**	-	4.05	(4.05)
Benefits paid	**(6.44)**	**(6.44)**	**-**	(4.01)	(4.01)	-
	(6.44)	**(6.44)**	**-**	(4.01)	0.05	(4.05)
Balance at the end of the year	**24.90**	**25.93**	**(1.03)**	29.10	30.36	(1.26)

(c) Plan assets

	As at March 31, 2022	As at March 31, 2021
Investment with Life insurance Corporation	**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):

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Future salary growth	**6.00%**	6.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(All amounts are in Rupees crores unless otherwise stated)

(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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.05)**	**1.13**	(1.02)	1.16
Future salary growth (0.50% movement)	**1.14**	**(1.07)**	1.16	(1.03)

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 and withdrawals are not material and hence impact of change due to these not calculated.

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

	As at March 31, 2022	As at March 31, 2021
0 to 1 Year	**3.40**	3.69
1 to 2 Year	**2.63**	2.96
2 to 3 Year	**2.85**	2.71
3 to 4 Year	**1.00**	2.71
4 to 5 Year	**0.67**	1.21
5 to 6 Year	**1.81**	0.67
6 Year onwards	**12.54**	15.16
Total	**24.90**	29.10

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 13.11 years (31 March 2021: 12.94 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.

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.

B. Post retirement medical benefit

IFCI is extending post-retirement medical benefits to the employees and eligible dependent family members after their retirement. As per the scheme, employees who are members of Voluntary Welfare Scheme (VWS) are eligible for reimbursement of medical expenses after retirement The benefits under the scheme are extended to the retired employees, his/her spouse and dependent children and entitlement for reimbursement, although within the ceilings and is based upon the Grade in which an employee retires, subject to the condition that spouse of the concerned employee is not availing of any medical benefits from his/her employer, if any. Reimbursement of the medical bills is made at the rates applicable to the employees at the center at which the employee resides after retirement as per the rates circulated by IFCI for its working employees time to time.

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

	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	**29.82**	29.92

(a) 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:

	Defined benefit obligation	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**29.92**	27.28
Current service cost	**0.10**	0.14
Past service cost including curtailment Gains/Losses	**2.00**	1.83
	2.10	1.96

(All amounts are in Rupees crores unless otherwise stated)

	Defined benefit obligation	
	As at March 31, 2021	As at March 31, 2020
Remeasurements loss (gain)		
– Actuarial loss (gain) arising from:		
- demographic assumptions	**-**	-
- financial assumptions	**-**	-
- experience adjustment	**(1.15)**	0.97
	(1.15)	0.97
Benefits paid	**(1.05)**	(0.30)
	(1.05)	(0.30)
Balance at the end of the year	**29.82**	29.92

Expected contributions to the plan for the year ending 31 March 2022 is ₹ 0.30 crore

(b) Plan assets

There were no plan assets with the Company w.r.t said post retirement medical benfit plan

(c) Actuarial assumptions

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Future medical cost increase	**3.00%**	3.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(d) 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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.10)**	**1.09**	(0.90)	0.90

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 as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at March 31, 2022	As at March 31, 2021
0 to 1 Year	**2.41**	2.41
1 to 2 Year	**1.85**	1.86
2 to 3 Year	**1.86**	1.86
3 to 4 Year	**1.64**	1.65
4 to 5 Year	**1.75**	1.76
5 to 6 Year	**1.37**	1.37
6 Year onwards	**18.95**	19.01
Total	**29.82**	29.92

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 7.76 years (31 March 2021: 7.77 years).

(All amounts are in Rupees crores unless otherwise stated)

(f) Discreption of risk exposures

Medical Cost Increase - increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase 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.

C. Provident Fund

The Company has a defined benefit provident fund, governed by the IFCI Employees' Provident Fund Regulations. Monthly contributions to the Provident Fund is being charged against revenue. IFCI has been paying interest on the provident fund balance at the rate notified by the Employees' Provident Fund Organization (EPFO) for the relevant year. The Provident Fund is administered through duly constituted and approved administrators. The Committee of Administrators of IFCI Employees' Provident Fund has approved earmarking of specific investments against the PF liability in the current financial year. For the purpose, investments have been earmarked towards PF liability in line with the notification issued by Ministry of Labour & Employment notifying the pattern of investment for EPFO and EPF exempted establishments.

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

	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	**(9.81)**	(11.15)

(a) Funding

During the Financial year 2018-19, the Company has earmarked some of its investments in government securities, mutual funds against Provident fund liability.

Expected contributions to provident fund plan for the year ending 31 March 2022 is ₹ 1.36 cr

(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:

	As at March 31, 2022			As at March 31, 2021		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit(asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit(asset)/ liability
Balance at the beginning of the year	**82.87**	**94.02**	**(11.15)**	81.76	94.51	(12.76)
Interest cost/(income)	**5.22**		**5.22**	5.85		5.85
Current service cost	**1.19**	**-**	**1.19**	1.25	-	1.25
	6.41	**-**	**6.41**	7.10	-	7.10
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	**-**	**-**	**-**	-	-	-
- financial assumptions	**-**	**-**	**-**	-	-	-
- experience adjustment	**1.69**		**1.69**	1.13		1.13
– on plan assets		**4.83**	**(4.83)**		12.19	(12.19)
	1.69	**4.83**	**(3.14)**	1.13	12.19	(11.06)
Contributions paid by the employee	**6.59**	**6.59**	**-**	6.37	6.37	-
Benefits paid	**(15.16)**	**(15.16)**	**-**	(13.48)	(13.48)	-
Employer contribution	**-**	**1.19**	**(1.19)**	-	1.25	(1.25)
Settlements/transfers	**-**	**0.75**	**(0.75)**	-	(6.81)	6.81
	(8.57)	**(6.64)**	**(1.94)**	(7.11)	(12.68)	5.57
Balance at the end of the year	**82.40**	**92.22**	**(9.81)**	82.87	94.02	(11.15)

(c) Plan assets

The contractual amount outstanding on loans and advances measured at amortised cost that were written off during the year ended 31 March 2022 and are still subject to enforcement activity.

	As at March 31, 2022	As at March 31, 2021
Investment in earmarked securities	**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 a pool which in turn make invstements in order to manage the liability risk.

(All amounts are in Rupees crores unless otherwise stated)

(d) Actuarial assumptions

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Expected statutory interest rate on the ledger balance	**8.10%**	8.50%
Expected year/Current short fall in interest earnings on the fund	**0.30%**	0.30%
Mortality	**IALM (2012-14)**	IALM (2012-14)
Disability	**None**	None
Withdrawal Rate (Age related)		
Up to 30 Years	**1.00%**	1.00%
Between 31 - 44 Years	**1.00%**	1.00%
Above 44 Years	**1.00%**	1.00%
Normal Retirement Age	**60**	60

(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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.06)**	**0.07**	(0.06)	0.06

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 as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at March 31, 2022	As at March 31, 2021
1 year	**10.55**	13.01
Between 2-5 years	**20.13**	23.92
Between 5-10 years	**20.96**	17.62
Over 10 years	**30.76**	28.32
Total	**82.40**	82.87

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 13.11 years (31 March 2021: 12.94 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 -

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-

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount recognised in Statement of Profit and Loss		
Leave encashment	**0.48**	1.66
Leave fair concession	**0.04**	0.28
Medical benefits	**2.13**	2.49

(All amounts are in Rupees crores unless otherwise stated)

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
I. ASSETS						
(1) Financial Assets						
(a) Cash and cash equivalents	**148.29**	**-**	**148.29**	533.56	-	533.56
(b) Bank Balance other than (a) above	**612.51**	**-**	**612.51**	588.33	-	588.33
(c) Derivative financial instruments	**2.02**	**-**	**2.02**	-	-	-
(d) Receivables	**30.52**	**-**	**30.52**	57.31	-	57.31
(e) Loans	**147.97**	**2,234.62**	**2,382.59**	716.61	5,763.10	6,479.71
(f) Investments	**983.40**	**700.20**	**1,683.60**	1,959.03	991.31	2,950.34
(g) Other Financial assets	**19.55**	**30.38**	**49.93**	29.49	110.00	139.49
Total financial assets	**1,944.26**	**2,965.20**	**4,909.46**	3,884.33	6,864.41	10,748.74
(2) Non-financial Assets						
(a) Investment in subsidiaries	**-**	**1,260.09**	**1,260.09**	-	1,343.71	1,343.71
(b) Equity accounted investees	**-**	**-**	**-**	-	-	-
(c) Current tax assets (Net)	**48.28**	**-**	**48.28**	62.23	-	62.23
(d) Deferred tax Assets (Net)	**-**	**1,852.75**	**1,852.75**	-	2,122.05	2,122.05
(e) Investment Property	**-**	**271.41**	**271.41**	-	185.50	185.50
(f) Property, Plant and Equipment	**-**	**634.49**	**634.49**	-	741.73	741.73
(g) Capital work-in-progress	**-**	**-**	**-**	-	-	-
(h) Other Intangible assets	**-**	**0.43**	**0.43**	-	0.91	0.91
(i) Other non-financial assets	**0.22**	**93.03**	**93.25**	0.44	94.84	95.28
Total non-financial assets	**48.50**	**4,112.20**	**4,160.70**	62.67	4,488.74	4,551.41
Assets held for sale	**0.04**	**-**	**0.04**	0.04	-	0.04
Total assets	**1,992.80**	**7,077.40**	**9,070.20**	3,947.04	11,353.15	15,300.19
II. LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(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	**52.85**	-	**52.85**	165.68	-	165.68
(b) Debt Securities	**293.29**	**4,761.18**	**5,054.47**	2,914.74	4,356.04	7,270.78
(c) Borrowings (Other than Debt Securities)	**523.32**	**459.45**	**982.77**	1,184.20	1,101.50	2,285.70
(d) Subordinated Liabilities	**100.00**	**874.66**	**974.66**	-	1,313.30	1,313.30
(e) Derivative financial instruments	**-**		**-**	15.91		15.91
(f) Other financial liabilities	**524.61**	**956.08**	**1,480.69**	538.11	1,256.01	1,794.12
Total financial liabilities	**1,494.07**	**7,051.37**	**8,545.44**	4,818.64	8,026.85	12,845.49
(2) Non-Financial Liabilities						
(a) Provisions	**2.41**	**74.65**	**79.31**	2.49	79.69	82.18
(b) Other non-financial liabilities	**-**	**-**	**-**	0.43	(0.01)	0.42
Total non-financial liabilities	**2.41**	**74.65**	**79.31**	2.92	79.68	82.60
Total Liabilities	**1,496.48**	**7,126.02**	**8,624.75**	4,821.56	8,106.53	12,928.09
Net	**496.32**	**(48.62)**	**445.45**	(874.52)	3,246.61	2,372.10

(All amounts are in Rupees crores unless otherwise stated)

47 RELATED PARTY DISCLOSURE

i. Name of the related party and nature of relationship:-

A.

Nature of Relationship	Name of the Related Party
Subsidiaries	IFCI Financial Services Ltd. (IFIN) IFCI Venture Capital Funds Ltd. (IVCF) IFCI Infrastructure Development Ltd. (IIDL) IFCI Factors Ltd. (IFL) MPCON Ltd. Stock Holding Corporation of India Ltd. IFIN Commodities Ltd. (indirect control through IFIN) IFIN Credit Ltd. (indirect control through IFIN) IFIN Securities Finance Limited (indirect control through IFIN) IIDL Realtors Pvt. Ltd. (indirect control through IIDL) SHCIL Services Ltd. (indirect control through SHCIL) Stockholding Document Management Services Limited (indirect control through SHCIL) Stock Holding Securities IFCI Limited (SSIL)
Associates *	IFCI Social Foundation Institute of leadership development Associates held for sale - Athena Chattisgarh Power Pvt. Ltd. - Gati Infrastructure Bhasmey Power Pvt. Ltd. - KITCO Ltd. - Nagai Power Pvt. Ltd. - Shiga Energy Private Ltd. - Vadraj Cements Ltd. - Vadraj Energy (Gujarat) Ltd.

* The accounts of Associates have not been consolidated in the Consolidated Financial Statements for the year ending March 31, 2022. However, the names of the Associates have been disclosed in the related party for meeting the Ind AS requirements.

Joint venture	IFCI Sycamore Capital Advisors Pvt. Ltd. (under voluntary liquidation)
Trust incorporated for CSR activity	IFCI Social Foundation
Key Managerial Personnel	Sh. Manoj Mittal - Managing Director & Chief Executive Officer (w.e.f 12 June 2021) Shri. Sunil Kumar Bansal Deputy Managing Director (w.e.f 4 June 2020) Shri. Prasoon - Chief Financial Officer (w.e.f 16 Sep. 2021) Ms. Jhummi Mantri - Chief Financial Officer (upto 16 Sep. 2021) Ms. Priyanka Sharma - Company Secretary (w.e.f. 16 Sep. 2021) Ms. Rupa Deb - Company Secretary (upto 7 Sep. 2021) Dr. Bhushan Kumar Sinha (w.e.f. 21 May 2018) Prof. N Balakrishnan (w.e.f. 30 October 2017) Prof. Arvind Sahay (w.e.f. 30 October 2017) Shri. K Kadiresan (w.e.f. 30 March 2022) Shri MML Verma (upto 4 March 2022) Ms. Anindita Sinharay (w.e.f. 5 January 2021)
Entities under the control of same government	The Company is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements.

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

Name of related party		Nature of transaction	**For the year ended 31 March 2022**	For the year ended 31 March 2021
A. Subsidiaries and Associates				
IFCI Financial Services Ltd.	(i)	Rent & Maintenance received	**1.04**	1.07
	(ii)	Brokerage/ Professional fee paid	**0.30**	0.29
	(iii)	Depository Services	**0.01**	0.02
	(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered / recoverable from them	**0.40**	0.10
	(v)	Salary paid/ payable for employees of IFIN, posted on deputation in IFCI	**0.10**	0.05

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Name of related party		Nature of transaction	**For the year ended 31 March 2022**	For the year ended 31 March 2021
IFCI Venture Capital Fund Ltd.	(i)	Rent & Maintenance received	**1.65**	1.65
	(ii)	Professional fee received	**0.19**	0.20
	(iii)	Interest paid/payable by IFCI	**1.63**	1.91
	(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**-**	0.11
IFCI Infrastructure Development Ltd.	(i)	Dividend Received	**-**	14.95
	(ii)	Rent & Maintenance received	**1.00**	1.50
	(iii)	Rent & Maintenance paid	**-**	0.12
	(iv)	Interest paid/ payable by IFCI	**8.95**	8.53
	(v)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.51**	0.63
	(vi)	Salary paid/ payable for employees of IIDL, posted on deputation in IFCI	**0.10**	0.03
IFCI Factors Ltd.	(i)	Rent & Maintenance received	**2.84**	2.86
	(ii)	Professional fee received	**0.06**	0.06
	(iii)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.47**	0.43
	(iv)	Salary paid/ payable for employees of IFCI Factors, posted on deputation in IFCI	**-**	-
Stock Holding Corporation of India Ltd.	(i)	Rent & Maintenance received by IFCI	**2.46**	2.27
	(ii)	Interest paid/ payable by IFCI	**2.10**	2.10
	(iii)	Dividend Received	**30.05**	7.41
	(iv)	Brokerage/ Professional fee paid	**-**	0.05
	(v)	Sitting Fees Received	**0.14**	0.10
MPCON	(i)	Dividend Received	**0.08**	0.08
	(ii)	Brokerage/ Professional fee paid	**0.52**	0.03
	(iii)	Rent received	**-**	0.01
	(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.48**	0.44
Stockholding Document Management Services Ltd	(i)	Professional fee Paid /Payable	**0.01**	0.47
	(ii)	Advisory & Appraisal Fee received	**-**	-
IFCI Social Foundation Trust	(i)	Contribution for CSR activities	**-**	0.15
	(ii)	Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI		
B. Entities under the control of same government				
CEGSSC, GOI		Agency Commission - Credit Guarantee Fund For SC/ST	**0.05**	0.17
Ministry Of Electronics & Information Technology, GOI		Commission - M Sips	**3.86**	3.67
Ministry Of Electronics & Information Technology, GOI		Scheme Management Fees -PLI Electronics	**2.00**	5.00
Ministry Of Electronics & Information Technology, GOI		Agency Fees SPECS	**3.75**	3.15
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Bulk Drugs	**1.66**	1.50
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Medical Devices	**2.00**	2.50
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Bulk Drugs Parks	**1.90**	1.43
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Medical Devices Parks	**0.76**	0.95
Ministry of Food Processing Industries, GOI		Monitoring Agency Fees	**7.80**	0.50
Ministry Of Electronics & Information Technology, GOI		Scheme Management Fees -IT Hardware	**3.50**	
Ministry Of Electronics & Information Technology, GOI		Scheme Management Fees -PLI White Goods	**1.00**	

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Name of related party	Nature of transaction	For the year ended 31 March 2022	For the year ended 31 March 2021
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI Auto Scheme	**4.00**	
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI ACC Scheme	**0.20**	
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI Textile	**0.42**	
SDF, Ministry Of Consumer Affairs, Food & Public Distribution, GOI	Agency Commission - Sugar Development Fund	**9.15**	9.90
Steel Authority of India Ltd.	Advisory & Appraisal Fee received	**0.06**	0.04
Central Government	Interest Income on G Sec	**33.13**	47.11
State Bank Of India	Rental Income	**1.69**	0.02
Registrar Of Companies	Rental Income	**2.85**	2.60
ONGC Tripura Power Company Ltd.	Rental Income	**-**	2.61
Power System Operation Corporation Ltd.	Rental Income	**6.27**	7.13
SBI Life Insurance	Rental Income	**0.25**	0.15
United India Insurance	Rental Income	**0.26**	0.25
Canara Bank	Rental Income	**0.39**	0.36
National Pension System Trust	Rental Income	**2.21**	-

C. Compensation of key managerial personnel

	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term employee benefits	**1.58**	1.57
Post-employment defined benefit	**-**	-
Compensated absences	**0.11**	0.10
Share-based payments	**-**	-
Termination benefits	**0.19**	0.03
Sitting fees	**0.18**	-

D. Outstanding balances of related party

	As at March 31, 2022	As at March 31, 2021
IFCI Venture Capital Fund Ltd.		
- Bonds issued by IFCI	**10.00**	15.00
- Loans given by IFCI	**-**	-
IFCI Infrastructure Development Ltd.		
- Bonds issued by IFCI	**95.00**	90.00
- Bonds/debenture subscribed by IFCI	**-**	-
IIDL Realtors Pvt. Ltd.	**-**	-
IFCI Factors Ltd.		
- Bonds/debenture subscribed by IFCI	**-**	-
Stock Holding Corporation of India Ltd.		
- Bonds issued by IFCI	**25.00**	25.00
SHCIL Services Ltd.	**-**	-
Stockholding Document Management Services Limited	**-**	-
Stock Holding Securities IFCI Limited	**-**	-
IFCI Financial Services Ltd. (IFIN)	**-**	-
IFIN Securities Finance Ltd		
- receivable outstanding	**-**	-
IFIN Commodities Ltd.	**-**	-
IFIN Credit Ltd.	**-**	-
MPCON Ltd.	**-**	-

Terms and conditions

All transactions with these related parties are priced on an arm's length basis.

(All amounts are in Rupees crores unless otherwise stated)

48 LEASES

A. Lease as lessee

The leases typically run for a period of 11 months, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Future minimum lease payments		
At year end, the future minimum lease payments to be made under cancellable operating leases are as follows:		
(a) Not later than one year	**0.25**	2.24
(b) Later than one year but not later than five years	**-**	-
(c) Later than five years	**-**	-
ii. Amounts charged in profit or loss	**0.66**	0.73

B. Lease as lessor

The Company leases out its buidling (classified as investment property) on operating lease basis. The leases typically run for a period of 11 months - 7 years, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Future minimum lease payments		
At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:		
(a) Not later than one year	**33.09**	22.10
(b) Later than one year but not later than five years	**39.00**	23.23
(c) Later than five years	**12.19**	17.16
ii. Amounts recognised in profit or loss	**35.74**	38.60

49 EARNINGS PER SHARE (EPS)

			Units	**As at March 31, 2022**	As at March 31, 2021
i	(a)	Profit Computation for Equity shareholders			
		Net profit as per Statement of Profit & Loss	₹	**(1,991.33)**	(1,957.81)
		Less: Preference Dividend	₹	**-**	-
		Net profit for Equity Shareholders	₹	**(1,991.33)**	(1,957.81)
	(b)	Weighted Average Number of Equity Shares outstanding	Nos	**2,102,991,305**	1,895,993,092
ii	(a)	Profit Computation for Equity shareholders (including potential shareholders)			
		Net profit as per Statement of Profit & Loss	₹	**(1,991.33)**	(1,957.81)
		Less: Preference dividend	₹	**-**	-
		Net profit for equity shareholders (including potential shareholders)	₹	**(1,991.33)**	(1,957.81)
	(b)	Weighted Average Number of Equity Shares outstanding *	Nos	**2,102,991,305**	1,895,993,092
		Earnings Per Share (Weighted Average)			
		Basic	₹	**(9.47)**	(10.33)
		Diluted	₹	**(9.47)**	(10.33)

50 OPERATING SEGMENTS

The Board 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 the business of financing and there are no separate reportable segments as per Ind AS 108.

a. **Information about products and services:**

The company deals in only one product i.e. granted loans to corporate customers. Hence, no separate disclosure is required.

b. **Information about geographical areas:**

The entire sales of the Company are made to customers which 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 revenues from the customers which amount to 10 per cent or more of Company's revenues

51 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Company enters into transactions that result in the transfer of loans and advances given to customers. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Company's continuing involvement, or are derecognised in their entirety.

(All amounts are in Rupees crores unless otherwise stated)

The Company transfers financial assets that are not derecognised in their entirety are primarily through the sale of NPA loans to asset reconstruction companies (ARCs).

A. Transferred financial assets that are not derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

Sale of NPA loans to asset reconstruction companies (ARCs)' are transactions in which the Company sells loan and advances to an unconsolidated special vehicle and simultaneously purchases the majority portion of security receipts issued by said vehicle. The security receipts are collateralised by the loans purchased by the vehicle and hence the cash flow of the security receipts is dependent on the recovery of purchased loans.

The Company continues to recognise that part of the loans in their entirety against which security receipts have been subscribed by the Company because it retains substantially all of the risks and rewards of ownership w.r.t that part of the transferred loan. The part of loan transferred against which cash consideration is received is derecognised.

The following table sets out the carrying amounts and fair values of one financial asset transferred that is not derecognised in entirety and associated liabilities.

	Carrying amount		Fair value		
	Assets - Loans	Liabilities - Borrowings	Assets - Loans	Liabilities - Borrowings	Net position
Sale of NPA loans to asset reconstruction companies (ARCs)					
As at 31 March 2022	**49.64**	**-**	**150.94**	**-**	**150.94**
As at 31 March 2021	74.95	-	176.73	-	176.73

B. Transferred financial assets that are derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

The Company has taken derecognition exemption and de-recognise the loans in their entirety against which security receipts have been subscribed by the Company. The Company has classified said invsetment in security receipts subsequently measured at fair value through profit and loss.

During the year the Company has recognised a fair value gain/(loss) of ₹ 40.98 crore (₹ 193.26 crore in 2020-21). The fair value gain/(loss) on the security receipts as on 31 March 2022 is ₹ -36.83 crore (31 March 2021 - ₹ -7.01 crore)

During the year the Company has sold 5 loan assets to ARC on cash basis. For details refer Note No.55 (xxii)

The following table sets out the details of the assets that represents the Company's continuing involvement with the transferred assets that are derecognised in their entirety.

	Carrying amount	Fair value	
	Assets - Investment in security receipts	Assets - Investment in security receipts	Liabilities
Sale of NPA loans to asset reconstruction companies (ARCs)			
As at 31 March 2022	**190.53**	**190.53**	**-**
As at 31 March 2021	414.55	414.55	-

The amount that best represents the Company's maximum exposure to loss from its continuing involvement in the form of security receipts issued by ARCs is their carrying amount.

52 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.

	As at 31 March 2022		
Particulars	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets:			
Cash and cash equivalents	**-**	**-**	**148.29**
Bank balance other than above	**-**	**-**	**612.51**
Derivative financial instruments	**2.02**	**-**	**-**
Receivables	**-**	**-**	**30.52**
Loans	**-**	**-**	**2,382.59**
Investments	**1,001.75**	**681.85**	**-**
Other financial assets	**-**	**-**	**49.93**
	1,003.77	**681.85**	**3,223.84**
Financial liabilities:			
Derivative financial instruments	**-**		
Trade payables	**-**	**-**	**52.85**
Debt securities	**-**	**-**	**5,054.47**
Borrowings (other than debt securities)	**-**	**-**	**982.77**
Subordinated liabilities	**-**	**-**	**974.66**
Other financial liabilities	**-**	**-**	**1,480.69**
	-	**-**	**8,545.44**

(All amounts are in Rupees crores unless otherwise stated)

Particulars	As at 31 March 2021 FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	533.56
Bank balance other than above	-	-	588.33
Derivative financial instruments	-	-	-
Receivables	-	-	57.32
Loans	-	-	6,479.71
Investments	2,289.31	661.03	-
Other financial assets	-	-	139.49
	2,289.31	661.03	7,798.41
Financial liabilities:			
Derivative financial instruments			15.91
Trade payables	-	-	165.68
Debt securities	-	-	7,270.78
Borrowings (other than debt securities)	-	-	2,285.70
Subordinated liabilities	-	-	1,313.30
Other financial liabilities	-	-	1,713.31
	-	-	12,764.68

B. Valuation framework

The respective operational department performs the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quaterly reporting period. Specific controls for valuation includes verification of observable pricing, review of siginificant unobservable inputs and valuation adjustments.

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. It develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

C. Fair value hierarchy

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

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

As at 31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Derivative financial instruments	**-**	**2.02**	**-**	**2.02**
Investments	**777.40**	**305.02**	**601.18**	**1,683.60**
	777.40	**307.04**	**601.18**	**1,685.62**
Financial liabilities:				
Derivative financial instruments	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**

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

As at 31 March 2022	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Loans	**2,382.59**	**-**	**-**	**2,382.59**	**2,382.59**
	2,382.59	**-**	**-**	**2,382.59**	**2,382.59**
Financial liabilities:					
Debt securities	**5,054.47**	**-**	**-**	**5,054.47**	**5,054.47**
Borrowings (other than debt securities)	**982.77**	**-**	**982.77**	**-**	**982.77**
Subordinated liabilities	**974.66**	**-**	**-**	**974.66**	**974.66**
	7,011.90	**-**	**982.77**	**6,029.13**	**7,011.90**

(All amounts are in Rupees crores unless otherwise stated)

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

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments	-	-	-	-
Investments	1,396.93	961.87	591.54	2,950.34
	1,396.93	961.87	591.54	2,950.34
Financial liabilities:				
Derivative financial instruments	-	15.91	-	15.91
	-	15.91	-	15.91

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

As at 31 March 2021	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	6,479.71	-	-	6,479.71	6,479.71
Investments	-	-	-	-	-
	6,479.71	-	-	6,479.71	6,479.71
Financial liabilities:					
Debt securities	7,270.78	-	-	7,270.78	7,270.78
Borrowings (other than debt securities)	2,285.70	-	2,285.70	-	2,285.70
Subordinated liabilities	1,313.30	-	-	1,313.30	1,313.30
	10,869.78	-	2,285.70	8,584.08	10,869.78

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.

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input
Unquoted equity securities	Net asset value/Company comparable method/ Discounted cash flow	Weighted average cost of capital/Discount rate
Preference shares	Net asset value/Company comparable method/ Discounted cash flow	Future cash flows, discount rates
Loans	Discounted cash flow	Future cash flows, discount rates
Debt securities	Discounted cash flow	Future cash flows, discount rates
Borrowings (other than debt securities)	Discounted cash flow	Future cash flows, discount rates
Subordinated liabilities	Discounted cash flow	Future cash flows, discount rates

ii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Preference shares at fair value through profit and loss	Equity shares at fair value through other comprehensive income	Equity shares at fair value through other profit and loss
Balance as at 1 April 2021	4.87	-	586.67
Total gain or losses:			
- in profit or loss	-	-	(30.83)
- in OCI	-	-	-
Purchases	-	-	-
Settlement	(0.01)	-	40.48
Transfer to Level 3	-	-	-
Balance as at 31 March 2022	**4.86**	**-**	**596.32**

(All amounts are in Rupees crores unless otherwise stated)

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Preference shares at fair value through profit and loss	Equity shares at fair value through other comprehensive income	Equity shares at fair value through other profit and loss
Total gain or losses recognised in profit or loss :			
- Net fair value change from financial instruments carried at fair value	-	-	(30.83)
Total gain or losses recognised in OCI :			
- Fair value reserve (equity instruments) - net change in fair value	-	-	-
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:			
- Net fair value change from financial instruments carried at fair value	0.01	-	(71.32)

Particulars	Preference shares at fair value through profit and loss	Equity shares at fair value through other profit and loss
Balance as at 1 April 2020	27.46	404.18
Total gain or losses:		
- in profit or loss	48.37	240.40
Purchases	-	-
Settlement	(70.96)	(57.91)
Balance as at 31 March 2021	4.87	586.67

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Preference shares at fair value through profit and loss	Equity shares at fair value through other profit and loss
Total gain or losses recognised in profit or loss :		
- Net fair value change from financial instruments carried at fair value	48.37	240.40
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:		
- Net fair value change from financial instruments carried at fair value	119.33	298.31

53 FINANCIAL RISK MANAGEMENT

The company's activities are primarily subjected to credit risk, market risk and operational risk for managing risk management committee exsists. The function of the committee is to identify, monitor, manage and mitigate these risks. The company also makes sure that it adheres to internal policies and procedures, complies with the regulatory guidelines and maintains sufficient loan documentation.

With regards to its lending activity, the company has established various limits and restrictions to manage the risks. There are various reports which are prepared and presented to senior management by the risk management committee at regular intervals and on ad-hoc basis which helps in risk monitoring. The company has also set-up procedures to mitigate the risks in case of any breach.

A. Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. The board of directors have established the Risk Management and Asset Liability Management Committee of the Directors (RALMCD) which is responsible for developing and monitoring the Company's integrated risk management policies. The RALMCD is assisted in its oversight role by the Risk and Asset Liability Management Committee of Executives (RALMCE). The Integrated Risk Management Department undertakes regular reviews of risk management controls and procedures, the results of which are reported to the RALMCE on monthly basis.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securties 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 counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers, trade receivables from customers; loans and investments in debt securities.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer/obligor. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, business specific risk, management risk, transition specific risk and project related risks.

A financial asset is considered '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 issuer or the borrower
- A breach of contract, such as default

(All amounts are in Rupees crores unless otherwise stated)

- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of the active market for that financial asset because of financial difficulties
- Purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss

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 minimum finalised internal rating, external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits have been established for each customer and reviewed periodically and modifications are done, as and when required. Any loan exceeding prescribed limits require approval from the respective competent authority.

b) Probablity of defalut (PD)

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PD for a 12 month duration and lifetime duration based on the stage allocation of the borrower. A PD used for Ind AS 109 should reflect the institution's view of the future and should be unbiased (i.e. it should not include any conservatism or optimism).

To arrive at historical probability of default, transition matrix approach has been applied using IFCI internal obligor ratings.

c) Definition of default

Default' has not been defined under Ind AS. An entity shall apply a default definition that is consistent with the definition used for internal credit risk management purposes and consider qualitative indicators when appropriate. A loan is considered as defaulted and therefore Stage-3 (credit impaired) for ECL calculations in the following cases:

- On deterioration of the IFCI internal combined ratings of the borrower to CR-9 or CR- 10 (Comparison to be done between origination rating and current rating).
- On asset being classified as NPA as per RBI prudential norms
- On restructuring of assets with impairment in loan value
- On asset being more than 90 days past dues.

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments which is subject to the impairment calculation.

e) Loss given default (LGD)

LGD is an estimate of the loss from the transaction given that a default occurs. The LGD component of ECL is independent of deterioration of asset quality, and thus applied uniformly across various stages. With respect to loan portfolio, NPA accounts which have originated in past 7 years and have been closed, along with NPA accounts ageing more than 5 years (assumed as closed), have been considered for LGD computation.

f) Significant increase in credit risk

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of the default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make that assessment, an entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

For the assessment of the SICR for the loans and advances, the following conditions have been considered:

- Deterioration of the IFCI internal combined ratings of the borrowers by 3 rating grades. (Comparison to be done between origination rating and current rating).
- Deterioration of the ratings of the borrowers from the investment grade to the sub-investment grade.
- On restructuring of assets without impairment in loan value
- On asset overdue beyond 60 days past dues

g) Provision for expected credit losses

The following tables sets out information about the overdue status of loans and advances, loan commitments, financial guarantees, trades receivables and other financial assets to customers in Stages 1, 2 and 3.

	As at March 31, 2022				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	**131.17**	**-**	**-**	**-**	**131.17**
Grade 7-8 : higher risk	**-**	**220.50**	**-**	**-**	**220.50**
Grade 9-10 : Loss	**-**	**-**	**5,101.47**	**-**	**5,101.47**
	131.17	**220.50**	**5,101.47**	**-**	**5,453.14**
Loss allowance	**(4.28)**	**(39.36)**	**(3,722.47)**	**-**	**(3,766.10)**
Carrying value	**126.89**	**181.14**	**1,379.00**	**-**	**1,687.03**

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Rating -1 to 6	**35.00**	**-**	**-**	**-**	**35.00**
Rating - 7 to 8	**-**	**184.81**	**-**	**-**	**184.81**
Rating - 9 to 10	**-**	**-**	**1,666.96**	**-**	**1,666.96**
	35.00	**184.81**	**1,666.96**	**-**	**1,886.76**
Loss allowance	**(0.78)**	**(70.55)**	**(1,119.87)**	**0**	**(1,191.20)**
Carrying value	**34.22**	**114.26**	**547.08**	**-**	**695.56**

Trade receivables at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	24.91	-	24.91
More than 6 months less than 1 year	2.88	0.13	3.01
More than 1 year less than 2years	1.59	0.07	1.66
More Than 2 years less than 3 years	1.14	0.05	1.19
Above 3 years	-	1.08	1.08
	30.52	1.33	31.85
Loss allowance	-	(1.33)	(1.33)
Carrying value	**30.52**	**-**	**30.52**

Other financial assets at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	49.58	-	49.58
More than 6 months less than 1 year	0.01	-	0.01
More than 1 year less than 2years	0.05	-	0.05
More Than 2 years less than 3 years	0.30	0.01	0.31
Above 3 years	-	70.39	70.39
	49.93	70.41	120.34
Loss allowance	-	(70.41)	(70.41)
Carrying value	**49.93**	**-**	**49.93**

Investment in debt securities at FVTOCI

	Stage-1	Stage-2	Stage-3	Total
BBB - to AAA	631.93	-	-	631.93
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	0.00	-
	631.93	-	-	631.93
Loss allowance	(0.10)	-	-	(0.10)
Amortised cost	631.83	-	-	631.83
Fair value	**627.09**	**-**		**627.09**

	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	**5.71**	**-**	**-**	**-**	**5.71**
Grade 7-8 : higher risk	**7.57**	**-**	**-**	**-**	**7.57**
Grade 9-10 : Loss	**-**	**-**	**-**	**-**	**-**
	13.28	**-**	**-**	**-**	**13.28**
Loss allowance	**(1.01)**	**-**	**-**	**-**	**(1.01)**
Carrying value	**12.26**	**-**	**-**	**-**	**12.26**

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2022				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	**17.15**	-	-	-	**17.15**
Grade 7-8 : higher risk	-	-	-	-	-
Grade 9-10 : Loss	**45.81**	-	-	-	**45.81**
	62.96	-	-	-	**62.96**
Loss allowance	**(31.16)**	-	-	-	**(31.16)**
Carrying value	**31.80**	-	-	-	**31.80**

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	658.11	414.96	-	-	1,073.06
Grade 7-8 : higher risk	-	738.73	-	-	738.73
Grade 9-10 : Loss	-	-	7,912.97	-	7,912.97
	658.11	1,153.69	7,912.97	-	9,724.77
Loss allowance	(4.40)	(114.01)	(4,833.02)	-	(4,951.43)
Carrying value	653.70	1,039.68	3,079.95	-	4,773.34

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Rating -1 to 6	233.72	-	-	-	233.72
Rating - 7 to 8	554.70	-	-	-	554.70
Rating - 9 to 10	-	-	2,190.09	-	2,190.09
	788.42	-	2,190.09	-	2,978.51
Loss allowance	(10.86)	-	(1,261.27)	-	(1,272.13)
Carrying value	777.56	-	928.82	-	1,706.38

Trade receivables at amortised cost

	Lifetime	**Credit Imparied**	**Total**
Less than 6 months	54.10	-	54.10
More than 6 months less than 1 year	0.87	0.04	0.91
More than 1 year less than 2years	1.31	0.06	1.37
More Than 2 years less than 3 years	1.03	0.05	1.08
Above 3 years	-	1.26	1.26
	57.31	1.41	58.72
Loss allowance	-	(1.41)	(1.41)
Carrying value	**57.31**	**-**	**57.31**

Other financial assets at amortised cost

	Lifetime	**Credit Imparied**	**Total**
Less than 6 months	139.11	0.00	139.11
More than 6 months less than 1 year	0.00	0.00	0.00
More than 1 year less than 2years	0.37	0.01	0.39
More Than 2 years less than 3 years	0.00	0.00	0.00
Above 3 years	-	70.42	70.42
	139.49	70.43	209.92
Loss allowance	-	(70.43)	(70.43)
Carrying value	**139.49**	**-**	**139.49**

(All amounts are in Rupees crores unless otherwise stated)

Investment in debt securities at FVTOCI

	Stage-1	Stage-2	Stage-3	Total
BBB - to AAA	568.93	-	-	568.93
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	98.72	98.72
	568.93	-	98.72	667.65
Loss allowance	**(0.09)**	**-**	**(50.02)**	(50.12)
Amortised cost	**568.84**	**-**	**48.70**	**617.53**
Fair value	**581.04**	**-**	**39.60**	**620.64**

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	5.71	-	-	-	5.71
Grade 7-8 : higher risk	10.52	-	-	-	10.52
Grade 9-10 : Loss	8.91	-	-	-	8.91
	25.14	-	-	-	25.14
Loss allowance	(5.35)	-	-	-	(5.35)
Carrying value	19.78	-	-	-	19.78
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	51.14	-	-	-	51.14
Grade 7-8 : higher risk	64.91	-	-	-	64.91
Grade 9-10 : Loss	45.81	-	-	-	45.81
	161.86	-	-	-	161.86
Loss allowance	(27.92)	-	-	-	(27.92)
Carrying value	133.95	-	-	-	133.95

h) **Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets**

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

Loans and advances at amortised cost

Reconciliation of loss allowance		**Loss allowance measured at life-time expected losses**		
	Loss allowance measured at 12 month expected losses	**Financial assets for which credit risk has increased significantly and not credit-impaired**	**Financial assets for which credit risk has increased significantly and credit-impaired**	**Total**
Loss allowance on 31 March 2020	**197.79**	**213.26**	**4,786.31**	**5,197.36**
Transfer to Stage 1	0.00	-	-	-
Transfer to Stage 2	(41.89)	41.89	-	-
Transfer to Stage 3	(6.17)	(69.48)	75.65	-
Net remeasurement of loss allowance	-	(56.17)	(1,428.48)	(1,484.65)
New financial assets originated or purchased	(101.92)	-	0.00	(101.92)
Financial assets that have been derecognised	(15.49)	(15.49)	(24.53)	(55.51)
Write offs	-	-	1,424.07	1,424.07
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**32.32**	**114.01**	**4,833.02**	**4,979.35**
Transfer to Stage 1	0.00	-	-	-
Transfer to Stage 2	(0.78)	0.78	-	0.00
Transfer to Stage 3	-	28.08	28.09	56.17
Net remeasurement of loss allowance	6.34	(59.39)	315.01	261.96
New financial assets originated or purchased	0.00	0.00	0.00	-
Financial assets that have been derecognised	(2.44)	(44.12)	(327.45)	(374.01)
Write offs	-	-	(1,126.20)	(1,126.20)
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2022	**35.44**	**39.36**	**3,722.47**	**3,797.26**

The contractual amount outstanding on loans and advances measured at amortised cost that were written off during the year ended 31 March 2022 and are still subject to enforcement activity.

(All amounts are in Rupees crores unless otherwise stated)

Loans and advances at amortised cost- Greenfield

Reconciliation of loss allowance		Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2020	**73.05**	**126.71**	**1,024.08**	**1,223.84**
Transfer to Stage 1	0.87	(0.87)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	(37.87)	37.87	-
Net remeasurement of loss allowance	(44.11)	(17.99)	199.32	137.22
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(13.60)	(69.98)	-	(83.58)
Write offs	-			
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**16.21**	**0.00**	**1,261.27**	**1,277.48**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(2.55)	2.55	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(4.18)	68.00	250.68	314.50
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(7.69)	-	(129.59)	(137.29)
Write offs	-	-	(262.48)	(262.48)
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2022	**1.7973**	**70.55**	**1,119.87**	**1,192.22**

Investment in Debt securities at FVTOCI

Reconciliation of loss allowance		Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 31 March 2020	**0.19**	**-**	**46.97**	**47.16**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(0.10)	-	3.05	2.95
New financial assets originated or purchased	0.01	-	-	0.01
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**0.09**	**-**	**50.03**	**50.12**
Transfer to Stage 1	-	-	-	**-**
Transfer to Stage 2	-	-	-	**-**
Transfer to Stage 3	-	-	-	**-**
Net remeasurement of loss allowance	0.01	-	-	**0.01**
New financial assets originated or purchased	-	-	-	**-**
Financial assets that have been derecognised	-	-	(50.02)	**(50.02)**
Write offs	-	-	-	**-**
Unwind of discount	-	-	-	**-**
Changes in risk parameters	-	-	-	**-**
Loss allowance on 31 March 2022	**0.10**	**-**	**0.01**	**0.10**

(All amounts are in Rupees crores unless otherwise stated)

i) Collateral held and other credit enhancements

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Company's internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Company holds other types of collateral such as second charges and floating charges for which specific values are generally not available. The company has internal policised on the accepatability of specific classes of collateral or credit risk mitigation.The prinicipal collateral types for loans and advances are:

1 Mortgage of Immovable properties
2 Hypothecation of Movable property
3 Bank and Government Guarantees
4 Pledge of instruments through which promoter's contribution is infused in the project
5 Pledge of Promoter Shareholding
6 Corporate and Personal Guarantees of Promoters

j) Concentration of risk

The Company monitors Companytions of credit risk by sector and by geographic location. An analysis of Companytions of credit risk from loans and advances is shown below.

Loans and advances to customers	**As at March 31, 2022**	As at March 31, 2021
Carrying amount		
Concentration by sector		
Corporate:		
Power Generation	**1,328.03**	2,222.41
Diversified Infrastructure	**577.20**	1,265.70
Real Estate	**510.12**	979.33
Road Construction	**993.16**	1,249.69
Iron and Steel	**253.79**	469.82
Diversified	**750.82**	750.82
Steel Products	**247.56**	247.61
Construction Industry	**150.72**	343.12
Miscellaneous Services	**304.35**	350.57
NBFC	**168.73**	173.99
Motor Vehicles And Parts	**128.21**	142.21
Textile Products	**20.94**	23.06
Miscellaneous Food Products	**236.69**	324.50
Misc. Manufacturing And Other Industries	**249.94**	400.06
Ship Building And Repairs	**170.10**	170.10
Others	**1,094.78**	1,468.73
Total	**7,185**	10,582
Concerntration by location		
India	**7,185**	10,582

Concentration by location for loans and advances is based on the customer's country of domicile.

** Loan amount excludes interest accrued but not due and Stage -3 Income*

k) Modified / Restructured loans

When the Company grants concession, for economic or legal reasons related to a borrower's financial difficulties, for other than an insignificant period of time, the related loan is classified as a Troubled Debt Restructuring (TDR). Concessions could include a reduction in the interest rate below current market rates, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. Loans, for which the terms have been modified, and for which the borrower is experiencing financial difficulties, are considered TDRs.

From a risk management point of view, once an asset is forborne or modified, the Company's special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

The are were no modified assets which were forborne during the period and accordingly no loss were suffered by the Company.

l) Governance Framework

As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020, where provision requirement as per extant RBI norms is higher than ECL as computed under IndAS, the provision as per RBI norms shall be adopted, on portfolio basis. Further, in accordance with RBI Guidelines, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the difference shall be appropriated from the net profit or loss after tax to a separate 'Impairment Reserve'.

C. Liquidity risk

Liquidity risk is the potential inability to meet the institution's liabilities as they become due. From IFCI perspective, it basically originates from the mismatches in the maturity pattern of assets and liabilities. Analysis of liquidity risk involves the measurement of not only the liquidity position of the institution on an ongoing basis but also examining how funding requirements are likely to be affected under sever but plausible scenarios. Net funding requirements are determined by analysing the institution's future cash flows based on assumptions of the future behaviour of assets and liabilities that

(All amounts are in Rupees crores unless otherwise stated)

are classified into specified time buckets, utilizing the maturity ladder approach and then calculating the cumulative net flows over the time frame for liquidity assessment.

For the present, for measuring and managing net funding requirements, the use of maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is being utilized as a standard tool.

The ALM format prescribed by RBI in this regard is being utilized for measuring cash flow mismatches in different time bands. The cash flows are placed in different time bands based on projected future behaviour of assets, liabilities and off-balance sheet items. Apart from the above cash flows, the institution would also track the impact of prepayments of loans, premature closure of liabilities and exercise of options built in certain instruments which offer put/call options after specified times. Thus, cash outflows can be ranked by the date on which liabilities fall due, the earliest date a liability holder could exercise an early repayment option or the earliest date contingencies could be crystallized.

The company has initiated an exercise to identify its High Quality Liquid Investments and compute Liquidity Coverage Ratio.

IIn addition, the Company maintains the following lines of credit:

₹ 94 crore overdraft facility that is secured. Interest would be payable between 7.75 percent and 8.21 percent.

₹ 130 crore facility that is unsecured and can be drawn down to meet short-term financing needs. Interest would be payable at a rate of 9.57 percent (weighted average rate).

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 excludes contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2022	**Contractual cash flows**									
	Carrying amount	**Gross nominal inflow/ (outflow)**	**1 day to 30 days**	**1-2 months**	**2-3 months**	**3-6 months**	**6 months- 1 year**	**1-3 year**	**3-5 year**	**More than 5 years**
Non - derivative financial liabilities										
Borrowings	**982.77**	**991.50**	**-**	**25.00**	**71.13**	**281.25**	**145.94**	**184.55**	**59.57**	**224.06**
Debt securities issued	**5,054.47**	**5,054.17**	**-**	**-**	**2.80**	**53.20**	**237.29**	**1,823.59**	**275.69**	**2,661.60**
Subordinated liabilities	**974.66**	**974.67**	**-**	**-**	**-**	**100.00**	**-**	**100.00**	**694.67**	**80.00**
Issued financial guarantee contracts										
Issued loan commitments										
Derivative financial liabilities										
Trading										
- Outflow										
- Inflow										
Risk management:										
- Outflow	**-**	**-**	**-**							
- Inflow	**-**	**-**	**-**							
Non-derivative financial assets										
Loans and advances	**2,382.59**	**7,185.10**	**4.65**	**6.73**	**22.67**	**40.76**	**73.16**	**155.39**	**79.34**	**6,802.40**
Investment securities	**1,683.60**	**4,328.52**	**594.11**	**298.89**	**-**	**89.78**	**0.62**	**41.72**	**3.72**	**3,299.68**

As at 31 March 2021	Contractual cash flows									
	Carrying amount	Gross nominal inflow/ (outflow)	1 day to 30 days	1-2 months	2-3 months	3-6 months	6 months- 1 year	1-3 year	3-5 year	More than 5 years
Non - derivative financial liabilities										
Borrowings	2,285.70	1,902.75	-	27.03	339.20	298.85	519.12	718.55	-	-
Debt securities issued	7,270.78	7,284.08	26.20	0.30	-	545.07	2,343.17	(168.98)	1,848.59	2,689.73
Subordinated liabilities	1,313.30	1,313.30	-	-	-	-	-	662.27	-	651.04
Derivative financial liabilities										
Trading										
- Outflow										
- Inflow										
Risk management:										
- Outflow	15.91	15.91	15.91							
- Inflow	-	-	-							
Non-derivative financial assets										
Loans and advances	6,479.71	10,581.70	32.89	43.26	52.85	239.52	348.09	926.45	322.06	8,616.58
Investment securities	2,950.34	5,796.55	1,421.07	-	137.96	-	400.00	89.16	-	3,748.36

(All amounts are in Rupees crores unless otherwise stated)

Contractual cash flows	As at March 31, 2022	As at March 31, 2021
Other financial assets		
- within 12 months	**19.55**	29.49
- after 12 months	**30.38**	110.00
Gross nominal inflow/(outflow)	**49.93**	139.49
Other financial liabilities		
- within 12 months	**524.61**	538.11
- after 12 months	**956.08**	1,256.01
Gross nominal inflow/(outflow)	**(1,480.69)**	(1,794.12)

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contract maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross settlement.

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. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency 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.

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	On demand	1 day to 30 days	1-2 months	2-3 months	3-6 months	6 months - 1 year	1-3 year	3-5 year	More than 5 years	Total
As at 31 March 2022										
Other undrawn commitments to lend	**15.14**	-	-	-	-	-	-	-	-	**15.14**
As at 31 March 2021										
Other undrawn commitments to lend	168.67	-	-	-	-	-	-	-	-	168.67

D. Market risk

Market 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, foreign exchange rates and equity prices. In line with regulatory guidelines, the Company classifies exposures to market risk into either Current or Long term portfolios and manages each of those portfolios separately.

The market risk management framework in IFCI comprises risk identification, setting up of limits & triggers, risk measurement, risk monitoring, risk reporting and taking corrective actions where necessitated. It is pertinent to highlight that the details pertaining to threshold investment grade rating, investment limits, approval authority, control mechanism including stop-loss triggers, compliances required, etc. for different treasury products including equity trading have been clearly outlined in the extant Treasury & Investment Policy of IFCI.

(a) Market risk - trading portfolios

The Company does not have any trading portfolios.

(b) Market risk - Non-trading portfolios

(i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Company. The functional currency for the company is ₹ The currency in which these transactions are primarily denominated is EURO.

Currency risks related to the principal amounts of the Company's EURO bank loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹ In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

Particulars	March 31, 2022		March 31, 2021	
	INR	EURO	INR	EURO
Borrowings	**372.75**	**4.43**	409.83	4.78
Net exposure in respect of recognised assets and liabilities	**372.75**	**4.43**	409.83	4.78

(All amounts are in Rupees crores unless otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of ₹ and EURO against all currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2022				
EURO (10% movement)	**37.28**	**(42.48)**	**24.25**	**(27.64)**
31 March 2021				
EURO (10% movement)	42.48	(42.61)	27.64	(27.72)

(ii) Interest rate risk

The Company makes attempts to minimize the gap between floating rate liabilities and floating rate assets, in order to minimize interest rate risk. This is achieved by way of borrowings at a floating rate and lending at rates linked to IFCI benchmark rate, which in turn is linked to, among others, its cost of borrowings. Further, analysis of impact of change in market rates of interest is carried out on a periodic basis, to undertsand impact on Net Interest Income of IFCI and Market Value of Equity of IFCI. In line with extant regulatory guidelines, Interest rate Sensitivity statement is prepared on a monthly basis and anlysed to understand gaps in various time buckets.

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	**As at March 31, 2022**	As at March 31, 2021
Fixed rate instruments		
Financial assets	**-**	-
Financial liabilities	**6,029.13**	8,584.08
Variable rate instruments		
Financial assets	**2,382.59**	6,479.71
Financial liabilities	**982.77**	2,285.70

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have no impact in statement of profit and loss. This would have an impact on the fair value at the reporting daytes This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2022				
Variable rate instruments	**9.83**	**(9.83)**	**6.39**	**(6.39)**
Cash flow sensitivity (net)				
31 March 2021				
Variable rate instruments	22.86	(22.86)	14.87	(14.87)
Cash flow sensitivity (net)				

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities declines as a result of changes in the level of equity indices and market price of individual stocks. The non–trading equity price risk exposure arises from equity securities classified at Fair Value. The equity price risk same is more applicable to securities held for the purpose of trading. As the Company focuses on long term investments and curent investments are kept low (investments held for tradng purposes), IFCI may not be exposed to significant equity price risk.

54 CAPITAL MANAGEMENT

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, IFCI as a Government owned NBFC-ND-SI is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. IFCI has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

i. 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 premiums, retained earnings and reserves after

(All amounts are in Rupees crores unless otherwise stated)

adjustment for dividend declared and deduction for goodwill, intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.

- Tier 2 capital, which includes preference shares, qualifying subordinated liabilities and any excess of impairment over expected losses.

	As at March 31, 2022	As at March 31, 2021
Common equity Tier 1 (CET1) capital	**(2,874.44)**	(1,074.22)
Tier 2 capital instruments	**5.06**	15.26
Total regulatory capital	**(2,869.38)**	(1,058.96)
Risk weighted assets	**4,424.67**	9,797.27
CRAR -Tier I Capital (%)	**-64.96%**	-10.96%
CRAR -Tier II Capital (%)	**0.11%**	0.16%
CRAR (%)	**-64.85%**	-10.81%

 # For the purpose of calculation of Net Owned Funds, DTA has been considered net of MAT credit entitlement.

** As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Indian Accounting Standard(IndAS) in NBFC, the company has appropriated the difference between the impairment allowance under Ind AS 109 and the provisioning required under RBI Prudential (IRACP) Norms (including standard assets provisioning), a sum of ₹ 34.54 crore has been taken to "Impairment Reserve".*

ii. Capital allocation

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the company's long term strategic objectives.

55 The following additional information is disclosed in terms of RBI Circulars applicable to Non-Banking Financial Companies. Ind AS adjsutements have not been made in these disclosures unless specifically stated :

(i) The company is registered with Securities and Exchange Board of India as debenture trustee having registration code i.e. "IND000000002".

(ii) "There are no penalties imposed by RBI and other regulator during the year ended March 31, 2022. However, NSE & BSE had levied fine of ₹ 1,68,07,920/- & ₹ 65,76,420/- inclusive of taxes (for the quarters ended September, 2018 to March 2022), for non-compliance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, relating to composition of the Board of Directors and Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee, in the absence of Independent Directors on the Board of IFCI. Accordingly, the Stock Exchanges have till date levied consolidated fine of ₹ 2,33,84,340/-.

In view of the abovementioned fines imposed by the Stock Exchanges, it was submitted that as IFCI is a Government Company, hence, as per Section 149(6) of the Companies Act, 2013, the power to appoint Independent Directors vests with the Department of Financial Services, Ministry of Finance, Government of India, being the Ministry Administratively in-charge of the Company. Accordingly, owing to the regulatory constraints, the Board of the Company cannot appoint Independent Directors on its own. It was also informed that several request letters have already been sent to the Department of Financial Services, requesting appointment of Independent Directors. However, the appointments are still awaited.

Once the Independent Directors are appointed, the committees will accordingly be reconstituted.

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year ended 31 March, 2022 are as under:

Long Term (Bonds/NCDs/Term Loans)

Ratings by	**March 31, 2022**	March 31, 2021
ICRA	**ICRA B+ w.e.f 26/11/2021**	ICRA BBB- w.e.f 03/12/2019
CARE	**CARE BB w.e.f 13/08/2021**	CARE BBB- w.e.f 20/01/2020
Brickwork	**BWR BB w.e.f 24/08/2021**	BWR BBB+ w.e.f 10/07/2019

Short Term (Commercial Paper/Short term borrowings)

Ratings by	**March 31, 2022**	March 31, 2021
ICRA	**ICRA A4 w.e.f 26/11/2021**	ICRA A3 w.e.f 117/06/2020
Brickwork	**BWR A4+ w.e.f 24/08/2021**	BWR A2+ w.e.f 23/06/2020

For Structured Secured NCD

Ratings by	**March 31, 2022**	March 31, 2021
CARE	**CARE BB+ w.e.f. 13/08/2021**	CARE BBB+ w.e.f. 05/08/2020
Brickwork	**BWR BB+ w.e.f 24/08/2021**	BWR A+(CE) w.e.f 23/06/2020

(All amounts are in Rupees crores unless otherwise stated)

Subordinate Bonds

Ratings by	March 31, 2022	March 31, 2021
ICRA	**ICRA B+ w.e.f 26/11/2021**	-
CARE	**BWR BB w.e.f 13/08/2021**	BWR BBB+ w.e.f 10/07/2019
Brickwork	**CARE BB w.e.f 24/08/2021**	-

(iv) Disclosures relating to Customer Complaints

Particulars	March 31, 2022	March 31, 2021
a) No. of complaints pending at the beginning of the period	**-**	-
b) No. of complaints received during the period	**1,830**	2,044
c) No. of complaints redressed during the period	**1,830**	2,044
d) No. of complaints pending at the end of the period	**-**	-

(v) Capital to Risk Assets Ratio (CRAR)

Particulars	March 31, 2022	March 31, 2021
(a) Capital to Risk Assets Ratio (CRAR)	**-64.85%**	-10.81%
(i) Core CRAR	**-64.96%**	-10.96%
(ii) Supplementary CRAR	**0.11%**	0.16%
(b) Subordinated debt raised, outstanding as Tier II Capital (₹ crore)	**0.00**	15.26
(c) Risk-weighted assets (₹ crore):		
(i) On-Balance Sheet Items	**4,288.88**	9,797.27
(ii) Off-Balance Sheet Items	**135.79**	216.36

(vi) Loans and advances availed, inclusive of interest accrued thereon but not paid

Particulars	As on 31/03/2022		As on 31/03/2021	
	Outstanding	Overdue	Outstanding	Overdue
(a) Debentures:				
(i) Secured	**1,283.35**	**-**	2,046.36	-
(ii) Unsecured	**-**	**-**	818.19	-
(b) Deferred Credits	**-**	**-**	-	-
(c) Term Loans	**618.55**	**-**	1,902.75	-
(d) Inter Corporate loans & borrowing	**-**	**-**	-	-
(e) CBLO/ Commercial Paper	**-**	**-**	-	-
(f) Other Loans (incl. FC Loan)	**372.75**	**-**	-	-
(g) Funds placed with IFCI	**-**	**-**	-	-
(h) Bonds	**4,745.79**	**-**	5,733.10	-

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

(vii) Investor group wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted)

Category	March 31, 2022		March 31, 2021	
	Market/Break-up/ Fair Value/ NAV	Book Value	Market/Break-up/ Fair Value/ NAV	Book Value
Related Parties				
(a) Subsidiaries	**3,734.66**	**1,546.41**	2,085.75	1,546.41
(b) Companies in same group	**8.42**	**0.04**	8.06	0.04
(c) Joint Venture	**-**	**0.01**	-	0.01
(d) Other than Related Parties	**1,923.14**	**2,782.38**	3,217.11	4,250.41
Total	**5,666.22**	**4,328.84**	5,310.91	5,796.88

(All amounts are in Rupees crores unless otherwise stated)

(viii) Details of investment and movement in provision :

Particulars	**March 31, 2022**	March 31, 2021
A) Value of Investment in India		
Provisions for Depreciation		
Net Value of Investments		
B) Movement of provisions held towards depreciation on investments	N.A. (Under Ind AS, investments have to be fair valued, hence not apllicable)	
(i) Opening balance		
(ii) Add : Provisions made during the year		
(iii) Less : Write-off / write-back of excess provisions during the year		
(iv) Closing balance		

(ix)

Particulars	**March 31, 2022**	March 31, 2021
Leased Assets and stock on hire and other assets counting towards Loan activities	-	-

(x) Borrower group-wise classification of assets financed:

Category	**March 31, 2022**	March 31, 2021
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in same group	-	-
2 Other than Related Parties	**2,726.62**	5,578.02
Total	**2,726.62**	5,578.02

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

(xi) Details of Single Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

Concern Name	March 31, 2022						March 31, 2021					
	Loan Total Outstanding (₹ Crore)	**% of Owned Fund**	**Investment Outstanding (₹ Crore)**	**% of Owned Fund**	**Total Exposure (₹ Crore)**	**% of OF**	Loan Total Outstanding (₹ Crore)	% of Owned Fund	Investment Outstanding (₹ Crore)	% of Owned Fund	Total Exposure (₹ Crore)	% of OF
PIONEER GAS POWER LIMITED (PGPL)	**434.73**	**124**	**0.00**	**0**	**434.73**	**124%**	434.73	19.71%	0.00	0.00%	434.73	19.71%
VIDEOCON INDUSTRIES LTD	**383.64**	**109**	**0.00**	**0**	**394.73**	**112%**	394.73	17.89%	0.00	0.00%	394.73	17.89%
JAIPRAKASH ASSOCIATES LIMITED	**367.19**	**104**	**0.00**	**0**	**367.19**	**104%**	407.19	18.46%	0.00	0.00%	407.19	18.46%
GTL Infrastructure Limited							0.00	0.00%	456.79	20.71%	456.79	20.71%
KSK Energy P Ltd							337.30	15.29%	0.00	0.00%	337.30	15.29%
COASTAL ENERGEN PRIVATE LTD	**298.72**	**85**	**5.91**	**2**	**304.63**	**87%**						
SHIGA ENERGY PRIVATE LIMITED	**242.23**	**69**	**0.00**	**0**	**242.23**	**69%**	331.38	15.02%	0.00	0.00%	331.38	15.02%
HPCL MITTAL ENERGY LTD	**0.00**	**0**	**208.10**	**59**	**208.10**	**59%**						
KISHANGARH GULABPURA TOLLWAY LIMITED	**184.81**	**53**	**0.00**	**0**	**199.95**	**57%**						
HINDUSTAN CONSTRUCTION CO. LTD	**92.71**	**26**	**0.00**	**0**	**190.53**	**54%**						
SUPERTECH LIMITED	**186.46**	**53**	**0.00**	**0**	**186.46**	**53%**						
EMC LTD.	**176.51**	**50**	**0.00**	**0**	**176.51**	**50%**						
SREI INFRASTRUCTURE FINANCE LIMITED(SIFL)	**168.73**	**48**	**0.00**	**0**	**168.73**	**48%**						
BARWA ADDA EXPRESSWAY LIMITED	**166.04**	**47**	**0.00**	**0**	**166.04**	**47%**						
MADHUCON INFRA LTD. (MIL)	**151.60**	**43**	**0.00**	**0**	**151.60**	**43%**						
EARC TRUST -SC 285 ADHUNIK POWER	**0.00**	**0**	**150.94**	**43**	**150.94**	**43%**						
JAYPEE INFRATECH LIMITED	**150.12**	**43**	**0.00**	**0**	**150.12**	**43%**						
RELIANCE NAVAL AND ENGINEERING LIMITED	**147.21**	**42**	**0.00**	**0**	**147.21**	**42%**						
PAN INDIA NETWORK LIMITED	**145.00**	**41**	**0.00**	**0**	**145.00**	**41%**						
SEYA INDUSTRIES LIMITED	**142.21**	**40**	**0.00**	**0**	**142.21**	**40%**						
GRAN ELECTRONICS PRIVATE LIMITED	**135.81**	**39**	**0.00**	**0**	**135.81**	**39%**						
RELIANCE COMMUNICATIONS LTD	**135.05**	**38**	**0.00**	**0**	**135.05**	**38%**						
UTTAM GALVA METALLICS LIMITED	**126.58**	**36**	**0.00**	**0**	**126.58**	**36%**						
IVRCL INDORE GUJARAT TOLLWAYS LIMITED	**125.00**	**36**	**0.00**	**0**	**125.00**	**36%**						
IVRCL CHENGAPALLI TOLLWAYS LIMITED	**124.99**	**36**	**0.00**	**0**	**124.99**	**36%**						
GUJARAT STATE PETROLEUM CORPORATION	**0.00**	**0**	**123.22**	**35**	**123.22**	**35%**						
BS LIMITED	**120.77**	**34**	**0.00**	**0**	**120.77**	**34%**						
FUTURE BRANDS LIMITED	**91.00**	**26**	**0.00**	**0**	**117.92**	**34%**						
SHIV VANI OIL AND GAS EXPLORATION LTD	**114.77**	**33**	**0.00**	**0**	**114.77**	**33%**						

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Concern Name	March 31, 2022						March 31, 2021					
	Loan Total Outstanding (₹ Crore)	% of Owned Fund	Investment Outstanding (₹ Crore)	% of Owned Fund	Total Exposure (₹ Crore)	% of OF	Loan Total Outstanding (₹ Crore)	% of Owned Fund	Investment Outstanding (₹ Crore)	% of Owned Fund	Total Exposure (₹ Crore)	% of OF
RELIANCE MARINE AND OFFSHORE LTD	113.91	32	0.00	0	113.91	32%						
ANIL LIMITED	113.58	32	0.00	0	113.58	32%						
CLEARING CORPORATION OF INDIA LTD	0.00	0	121.60	35	122.00	35%						
EARC TRUST SC 242-LUXORA INFRASTRUCTURE	0.00	0	107.31	30	107.31	30%						
MARUTI CLEAN COAL & POWER LIMITED	103.52	29	0.00	0	103.52	29%						
IL&FS ENERGY DEVELOPMENT COMPANY LIMITED	100.00	28	0.00	0	100.00	28%						
AMTEK AUTO LTD.	96.30	27	0.71	0	97.01	28%						
BILTECH BUILDING ELEMENTS LIMITED	94.84	27	0.00	0	94.84	27%						
KWALITY LIMITED	93.80	27	0.00	0	93.80	27%						
KUNDLI MANESAR EXPRESSWAY LTD	92.09	26	0.00	0	93.50	27%						
LIZ TRADERS AND AGENTS PRIVATE LIMITED	91.41	26	0.00	0	91.41	26%						
UFLEX LTD	88.73	25	0.00	0	88.73	25%						
NORTH EASTERN DEV. FIN. CORPN. LTD	0.00	0	86.62	25	87.00	25%						
SURANA INDUSTRIES LTD.	83.51	24	0.00	0	83.51	24%						
KHED SINNAR EXPRESSWAY LIMITED	78.21	22	0.00	0	78.21	22%						
C&C PROJECTS LIMITED	75.90	22	0.00	0	75.90	22%						
ASIAN COLOUR COATED ISPAT LIMITED	72.14	20	0.00	0	72.14	20%						
GUJARAT STATE INVESTMENTS LIMITED (SERIES 4 DEBENTURE) [9.45] 28-SEP-22	0.00	0	71.35	20	71.35	20%						
VCF FOR SCS-IFCI VENTURE CAPITAL FUNDS LTD	0.00	0	74.97	21	74.97	21%						
SHIRPUR GOLD REFINERY LIMITED	65.00	18	0.00	0	65.00	18%						
KALPATARU LIMITED	60.00	17	0.00	0	60.00	17%						
ARCOTECH LIMITED	59.21	17	0.00	0	59.21	17%						
EXACT DEVELOPERS & PROMOTERS PRIVATE LIMITED	53.00	15	0.00	0	59.00	17%						
ANSAL HOUSING & CONSTRUCTION LTD	57.57	16	0.00	0	58.33	17%						
RAINBOW PAPERS LIMITED	52.86	15	0.00	0	52.86	15%						
HEERA CONSTRUCTION COMPANY PVT. LTD.	48.25	14	0.00	0	48.25	14%						

**For the computation of single and group borrower limit, Owned Fund (OF) is considered as at the end of immediate preceeding previous year.*

(xii) Details of Group Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

Group Name	March 31, 2022						March 31, 2021					
	Loan Total Outstanding (₹ Crore)	% of Owned Fund	Investment Outstanding (₹ Crore)	% of Owned Fund	Total Exposure (₹ Crore)	% of OF	Loan Total Outstanding (₹ Crore)	% of Owned Fund	Investment Outstanding (₹ Crore)	% of Owned Fund	Total Exposure (₹ Crore)	% of OF
JAIPRAKASH	545.76	155.10	-	-	545.76	155.10	548.13	24.85%	0.00	0.00%	588.13	26.66%
VIDEOCON	530.54	150.77	-	-	530.54	150.77						
ANIL DHIRUBHAI AMBANI GROUP	399.37	113.49	-	-	399.37	113.49						
IL&FS	381.58	108.44	-	-	381.58	108.44						
ESSEL	315.99	89.80	-	-	317.40	90.20						
EARC	-	-	286.75	81.49	286.75	81.49						
IVRCL	249.99	71.04	-	-	249.99	71.04						
MADHUCON	164.90	46.86	-	-	164.90	46.86						
FUTURE	123.85	35.20	-	-	123.85	35.20						
FLEX	131.45	37.35	-	-	131.45	37.35						
AMTEK GROUP	128.12	36.41	0.71	0.20	128.83	36.61						
SHIV VANI	114.86	32.64	-	-	114.86	32.64						

**For the computation of single and group borrower limit, Owned Fund (OF) is considered as at the end of immediate preceeding previous year.*

(xiii) Concentration of Advances

	March 31, 2022	March 31, 2021
Total Advances to top twenty largest borrowers / customers	3,754.58	4,643.84
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	22.95%	27.56%

(All amounts are in Rupees crores unless otherwise stated)

(xiv) Concentration of Exposures

	March 31, 2022	March 31, 2021
Total Exposure to top twenty largest borrowers / customers	**4,197.78**	5,274.17
Percentage of Exposures to top twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**25.65%**	31.30%

(xv) Concentration of NPAs

	March 31, 2022	March 31, 2021
Total Exposure to top Four NPA Accounts	**1501.27(9.17%)**	1631.37 (9.68%)

(xvi) Status of Non-Performing Assets

Particulars	March 31, 2022	March 31, 2021
1 Gross Non-Performing Assets		
(a) Related Parties	**-**	-
(b) Other than Related parties	**6,514.89**	7,801.01
2 Net Non-Performing Assets		
(a) Related Parties	**-**	-
(b) Other than Related parties	**2,057.99**	2,816.73
Assets acquired in satisfaction of debt	**-**	-

xvii) Movement of NPA :

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	**75.43%**	50.05%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	**7801.01**	7,774.68
(b) Additions during the year	**379.38**	453.92
(c) Reductions during the year	**1665.49**	427.59
(i) Upgradadtion	**0**	0.00
(ii) Recoveries (excluding receoveries made from upgraded accounts)*	**803.99**	370.16
(iii) Techhnical/Prudentail Write offs	**595.54**	0.00
(iv) Write off other than those under (iii) above	**265.96**	57.43
(d) Closing balance	**6,514.90**	7,801.01
(iii) Movement of Net NPAs		
(a) Opening balance	**2816.73**	3,495.93
(b) Additions during the year	**323.89**	410.04
(c) Reductions during the year	**1082.63**	1,089.25
(d) Closing balance	**2057.99**	2,816.73
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	**4,984.30**	4,278.76
(b) Provisions made during the year	**595.03**	829.20
(c) Write-off / write-back of excess provisions	**1,122.42**	123.66
(d) Closing Balance	**4,456.91**	4,984.30

* ₹ 803.99 crore is the ledger recovery of cases which are NPA as on the closing date.

However, total NPA recovery during FY 2021-22 is ₹ 1123.56 crore, as per the details mentioned below.

NPA Recovery

	Total (₹ Crores)
Recovery as per NPA ledger Movement (A)	803.99
Memo Recovery (B)	390.76
Recovery from cases which were standard during the FY but NPA as on closing date. (C)	71.19
Total (A+B-C)	**1123.56**

Movement of Technical Write offs

Particulars	March 31, 2022	March 31, 2021
Opening balance of Technical/Prudential Write off as at April 01	**4,863.62**	4,894.68
Add: Technical/Prudential write offs during the year	**595.54**	0.00
Less: Recoveries made during the year	**88.47**	31.06
Closing balance as at March 31	**5,370.69**	4,863.62

(All amounts are in Rupees crores unless otherwise stated)

xviii) Sector-Wise NPA

Sector		% of NPAs to Total Advances	
		March 31, 2022	March 31, 2021
1	Agriculture and Allied Activities	**-**	-
2	MSME	**-**	-
3	Corporate Borrowers	**90.67%**	73.72%
4	Services	**-**	-
5	Unsecured Personal Loans	**-**	-
6	Auto Loans	**-**	-
7	Other personal loans	**-**	-

(xix) Provisions and contingencies made during the year

Break up of Provisions and Contingencies	March 31, 2022	March 31, 2021
Provisions for depreciation on Investment	**0**	0.00
Provision towards NPA	**-527.4**	705.54
Provision made towards Income tax		
Provision for Standard Assets	**-17.76**	-67.80
Provision against trade receivables and other advances	**0**	0

(xx) Exposure to Real Estate Sector

Category			March 31, 2022	March 31, 2021
a)	**Direct Exposure**			
	(i)	Residential Mortgages-		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to ₹ 15 lakh may be shown separately)	**-**	-
	(ii)	Commercial Real Estate-		
		Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**520.60**	979.33
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	**-**	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		**-**	-

(xxi) Exposure to Capital Market

Particulars		March 31, 2022	March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**2829.24**	3011.75
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**0.00**	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**485.12**	1143.69
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	**0.00**	5.62
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**0.00**	0.00
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**-**	-
(vii)	bridge loans to companies against expected equity flows / issues;	**50.11**	50.11
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	**114.49**	103.07
Total Exposure to Capital Market		**3,478.97**	4,264.13

(All amounts are in Rupees crores unless otherwise stated)

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

	Particulars	March 31, 2022	March 31, 2021
1	Number of Accounts	**5****	1
2	Aggregate outstanding of accounts sold to SC/ RC	**679.18**	3.78 *
3	Aggregate consideration	**288.57**	6.32
4	Additional consideration realized in respect of accounts transferred in earlier years	**96.26**	-
5	Aggregate gain/ (loss) over net book value	**75.58**	2.54*

* The assignment was done at the request of the Borrower. Further, interest of ₹ 2.43 crores was booked in Memo 1 and as per the agreement with ARC, 100% cash consideration w.r.t. both O/s principal and interest amount along with other charges was paid to IFCI.

**Includes sale of one Security Receipt.

(xxiii)

Particulars	March 31, 2022	March 31, 2021
Assignment transactions undertaken	-	-

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

Particulars	March 31, 2022	March 31, 2021
Number of accounts purchased during the year	-	-
Aggregate Outstanding (₹ crore)	-	-
Of the above number of accounts restructured during the year	-	-
Aggregate Outstanding (₹ crore)	-	-

(xxv) Non-performing financial assets sold to other than SC/RC

Particulars	March 31, 2022	March 31, 2021
Non-performing financial assets sold to other than SC/RC	-	-

(xxvi)

Particulars	March 31, 2022	March 31, 2021
Exchange traded interest rate (IR) derivatives	-	-

(xxvii)

Particulars	March 31, 2022	March 31, 2021
Details of Forward rate agreement/ interest rate swap	-	-

(xxviii) Quantitative Disclosures:

Particulars	March 31, 2022	March 31, 2021
(i) Currency Derivatives - Hedging	**370.57**	795.16
Marked to Market Position		
a) Assets	**-0.94**	-12.29
b) Liability	**-0.02**	12.89
(ii) Interest Rate Derivatives	-	

(xxix) Disclosures on Flexible Structuring of Existing Loans

Financial Year	No. of Borrowers taken up for Flexible Structuring	Amount of Loans Taken up for flexible Structuring		Exposure weighted average duration of Loans taken up for Flexible Structuring	
		Classified as Standard	Classified As NPA	Before Applying Flexible Structure	After Applying Flexible Structuring
(i) FY 2021-22	-	-	-	-	-
(ii) FY 2020-21	-	-	-	-	-

(xxx) Disclosures on Change in Ownership of Projects under Implementation (Accounts whcih are currently under the stand-still period).

Particulars	Amount Outstanding as on the reporting date		
	Classified as Standard	Classified as Standard Restructured	Classified as NPA
No. of Project Loan Accounts where Banks have decided to effect change in ownership	-	-	-

(All amounts are in Rupees crores unless otherwise stated)

(xxxi) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on 31st March, 2022

	No. of Accounts where S4A has been applied	Aggregate amount outstanding	Amount Outstanding In Part A	Amount Outstanding In Part B	Provision Held
FY 2021-22					
(i) Classified as Standard	**0**	**0**	**0**	**0**	**0.00**
(ii) Classified as NPA	**2**	**97.92**	**51.4**	**46.52**	**78.45**
FY 2020-21					
(i) Classified as Standard	1	19.9692	5.39	14.57	6.85
(ii) Classified as NPA	1	92.71	46.19	46.52	43.12

(xxxii) Disclosures on Change in Ownership outside SDR Scheme (accounts whcih are currently under the stand-still period)

Financial Year	No. of Accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy / invokation of pledge of equity shares is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy/ invocation of pledge of equity shares has taken place		Amount Outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2021-22	-	-	-	-	-	-	-	-	-
FY2020-21	-	-	-	-	-	-	-	-	-

(xxxiii) Disclosures on Strategic Debt Restructuring Scheme (Accounts which are currently under the stand-still period)

Financial Year	No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equtiy has taken place	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2021-22	-	-	-	-	-	-	-
FY2020-21	-	-	-	-	-	-	-

(xxxiv) Maturity Pattern of assets and liabilities:

As at 31 March 2022

Particulars	**1 day to 30 days**	**1 month to 2 months**	**2 months to 3 months**	**3 months to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
LIABILITIES									
Borrowing from Banks	**-**	**25.00**	**71.13**	**281.25**	**145.94**	**184.55**	**59.57**	**224.06**	**991.50**
Market borrowings	**-**	**-**	**2.80**	**153.20**	**237.29**	**1,923.59**	**970.36**	**2,741.60**	**6,028.84**
TOTAL	**-**	**25.00**	**73.93**	**434.45**	**383.23**	**2,108.14**	**1,029.93**	**2,965.66**	**7,020.34**
ASSETS									
Advances	**4.65**	**6.73**	**22.67**	**40.76**	**73.16**	**155.39**	**79.34**	**6,802.40**	**7,185.10**
Investments	**594.11**	**298.89**	**-**	**89.78**	**0.62**	**41.72**	**3.72**	**3,299.68**	**4,328.52**
TOTAL	**598.76**	**305.62**	**22.67**	**130.54**	**73.78**	**197.11**	**83.06**	**10,102.08**	**11,513.62**

As at 31 March 2021

Particulars	1 day to 30 days	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	-	27.03	339.20	298.85	519.12	718.55	-	-	1,902.75
Market borrowings	26.20	0.30	-	545.07	2,343.17	493.29	1,848.59	3,340.76	8,597.38
TOTAL	26.20	27.33	339.20	843.92	2,862.29	1,211.84	1,848.59	3,340.76	10,500.13
ASSETS									
Advances	32.89	43.26	52.85	239.52	348.09	926.45	322.06	8,616.58	10,581.70
Investments	1,421.07	-	137.96	-	400.00	89.16	-	3,748.36	5,796.55
TOTAL	1,453.96	43.26	190.81	239.52	748.09	1,015.61	322.06	12,364.94	16,378.25

(xxxv) Disclosure of Restructured Accounts

(All amounts are in Rupees crores unless otherwise stated)

Sl. No.	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April, 1 of the FY (opening figures)**	No. of borrowers	-	-	2	-	**2**	-	-	-	-	-	5	0	11	1	17	**5**	**0**	**13**	**1**	**19**
		Amount outstanding	-	-	147.21	-	**147.21**	-	-	-	-	-	255.98	0	1,045.17	337.30	1638.45	**255.98**	**0**	**1192.38**	**337.3**	**1785.66**
		Provision thereon	-	-	124.04	-	**124.04**	-	-	-	-	-	25.60	0.00	580.63	337.30	943.53	**25.6**	**0**	**704.67**	**337.3**	**1067.57**
2	Fresh restructuring during the year #	No. of borrowers	-	-	-	-	-						-	-	0	-	0	**0**	**0**	**0**	**0**	**0**
		Amount outstanding	-	-	-	-	-						-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-						-	-	-	-	-	-	-	-	-	
3	Upgradations to restructured standard category during the FY*	No. of borrowers	-	-	-	-	-						(1)	-	-	-	0	**(1)**	**0**	**0**	**0**	**(1)**
		Amount outstanding	-	-	-	-	-						(12.50)	-	-	-	(12.50)	**(12.50)**	-	-	-	**(12.50)**
		Provision thereon	-	-	-	-	-						(1.25)	-	-	-	(1.25)	**(1.25)**	-	-	-	**(1.25)**
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-															
		Amount outstanding	-	-	-	-	-															
		Provision thereon	-	-	-	-	-															
5	Downgradations of restructured accounts during the FY *	No. of borrowers	-	-	-	-	-						(3)		2	1	0	**(3)**	**0**	**2**	**1**	**0**
		Amount outstanding	-	-	-	-	-						(227.23)		138.27	38.25	(50.71)	**(227.23)**	-	**138.27**		**(88.96)**
		Provision thereon	-	-	-	-	-						(22.72)		34.91	38.25	50.44	**(22.72)**	-	**34.91**		**12.19**
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-						-			0	**0**	**0**	**0**	**0**	**0**	
		Amount outstanding	-	-	-	-	-						-			(337.29)	(337.29)	-	-	-	**(337.29)**	**(337.29)**
		Provision thereon	-	-	-	-	-						-			(337.29)	(337.29)	-	-	-	**(337.29)**	**(337.29)**
7	Restructured Accounts as on March, 31 of the FY(closing figures)	No. of borrowers	-	-	2	-	**2**						1		13	2	16	**1**	**0**	**15**	**2**	**18**
		Amount outstanding	-	-	147.21	-	**147.21**						11.66		1072.53	38.26	1638.45	**11.66**	**0.00**	**1,219.74**	**38.26**	**1269.66**
		Provision thereon	-	-	136.00	-	**136.00**						1.63		580.63	38.26	943.53	**1.63**	**0.00**	**878.70**	**38.26**	**918.59**

* 3 accounts have been downgraded from standard to doubtful and 1 account from doubtful to loss.

(All amounts are in Rupees crores unless otherwise stated)

ECL -Disclosure in to Notes for Financial Statements IFCI Limited

As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Indian Accounting Standard(IndAS) in NBFC, the company has appropriated the difference between the impairment allowance under Ind AS 109 and the provisioning required under RBI Prudential (IRACP) Norms (including standard assets provisioning), a sum of ₹ 34.54 crore has been taken to "Impairment Reserve".

As on 31/03/2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	162.35	5.06	157.29	0.65	4.41
	Stage 2	405.31	109.91	295.41	3.25	106.66
	Stage 3	102.59	68.85	33.74	0.41	68.44
Subtotal		670.25	183.81	486.43	4.31	179.51
Non-Performing Assets (NPA)						
Substandard	Stage 3	37.21	24.97	12.24	3.72	21.25
Doubtful - up to 1 year	Stage 3	408.40	329.57	78.83	104.57	225.00
1 to 3 years	Stage 3	2017.63	1412.46	605.16	1041.43	371.03
More than 3 years	Stage 3	3907.90	2807.30	1100.61	3163.41	(356.1)
Subtotal for doubtful		6,333.93	4,549.33	1,784.60	4,309.42	239.91
Loss	Stage 3	143.76	97.89	45.9	143.76	(45.9)
Subtotal for NPA		6,514.90	4,672.19	1,842.71	4,456.90	215.29
Total		7,185.14	4,856.00	2,329.14	4,461.21	394.79
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	76.24	32.17		-	32.17
	Stage 2	-	-	-	-	-
	Stage 3	150.94	101.31	49.63	-	101.31
Accrued Income (Stage 1)	Stage 1	3.82	-	3.82	-	-
	Stage 1	166.17	5.06	161.11	0.65	4.41
	Stage 2	405.31	109.91	295.41	3.25	106.66
	Stage 3	6,768.42	4,842.34	1,926.08	4,457.31	385.03
Total		7,339.90	4,957.31	2,382.59	4,461.21	496.10

(xxxvi) DISCLOSURES IN ACCORDANCE WITH GUIDELINES ON LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LIQUIDITY COVERAGE RATIO AS PER RBI'S MASTER DIRECTION- NON -BANKING FINANCIAL COMPANY- SYSTEMICALLY IMPORTANT NON - DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.

(i) Funding Concenration based on Significant Counterparty(both deposits & borrowings)

S. No.	No. of Significant Counterparties	Amount (₹ in Crore)	% of Total Deposits
1	20	3,536.96	50.38%

(ii) Top 20 Large Deposits

S. No.	Counterparty	Amount (₹ in Crore)	% of Total Deposits
	NIL		

(All amounts are in Rupees crores unless otherwise stated)

(iii) Top 20 Borrowings

S. No.	Name of the Lender / Investor	Amount (₹ in Crore)	% of Total Borrowings
1	Kfw Liability	372.75	5.31%
2	State Bank of India	315.00	4.49%
3	Punjab National Bank	312.55	4.45%
4	IOCL Employees PRMB Fund	260.00	3.70%
5	Bank of Baroda	235.50	3.35%
6	The South Canara District Central Co-operative Bank Ltd	225.61	3.21%
7	Trustees GEB'S C P Fund	206.15	2.94%
8	Union Bank of India	195.00	2.78%
9	Food Corporation of India CPF Trust	161.70	2.30%
10	The Mumbai District Central Co-Op Bank Ltd	147.00	2.09%
11	APSRTC Employees Provident Fund Trust	140.50	2.00%
12	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	126.90	1.81%
13	KSRTC Employees Contributory Provident Fund Trust	123.90	1.76%
14	Ramakrishna Mission	123.03	1.75%
15	Neyveli Lignite Corporation Employees Provident Fund Trust	116.64	1.66%
16	Powergrid Employee Provident Fund Trust	108.53	1.55%
17	Bank of India	100.00	1.42%
18	IFCI Infrastructure Development Limited	95.00	1.35%
19	Bangiya Gramin Vikash Bank	93.30	1.33%
20	Board of Trustees MSRTC CPF	77.90	1.11%
	Total	**3,536.96**	**50.38%**

(iv) Funding Concentration based on significant instrument/ product

S. No.	Name of the Instrument / product	Amount (₹ in Crore)	% of Total Liabilities
1	Private Placement Bonds	3,472.69	49.47%
2	Term Loan	974.67	13.88%
3	Subordinate Bonds	973.35	13.86%
4	Public NCDs	618.55	8.81%
5	Foreign Currency Liability	372.75	5.31%
6	Tax Free Bonds	310.00	4.42%
7	Zero Coupon Bonds	298.43	4.25%
	Grand Total	**7,020.45**	**100.00%**

(v) Stock Ratios

	Particulars	%
(a) (i)	Commercial Papers as a % of total public funds	0.00
(a) (ii)	Commercial Papers as a % of total liabilities	0.00
(a) (iii)	Commercial Papers as a % of total assets	0.00
(b) (i)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total public funds	0.00
(b) (ii)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total liabilities	0.00
(b) (iii)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total assets	0.00
(c) (i)	Other Short-Term Liabilities as a % of total public Funds	0.00
(c) (ii)	Other Short-Term Liabilities as a % of total Liabilities	**12.63%**
(c) (iii)	Other Short-Term Liabilities as a % of total Assets	0.00

principal outstanding has been considered while calculating Stock Ratios

(All amounts are in Rupees crores unless otherwise stated)

Please Note 53 c for Institional set up for managemnet of liquidity risk in the company.

Liquidity Coverage Ratio

Particulars	**For period ended 31.03.2022**		For period ended 31.12.2021		For period ended 30.09.2021		For period ended 30.06.2021	
HIGH QUALITY LIQUID ASSET	**Unweighted Amount**	**Weighted Amount**	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount	Unweighted Amount	Weighted Amount
Total High Quality Liquidity Asset (HQLA)	**71522**	**62469**	111770	79751	126667	90388	160332	97769
CASH OUTFLOW								
Outflow related to derivative exposure and other collateral requirement	**0**	**0**	0	0	0	0	0	0
Other Contractual funding obligation	**5925**	**5925**	38515	38515	14954	14954	38768	38768
Other Contingent funding obligation	**0**	**0**	0	0	0	0	0	0
Total Cash Outflows(1+2+3+4)	**5925**	**5925**	38515	38515	14954	14954	38768	38768
CASH INFLOW								
Inflows from fully performing exposures	**1619**	**1619**	3653	3653	1400	1400	8382	8382
Lines of credit - Credit or liquidity facilities or other contingent funding	**0**	**0**	0	0	0	0	0	0
Other Cash Inflow	**6655**	**3328**	17662	8831	2000	1000	11288	5644
Total Cash Inflow	**8274**	**4947**	21315	12484	16000	2400	19670	14026
TOTAL HQLA		**62469**		79751		90388		97769
Net Cash Inflows				26031		12554		24742
25% of Total Cash Outflow		**1481**						
Liquidity Coverage Ratio		**4217%**		306%		720%		395%

Your company has taken several prudent steps to ensure ample liquidity. The prominent drivers of the LCR are the outflows on account of debt servicing and inflows on account of standard repayments and NPA recovery. The surplus funds available are majorly deployed in liquid mutual funds, government securities(G-Sec/Treasury Bills), commercial papers and other money market instruments as per the Board approved policy. Its an endeavour of your company to maintain LCR comfortable and within the stipulated norms.

(xxxvii) Movement of Technical Write offs

Particulars	**March 31, 2022**	March 31, 2021
Opening balance of Technical/Prudential Write off as at April 01	**4,863.62**	4,894.68
Add: Technical/Prudential write offs during the year	**595.54**	0.00
Less: Recoveries made during the year	**88.47**	31.06
Closing balance as at March 31	**5,370.69**	4,863.62

56 OPEN INTEREST IN THE CURRENCY FUTURES/FORWARDS AS AT 31/03/2022

Position (as at 31/03/2022)

Particulars		**Value Date**	**Counterparty**	**Number of Units Involved (EUR & USD)**
1	EUR/INR	28 April 2022	SBI	44,000,000.00

57 Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.001 million (Previous Year ended March 2021: USD 0.001 million) and EUR 0.2502 million (Previous Year ended March 2021: EUR -0.25 million) equivalent to ₹ 2.10 crore (Previous Year ended March 2021: ₹ -2.10 crore).

(All amounts are in Rupees crores unless otherwise stated)

58 DETAILS OF SECURITIES SOLD AND PURCHASED UNDER REPOS AND REVERSE REPOS TRANSACTIONS:

Particulars	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2022
Securities sold under Repo:			
1 Govt. Securities	-	-	-
2 Corporate Bonds	-	-	-
Securities purchased under reverse repo:			
1 Govt. Securities	-	-	-
2 Corporate Bonds	-	-	-

Maximum & average outstanding is based on face value of securities.

59 PREVIOUS YEAR FIGURES HAVE BEEN RE-GROUPED/ RE-ARRANGED/ RESTATED WHEREVER NECESSARY, TO CONFORM TO CURRENT PERIOD'S PRESENTATION.

In terms of our Report of even date

As per our report of even date attached

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

CA ATUL AGGARWAL
Partner
Membership No.: 099374

Place: New Delhi
Dated: 28 May 2022

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of IFCI Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **IFCI Limited**(hereinafter referred to as "Company") and its subsidiaries (the company and its subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2022, and their Consolidated Loss, their consolidated total comprehensive loss ,their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

1. Emphasis of Matter

A. Emphasis of Matter reported in the main report in case of IFCI Limited

1. We draw attention to **Note No. 39(iii)** of the consolidated financial statements regarding change in accounting policy towards non-recognition of interest income on Stage 3 assets. Accordingly, the interest income is lower by ₹ 248.03 Crores (net of ECL) for the reporting period.
2. We draw attention **to Note No. 39(iv)**, regarding the entity's impact of COVID-19 pandemic on its financial statements.
3. We draw attention to **Note No. 39 (vi)** of consolidated financial statements, where the Capital Risk Adequacy Ratio (CRAR) stands at (-) 64.85% as on 31.03.2022, below the RBI stipulated guideline vide circular dated 31st May, 2018 (RBI/2017-18/181 DNBR (PD) CC.No.092/03.10.001/2017-18).

B. Emphasis of Matter in case of M/s Stock Holding Corporation of India Limited

We draw attention to:

a. Note No. 42 of the Consolidated Financial Statements related to the outcome of continuing litigation with a Bank, pending adjudication of the matter by the Honorable Supreme Court. As per the legal opinion obtained by the Management, no provision has been recognized in the Statement of Profit and Loss.

b. With reference to the Consolidated Financial Statements of M/s Stock Holding Corporation of India Limited related to non-receipt of Direct confirmation of balances from trade payables, trade receivables, loans and advances, other current liabilities and other current assets.

B.1 Emphasis of Matter in case of M/s Stock holding Document Management Services Limited

In respect of Subsidiary "Stock holding Document Management Services Limited" the statutory auditors has given following matter of emphasis:

1. We draw attention to **Note 45** of the Consolidated Financial Statements regarding Company's liability to the third parties due to the fire occurred at Company's Premises.

C. Emphasis of Matter in case of M/s MPCON Limited

a) Note 43 of the respective financial statements, which describe the uncertainty, related to the outcome of the Profit/Loss, suit filed against the company.

b) Note 18 (i) of the respective financial statement a sum of ₹ 8,84,639/- related some entries of taxes, advances and exp. provisions are directly adjusted from the reserve and surplus.

c) The company is not making the provision for Bad and doubtful sundry debtors.

d) i) 64.1% debtors value ₹ 635.23 Lakh, out of Total Debtors of value ₹ 990.68 Lakh, are ageing for more than 3 years. All these are operational debtors. These are not admissible in to the court for recovery due to the provisions of the Limitation Act Management is to appoint the independent legal expert to get the status of the admissibility of the claim with respect to the provisions of the Limitation Act for the operational dues. Further the provision for bad debts needs to calculated and accounted for.

ii) It is observed that as on 31.03.2022 the Sundry Creditors of ₹ 411.86 Lakh standing in balance sheet for more than three years. These creditors are directly related to the sundry debtors of ₹ 635.23 Lakh These asset & liability are dependent on each other. The net position of these asset & liability is ₹ 75.20 lakhs

iii) The company is having long outstanding amount in various heads as Advances from Customers, Deposits, Sundry Debtors and Sundry Creditors. All these are subjects to confirmation/verification.

D. Emphasis of Matter in case of M/s IFCI Venture Capital Funds Limited

a) We draw attention to **Note 47B** of the consolidated financial statements, regarding changed in accounting policy towards de-recognition of interest income on Stage 3 assets. Accordingly, the interest income is lower by ₹ 12.89 Crores. Net profit of the year is lower by ₹ 4.91 Crores (net of ECL & deferred tax).

Opinion is not modified in respect of aforesaid matters.

2. Key Audit Matters reported in main report

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How our matter was addressed in the audit
1.	**Impairment of Loan Assets – Expected Credit Loss (ECL)** [Refer Note No.56 to the Consolidated Financial Statements read with accounting policy No. F(b)] The most significant areas where we identified greater levels of management judgment are: • ECL model–Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed classification of various Stages – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In the event of any improper application of assumptions, the carrying value of loan assets could be materially misstated either individually or collectively. In view of the significance of the amount of loan assets in the consolidated Financial Statements, the impairment of loan assets thereon has been considered as Key Audit Matter in our audit.	**Our Audit Procedure includes:** We have obtained an understanding of the guidelines as specified in Ind AS 109 "Financial Instruments", various regulatory updates and the Company's internal instructions and procedures in respect of the expected credit loss and adopted the following audit procedures: 1. Evaluation and understanding of the key internal control mechanisms with respect to the loan assets, assessment of the loan impairment including assessment of relevant data quality, and review of the real data entered. 2. Verification/review of the documentations, operations/performance of Loan asset accounts, on test check basis of the large and stressed loan assets, to ascertain any overdue, unsatisfactory conduct or weakness in any loan asset account. 3. Review of the reports of the internal audit and any other audit/inspection mechanisms to ascertain the loan assets having any adverse indication/ comments, and review of the control mechanisms of the Company to ensure the proper classification of such loan assets and expected credit loss thereof. 4. The accuracy of critical data elements input into the system used for computation of PD and LGD. 5. The completeness and accuracy of data flows from source systems into the ECL calculation. 6. Independent assessment of all Loan assets based on IRACP norms of RBI. **Our results:** We considered the credit impairment charge and provision recognized and the related disclosures to be acceptable & satisfactory.
2.	**Valuation of financial instruments at Fair Value** [Refer Note No. 55 to the Consolidated Financial Statements read with accounting policy No. F(b)] Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorized at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to its material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our Audit Procedure includes:** We involved our team to review the management's underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts and the possible outcome of the underlying contracts accruing any profit or loss to the company. Our team also considered general market practices and other underlying assumptions in arriving at such fair valuation of the financial derivative contracts as outstanding/pending for settlement as on March 31, 2022. Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value and the related disclosures to be acceptable & satisfactory.
3.	**Assessment of Information Technology (IT)** The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial	**Our Audit Procedure includes:** Evaluated sample of key controls operating over the information/input in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our

S. No.	Key Audit Matters	How our matter was addressed in the audit
	accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	analysis of reports emanating from IT systems on Financial Accounting and reporting.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flow and consolidated changes in equity of the Group in accordance with the IND AS and accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the companyand its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per **Annexure "A"**, our report for the Group on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our auditof the aforesaid Consolidated Financial Statements;
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   c) The consolidated balance sheet, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and Consolidated Statement of change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
   e) In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Group, being Government Companies;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**; and
   g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, since it is a government company, the provision of section 197 of the Act is not applicable to the company as per GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs
   h) 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note No. 37 to the Consolidated Financial Statements;

ii. The group has made appropriate adjustment in the Profit & Loss Account, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 55 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. During the year, M/s Stock Holding Corporation of India Limited declared or paid dividend during the year which is in compliance with Section 123 of the

Companies Act, 2013 as per Statutory Auditor Report
of M/s Stock Holding Corporation of India Limited

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUWGQ3503

Place: New Delhi
Date: May 28, 2022

Annexure A referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of consolidated financial statements.

Part A - Directions

<table>
<tr><th>S. No.</th><th>Directions</th><th>Reply</th></tr>
<tr><td>1.</td><td>Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</td><td>Yes, all the accounting transactions process through IT system. The income tax computation and deferred tax computation have been done manually on MS excel, however the accounting entries for both are passed through IT system only.</td></tr>
<tr><td>2.</td><td>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. Whether such cases are properly accounted for?
(In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company)</td><td>There is no restructuring of loans availed by the company during the year under reference.
There are no 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.
However, according to the information and explanations provided to us by the Company, company as a lender, following are case(s) of waiver/ write-off of debts/ loan/ interest etc. The details of such write-off/waiver are as under:
<table>
<tr><th>S. No.</th><th>Nature of Dues</th><th>No. of cases</th><th>Amount (₹ in crores)</th></tr>
<tr><td>A.</td><td>Waiver/Write-off/ Technical write-off of loans</td><td>12</td><td>861.44</td></tr>
<tr><td>B.</td><td>Recovery of Amount Earlier Written Off</td><td>-</td><td>(88.12)</td></tr>
<tr><td>C</td><td>Debtors write-offs</td><td>1</td><td>0.03</td></tr>
</table>
Further, the company has write off interest income (Stage 3 Income) of ₹ 1917.63 Crores (Net:- ₹ 615.52 Crores) during the year.
It was informed that the waiver/write-off is decided on case-to-case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver.</td></tr>
<tr><td>3.</td><td>Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.</td><td>There is no grant/subsidy received/receivable by the company during the year under audit.
Further, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme.</td></tr>
</table>

Part B – Sub-Directions

<table>
<tr><th>S. No.</th><th>Sub-Directions</th><th>Reply</th></tr>
<tr><td>1.</td><td>Investments
Whether the titles of ownership in respect of CGS/SGS/ Bonds/Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.</td><td>According to the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures, etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, except for the cases mentioned below.
a) Where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.
<table>
<tr><th>S. No.</th><th>Company Name</th><th>Mode</th><th>No of shares</th></tr>
<tr><td>1.</td><td>ACC Ltd.</td><td>Demat</td><td>80</td></tr>
<tr><td>2.</td><td>Reliance Industries Ltd</td><td>Demat</td><td>4664</td></tr>
<tr><td>3.</td><td>Tata Motors Limited</td><td>Demat</td><td>600</td></tr>
<tr><td>4.</td><td>Tata Steel Limited</td><td>Demat</td><td>300</td></tr>
<tr><td>5.</td><td>Asian Hotels (East) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>6.</td><td>Asian Hotels (North) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>7.</td><td>Asian Hotels (West) Ltd.</td><td>Demat</td><td>265</td></tr>
<tr><td>8.</td><td>Bengal & Assam Company Ltd</td><td>Demat</td><td>23</td></tr>
<tr><td>9.</td><td>Bhilwara Technical Textiles Ltd</td><td>Demat</td><td>958</td></tr>
</table></td></tr>
</table>

S. No.	Sub-Directions	Reply

S. No.	Company Name	Mode	No of shares
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24550
12.	E I D Parry (India) Ltd.	Demat	430
13.	Eveready Industries India Ltd.	Demat	200
14.	Excel Glasses Ltd	Demat	50
15.	Gabriel India Ltd., Parwanoo	Demat	3500
16.	GKW Ltd	Demat	110
17.	Graphite India Ltd	Demat	366
18.	Gujarat Sidhee Cement Ltd	Demat	275
19.	Heg Ltd	Demat	1785
20.	Hi-Tech Gears Ltd	Demat	2700
21.	Indian Metals & FerroAlloys Ltd.	Demat	89
22.	ITC Ltd	Demat	67
23.s	J.K. Cement Ltd	Demat	20
24.	Larsen & Toubro Ltd	Demat	1125
25.	National Organic Chemical Industries Ltd	Demat	130
26.	Ponni Sugars & Chemicals Ltd	Demat	64800
27.	Rainbow Denim Ltd	Demat	40
28.	Rajasthan Spg & Wvg Mills Ltd (Rswm Limited)	Demat	383
29.	Reliance Capital Ltd	Demat	223
30.	Reliance Communications Ltd	Demat	4482
31.	Reliance Infrastructure Ltd	Demat	335
32.	Reliance Power Ltd	Demat	1120
33.	Tata Power Co. Ltd	Demat	900
34.	Titagarh Wagons Ltd.	Demat	25
35.	Ultratech Cement Ltd	Demat	100
36.	Winsome Textile Industries Ltd	Demat	200
37.	Zenith Steel Pipes & Industries Ltd (earlier known as Zenith Limited)	Demat	38
38.	Aditya Birla Capital Ltd	Demat	194
39.	Aditya Birla Fashion And Retail Limited	Demat	483
40.	Banswara Syntex Limited	Demat	100
41.	Core Education & Technologies Ltd	Demat	3
42.	Era Infra Engineering Ltd	Demat	27
43.	Grasim Industries Limited	Demat	139
44.	Indian Seamless Enterprises	Demat	1028
45.	Jaykay Enterprises Limited	Demat	100
46.	Kama Holdings Limited	Demat	150
47.	Reliance Home Finance Ltd	Demat	223
48.	Western India Shipyard Ltd	Demat	30
49.	Ansal Hotel	Physical	4727750
50.	Aryavastra Plywoods Ltd.	Physical	60000
51.	Bhilwara Processors	Physical	209998
52.	Biotech Synergy	Physical	440000
53.	BR Foods	Physical	350000
54.	Cimmco Ltd.	Physical	2860
55.	DCM Shree Ram	Physical	16016
56.	Depro Foods	Physical	1320
57.	Essar Coated Steel Ltd.	Physical	753000
58.	Excelsior Plants Co. Ltd.	Physical	51998
59.	Flower and Tissue India Ltd.	Physical	500000

S. No.	Sub-Directions	Reply
		(continued below)

S. No.	Company Name	Mode	No of shares
60.	Gian Agra Industries Ltd.	Physical	1995
61.	Globe United	Physical	3958
62.	Golden Polymarbles Ltd.	Physical	380000
63	Hind Food Ltd.	Physical	300000
64	Hindal Co. India	Physical	116
65	Jauss Polymers Ltd.	Physical	11000
66	JCT Ltd.	Physical	500315
67	JK Paper Limited	Physical	27813
68	Kinzle India Samay Ltd. (now known as Dufa Indian Samay Limited)	Physical	123400
69	Maharastra Steel Ltd.	Physical	2995
70	MM Polytex Ltd.	Physical	100000
71	Modi Alkalies and Chemicals	Physical	784590
72	Mohta Electro Steel	Physical	18361
73	MP Plywood	Physical	25000
74	Naina Semiconductor Ltd	Physical	509481
75	ORDE Textiles	Physical	20000
76	Orrissa Synthetics Ltd.	Physical	100
77	Oshi Foods Ltd.	Physical	210000
78	Perfect Drugs Ltd.	Physical	400000
79	Pratibha Syntex Ltd.	Physical	1250000
80	Punjab Fibre Ltd.	Physical	87076
81	Punsuni Frine and Components Ltd.	Physical	220000
82	Saurashtra Chemicals Ltd.	Physical	1107024
83	Shama Forge	Physical	24863
84	Shama Forge (Pref Shares)	Physical	7495
85	Siel Ltd.	Physical	336348
86	Siel Sugar Ltd.	Physical	300
87	Standard Woolens	Physical	50000
88	Tridev Duplex Board Pvt. Ltd.	Physical	200000
89	Tripati Woolens	Physical	59789
90	Usha Forging and Stamping	Physical	45000
91	Usha Forging and Stamping (Pref)	Physical	1968
92	Rain Industries Ltd.	Physical	11000
93	Usha Spinning and Weaving Mill Ltd.	Physical	2783

As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable.

Further, no documents showing transfer of shares by the Company is available with the Company.

b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.

S. No.	Company Name	No of shares
1.	AJANTA TEXTILES LTD (PREF.)	38,219
2.	BST MFG LTD (PREF.)	9,920
3.	I C TEXTILES LTD (PREF.)	9,52,394
4.	LML LTD (PREF.)	21,50,912
5.	OCM INDIA LTD	5,89,743
6.	PRAG BOSMI SYNTHETICS LTD (PREF.)	26,14,577
7.	PUNJ STEEL MACHINE TOOLS PVT LTD(PREF.)	1,50,000
8.	SAMCOR GLASS LTD	20,00,000

<table>
<tr><th>S. No.</th><th>Sub-Directions</th><th>Reply</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th>S. No.</th><th>Company Name</th><th>No of shares</th></tr>
<tr><td>9.</td><td>SOUTHERN WIND FARMS PVT. LTD.</td><td>1,00,000</td></tr>
<tr><td>10.</td><td>STEEL & ALLIED PRODUCTS LTD (PREF.)</td><td>5,980</td></tr>
<tr><td>11.</td><td>YUIL MEASURE (I) LTD (PREF.)</td><td>39,500</td></tr>
<tr><td>12.</td><td>ASHOK PAPER MILLS LTD (PREF.)</td><td>30,000</td></tr>
<tr><td>13.</td><td>ASHOK PAPER MILLS LTD</td><td>3,00,000</td></tr>
<tr><td>14.</td><td>ASSAM ISPAT LTD</td><td>95,900</td></tr>
<tr><td>15.</td><td>CACHAR SUGAR MILLS LTD (PREF.)</td><td>14,953</td></tr>
<tr><td>16.</td><td>CONCAST PRODUCTS LTD</td><td>45,500</td></tr>
<tr><td>17.</td><td>KILBURN OFFICE AUTOMATION LTD</td><td>400</td></tr>
<tr><td>18.</td><td>MEGHALAYA PHYTO-CHEMICALS LTD</td><td>39,483</td></tr>
<tr><td>19.</td><td>S&P ENGINEERING PRODUCTS LTD</td><td>24,094</td></tr>
</table>
</td></tr>
<tr><td>2.</td><td>Loans
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realizable 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.</td><td>There is a system of assessment of realizable value of securities available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances.
In view of adoption of Ind AS norms the financial accounts of the company are drawn as per Ind AS. Resulting into non-adherence to IRAC norms of RBI. Impairment in the assets has been calculated in accordance with Ind AS by calculating Expected Credit Loss (ECL) in case of loans as per accounting policy of the company.</td></tr>
<tr><td>3.</td><td>Whether Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration for booking of the outstanding loan amount and for adjustment of Impairment loss allowance</td><td>Proper accounting adjustments for impairment and settlement have been done with respect of OTS Settlements.</td></tr>
<tr><td>4.</td><td>Whether there has been any qualification or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order(CARO) reports of the companies included in the Consolidated financial statements.</td><td>Nil</td></tr>
</table>

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUWGQ3503

Place: New Delhi
Date: May 28, 2022

Annexure-"B" to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of IFCI Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March, 2022,we have audited the internal financial controls with reference to consolidated financial statements of the company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 of the Company and its subsidiaries, which are companies incorporated in India 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 consolidated 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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 consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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, to the best our knowledge and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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 31 March, 2022, based on the criteria for internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M/s M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 22099374AJUWGQ3503

Place: New Delhi
Date: May 28, 2022

IFCI LTD.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in Rupees crores unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	**966.30**	1,179.73
(b) Bank balance other than (a) above	4	**1,328.15**	1,340.71
(c) Derivative financial instruments	5	**2.02**	-
(d) Trade receivables	6	**242.57**	193.63
(e) Loans	7	**2,623.48**	6,840.83
(f) Investments	8	**6,540.90**	5,504.10
(g) Other financial assets	9	**734.77**	1,538.06
Total financial assets		**12,438.19**	16,597.06
(2) Non-financial Assets			
(a) Investment accounted using equity method	10	**-**	-
(b) Inventories		**73.89**	88.63
(c) Current tax assets (Net)		**68.97**	111.03
(d) Deferred tax Assets (Net)	11	**924.40**	1,707.08
(e) Investment property	12	**286.76**	201.13
(f) Property, plant and equipment	13	**960.90**	1,068.88
(g) Capital work-in-progress		**11.51**	8.89
(h) Intangible assets under development		**4.11**	0.02
(i) Goodwill	14	**446.64**	446.64
(j) Other intangible assets	15	**47.01**	45.57
(k) Other non-financial assets	16	**217.43**	77.88
Total non-financial assets		**3,041.62**	3,755.75
Assets held for sale	17	**7.54**	11.31
Total assets		**15,487.35**	20,364.12
II. LIABILITIES AND EQUITY			
(1) Financial Liabilities			
(a) Derivative financial instruments	5	**-**	15.91
(b) Payables			
(I) Trade payables			
(i) Total outstanding dues of MSMEs	18	**0.87**	0.40
(ii) Total outstanding dues of creditors other than MSMEs		**390.00**	409.92
(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			-
(II) Other payables			
(i) Total outstanding dues of MSMEs	18	**-**	-
(ii) Total outstanding dues of creditors other than MSMEs		**2.23**	211.10
(c) Debt securities	19	**5,095.43**	7,370.99
(d) Borrowings (other than debt securities)	20	**1,025.02**	2,356.95
(e) Subordinated liabilities	21	**974.66**	1,313.30
(f) Other financial liabilities	22	**2,752.23**	3,496.10
Total financial liabilities		**10,240.44**	15,174.67
(2) Non-Financial Liabilities			
(a) Provisions	23	**156.68**	152.39
(b) Other non-financial liabilities	24	**35.67**	12.57
Total non-financial liabilities		**192.35**	164.96
(3) Equity			
(a) Equity Share capital	25	**2,102.99**	1,895.99
(b) Other Equity	26	**715.10**	1,841.97
Equity attributable to equity holders of the parent		**2,818.09**	3,737.96
Non controlling interest		**2,236.47**	1,286.53
Total equity		**5,054.56**	5,024.49
Total liabilities and equity		**15,487.35**	20,364.12

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

CA ATUL AGGARWAL
Partner
Membership No.: 099374

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LTD.

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	**Revenue from operations**			
	Interest income	27	**676.94**	1,192.86
	Dividend income		**62.39**	27.74
	Rental income		**26.76**	29.39
	Fees and commission income	28	**62.46**	46.98
	Net gain on fair value changes	29	**46.21**	196.55
	Sale of products (including Excise Duty)		**22.29**	56.02
	Sale of services		**655.17**	516.82
	Total Revenue from operations		**1,552.22**	2,066.36
II.	Other Income	30	**43.44**	27.45
III.	**Total Income**		**1,595.66**	2,093.81
IV.	**Expenses**			
	Finance Costs	31	**943.07**	1,147.23
	Fees and commission expense		**76.86**	60.57
	Net loss on fair value changes	29	**-**	-
	Impairment on financial instruments	32	**1,391.26**	2,305.11
	Cost of materials consumed		**15.69**	30.31
	Purchases of Stock-in-trade		**10.39**	21.40
	Employee Benefits Expenses	33	**311.04**	292.42
	Depreciation and Amortization	34	**66.39**	72.39
	Others expenses	35	**303.25**	251.54
	Total Expenses		**3,117.95**	4,180.97
V.	**Profit / (loss) before exceptional items and tax (III- IV)**		**(1,522.29)**	(2,087.16)
	Exceptional items		**1.02**	(2.37)
VI.	**Profit/(Loss) before tax**		**(1,523.31)**	(2,084.79)
VII.	**Tax Expense:**			
	- Current Tax		**35.11**	17.50
	- Taxation for earlier years		**-**	8.97
	- Deferred Tax (Net)	11	**202.78**	(199.68)
	Total Tax expense		**237.89**	(173.21)
VIII.	**Profit/(loss) for the period**		**(1,761.20)**	(1,911.58)
	Share of net profit of associates and joint venturesaccounted for using the equity method		**-**	-
IX.	**Profit/(Loss) for the period**		**(1,761.20)**	(1,911.58)
X.	**Other Comprehensive Income**			
A.	**(i) Items that will not be reclassified to profit or loss**			
	- Fair value changes on FVTOCI - Equity securities		**2,444.49**	542.33
	- Gain/(loss) on sale of FVTOCI - Equity securities		**(102.70)**	-
	- Actuarial gain/(loss) on Defined benefit obligation		**1.85**	0.42
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Equity securities		**(565.28)**	(130.20)
	- Tax on Actuarial gain/(loss) on Defined benefit obligation		**0.02**	(0.07)
	Subtotal (A)		**1,778.38**	412.48
B.	**(i) Items that will be reclassified to profit or loss**			
	- Debt securities measured at FVTOCI - net change in fair value		**(10.54)**	2.35
	- Debt securities measured at FVTOCI - reclassified to profit and loss		**-**	-
	- Exchange differences in translating the financial statements of a foreign operation		**0.50**	(0.34)
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Debt securities		**(13.80)**	1.72
	Subtotal (B)		**(23.84)**	3.73
	Other Comprehensive Income (A + B)		**1,754.54**	416.21
XI.	**Total Comprehensive Income for the period**		**(6.66)**	(1,495.37)
XII.	**Profit for the year attributable to Equity holders of the parent**		**(1,831.34)**	(1,941.51)
	Non-controlling interest		**70.14**	29.93
XIII.	**Total comprehensive income for the year attributable to Equity holders of the parent**		**(920.40)**	(1,711.00)
	Non-controlling interest		**913.76**	215.63
XIV.	**Earnings per equity share**			
	Basic Earnings per share of ₹ 10.00 each		**(8.71)**	(10.24)
	Diluted Earnings per share of ₹ 10.00 each		**(8.71)**	(10.24)

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LTD.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDING 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITES**		
	Net Profit before Tax	**(1,523.31)**	(2,084.79)
	Adjustments for:		
	Depreciation and amortisation	**66.39**	72.39
	Impairment provision/ write offs	**1,391.26**	2,305.11
	Unrealised gain/(loss) on investments	**150.78**	53.42
	(Profit)/ Loss on Sale of Assets	**(0.02)**	(0.01)
	Operating Profit before Working Capital Changes & Operating Activities	**85.10**	346.12
	Adjustments for Operating Activities:		
	(Increase)/ decrease in Investments	**1,096.59**	(1,050.30)
	(Increase)/ decrease in Inventory	**14.74**	29.90
	(Increase)/ decrease in Loans & Advances	**2,826.10**	1,621.38
	(Increase)/ decrease in Derivative Financial Instruments	**(2.02)**	65.95
	Increase/ (decrease) in Trade Payables	**(228.33)**	181.31
	(Increase)/ decrease in Receivables	**(48.94)**	(0.96)
	Increase/ (decrease) in Debt Securities	**(2,275.55)**	(602.94)
	Increase/ (decrease) in Borrowings	**(1,331.93)**	(922.16)
	Operating Profit before Working Capital Changes	**(202.88)**	(331.70)
	Adjustments for:		
	(Increase)/ decrease in Other Financial Assets	**803.29**	(498.91)
	Increase/ (decrease) in Other Non-financial Asset	**(145.50)**	1.66
	Increase/ (decrease) in Other Financial Liability	**(764.89)**	608.91
	Increase/ (decrease) in Other Non-financial Liability	**23.11**	(16.17)
	Increase/ (decrease) in Provision	**6.14**	(52.23)
	Increase/ (decrease) in other bank balances	**12.56**	(287.85)
	Increase/ (decrease) in assets held for sale	**3.77**	(0.03)
	Cash Flow before taxation	**(61.52)**	(244.62)
	Income Tax (paid)/ refund - Net	**7.79**	138.79
	Net cash flow from Operating Activities	**(256.61)**	(437.53)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of / Advance for property, plant and equipments (including Leased property)	**(23.32)**	(97.98)
	Investment in subsidiaries		
	Proceeds from sale of investment property	**(0.00)**	4.60
	Purchase of/ Advance for Intangible Asset	**(5.61)**	(0.71)
	Proceeds from sale of property, plant and equipments (including leased property)	**(2.21)**	(9.25)
	Sale of Investments	**1.13**	0
	Net cash flow from Investing Activities	**(30.01)**	(103.34)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share application money received	**-**	200.00
	Redemption of Preference Shares	**-**	-
	Issue of Equity Shares	**61.01**	
	Share Premium (net of expenses)	**38.99**	
	Dividend paid	**(26.82)**	(7.12)
	Net cash flow from Financing Activities	**73.18**	192.88
	Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(213.44)**	(347.99)
	Add : Cash and Cash Equivalents at beginning of the financial year	**1,179.74**	1,527.72
	Cash and Cash Equivalents at the end of the financial year	**966.30**	1,179.74
Details of Cash and Cash Equivalents at the end of the year:			
	Cash in hand (including postage stamps)	**3.27**	4.39
	Balances with Banks		
	- Bank balance	**596.92**	916.32
	- Bank Deposits	**281.10**	85.83
	Collaterised borrowings lending operations (CBLO)	**85.00**	173.20
	Cheques on hand & under collection and remittances in transit	**-**	-
	Total Cash and Cash Equivalents at the end of the year	**966.30**	1,179.73

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

IFCI LIMITED
आई एफ सी आई लिमिटेड

IFCI LTD.

STATEMENT OF CHANGES IN EQUITY(CONSOLIDATED) FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in Rupees crores unless otherwise stated)

a. Equity Share Capital

Balance as at 01 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,695.99	-	1,695.99	200.00	1,895.99	-	1,895.99	207.00	**2,102.99**

b. Other Equity

Particulars	Deemed equity contribution-Shareholders	Share application money pending allotment	Reserve u/s 45IC of RBI Act	Reserves and Surplus: Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	Capital Reserve	Contingency reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Amalgamation reserve	General Reserve	Impairment Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Foreign currency translation reserve	Remeasurements of the defined benefit plans	Total attributable to equity holders of the parent	Total non controlling interest	Total
Balance as at 31 March 2020	**335.82**	**200.00**	**923.67**	**136.74**	**0.85**	**23.50**	**1,032.06**	**300.05**	**260.08**	**(0.60)**	**369.92**	**111.56**	**(187.05)**	**17.48**	**(22.76)**	**0.53**	**51.18**	**3,553.04**	**1,078.02**	**4,631.06**
Total comprehensive income for the year													(1,941.51)	4.07	226.37	(0.18)	0.25	(1,711.00)	215.63	(1,495.37)
Transfer to/from retained earnings			0.56			13.80					4.09	20.44	(38.93)		0.05			(0.00)		(0.00)
Application money transfer during the year		(200.00)										-						(200.00)		(200.00)
Application money received during the year		200.00										-						200.00		200.00
Dividends paid including tax													-					-	(7.12)	(7.12)
Others													(0.08)					(0.08)		(0.08)
Balance as at 31 March 2021	**335.82**	**200.00**	**924.23**	**136.74**	**0.85**	**37.30**	**1,032.06**	**300.05**	**260.08**	**(0.60)**	**374.01**	**132.00**	**(2,167.56)**	**21.55**	**203.66**	**0.35**	**51.43**	**1,841.97**	**1,286.53**	**3,128.49**
Total comprehensive income for the year													(1,831.34)	(24.34)	933.88	0.26	1.11	(920.42)	913.76	(6.66)
Transfer to/from retained earnings			0.52			30.89	93.00		(159.50)		166.38	7.57	(138.86)		-			-		-
Application money transfer during the year		(200.00)											-					(200.00)		(200.00)
Application money received during the year		-											-					-		-
Dividends paid including tax													-					-	(26.82)	(26.82)
Others													(6.45)					(6.45)		(6.45)
Balance as at 31 March 2022	**335.82**	**-**	**924.75**	**136.74**	**0.85**	**68.19**	**1,125.06**	**300.05**	**100.58**	**(0.60)**	**540.39**	**139.57**	**(4,144.22)**	**(2.79)**	**1,137.54**	**0.61**	**52.54**	**715.10**	**2,236.47**	**2,888.56**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Place: New Delhi
Dated: 28 May 2022

(All amounts are in Rupees crores unless otherwise stated)

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 GROUP INFORMATION

A Background

IFCI Limited ('the Company'), incorporated in Delhi, India is a Non-Banking Finance Company in the public sector. Established in 1948 as a statutory corporation, IFCI is currently a company listed on BSE and NSE. The Company provide financial support for the diversified growth of Industries across the spectrum. The financing activities cover various kinds of projects such as airports, roads, telecom, power, real estate, manufacturing, services sector and such other allied industries. The Group's registered office is at 61 Nehru Place, New Delhi-110 019.The Company together with its subsidiaries are collectively referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation of Financial Statements

The consolidated financial statements for the year ended March 31, 2022 have been prepared by the Group 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 as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2018, the Group 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 accounting policies set out below have been applied consistently to the periods presented in these Consolidated financial statements.

The financial statements were authorised for issue by the Group's Board of Directors on 28 May 2022.

B Functional and Presentation currency

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

C Basis of measurement

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

- Financial assets at FVTOCI that is measured at fair value
- 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
- Assets held for sale - Measured at fair value less cost to sale

D 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.

E Principles of consolidation and equity accounting

a. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

b. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

c. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

d. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

F Significant accounting policies

The Group 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

(All amounts are in Rupees crores unless otherwise stated)

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). The Company has changed its accounting policy whereby income on stage 3 assets (except on assets which are standard under IRAC norms) shall not be recognized in books of accounts with effect from 01st April 2021.

For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

ii. Penal interest and other overdue charges which are not included in effective interest rate is recognised on realisation, due to uncertainty of realisation and is accounted for accordingly.

iii. Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement.

iv. Premium on pre-payment of loans/ reduction in interest rates is recognised as income on receipt basis.

v. Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

vi. LC Commission is recognised over time as the services are rendered as per the terms of the contract.

vii. The dividend unclaimed on account of shares sold and outstanding in the books are recognised as income after the end of three years, the limitation period.

viii. Income from physical custody services is recognized on a monthly basis as per agreements with customers.

ix Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.

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

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

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

xiii Income from digitisation and software services is recognised over a period of time. Income from software products is recognised on either delivery or installation of product.

xiv Revenue from hospitality services is recognised on accrual basis:

(i) Selling price is determined on the basis of published rack rate less discount offered to customers.

(ii) Income in foreign exchange: The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate/ rates prevalent on the date of receipt of payment. The gains/ losses arising out of the fluctuation in the exchange rates are accounted for on realization.

xv Revenue from real estate development of constructed properties is recognised either on point in time or over the period. Conditions whether revenue shall be recognised over time:

a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

b) The entity's performance creates or enhances an asset (e.g., work in process) that the customer controls as the asset is created or enhanced.

c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

xvi Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(i) Revenue from external project services is recognized based on the Cost plus method. A fixed markup percentage is added to the cost incurred towards construction and the total is recognized as revenue. Revenue is recorded based on point in time when conditions satisfying over time are not met.

(ii) Revenue from sale of property held as stock-in-trade is recognized upon transfer of control of the said property.

xvii Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In Aid (G.I.A)/ similar other programmes awarded by the Central/ State Govt. Department/ Other Agencies are accounted on an over time basis.

b. Financial instruments

I. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group 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 other comprehensive income ('FVTOCI') or FVTPL, depending on the contractual cash flow characteristics of the financial assets and the Group's business model for managing the financial assets.

Business Model Assessment

The Group 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

(All amounts are in Rupees crores unless otherwise stated)

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 frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized;

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 Group changes its business model for managing financial assets.

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 ('FVTOCI')

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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 in scope of Ind AS 109 are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

Derivative instruments

All derivative instruments are measured as FVTPL.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group 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.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate and is accordingly accounted for.

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 Group is recognised at the proceeds received, net of directly attributable transaction costs.

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 amortisation 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 Group has access at that date. The fair value of a liability reflects it non-performance risk.

When one is available, the Group 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 Group uses valuation techniques that maximise 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

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or fully recovered or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially

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all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. The Group also recognise a liability for the consideration received attributable to the Group's continuing involvement on the asset transferred. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

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

V. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group 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 Group recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- financial assets that are debt instruments
- lease receivables
- financial guarantee contracts issued
- loan commitment issued

No impairment loss is recognised on equity investments

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

- financial assets that are not credit impaired – 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 but not credit impaired – 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 credit impaired – 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 Group if the commitment is drawn down and the cash flows that the Group expects to receive

With respect to trade receivables and other financial assets, the Group 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 Group 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 as an adjustment to impairment on financial assets.

d. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

I. The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

II. The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such cost incurred. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

e. 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

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if the Group 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

Pension

Prior to 1 April 2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Group switched to defined contribution scheme in August 2008 for employees existing on 1 April 2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

Provident fund

Group Companies other than IFCI pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

b. Defined benefit plans

Provident Fund

IFCI 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. The obligation of the Group is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

Gratuity

The Group 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 Group'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 Group.

Medical facility

The Group has a post-retirement medical benefit scheme for employees and their dependents subject to certain limits for hospitalization and normal medical treatment.

The Group'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 recognises 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 Group, 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 Group's leave encashment and leave fare concession constitute other long term employee benefits. The Group'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.

f) 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 Group:

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

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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 Group 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 Group:

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 Group 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.

g) 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.

Investment Property consists of building let out to earn rentals. The Group follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the straight line method over the useful life as prescribed under Schedule II to the Companies Act, 2013. 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.

Considering the nature of business and operations of the company, SHCIL and step down subsidiary of SHCIL considered shorter life for certain assets as detailed below:

Nature of Asset	Useful life Adopted	Useful life in Companies Act
Computer Servers and Network	4 years	6 years
Mobiles	2 years	5 years
Vehicles	3 years	8 years
Building	58 years	60 years
SHCILMahape Building	63 Yerars	60 Years

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 or retirement 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.

h) 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.

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.

The intangible assets shown in the Balance Sheet include computer software having perpetual license and are amortized on Straight Line Method over the period of six years from the date of capitalization.

In the case of IFIN, the computer software has been amortised at the rate of 40% following written down value method.

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.

i) Impairment of non-financial assets

At each reporting date, the Group 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.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(All amounts are in Rupees crores unless otherwise stated)

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Foreign currency transactions

The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/ at the forward rate, if booked, for such transaction. Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/ losses, if any, on valuation of various assets and liabilities are taken to Statement of Profit & Loss.

Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

k) Provisions and contingencies related to claims, litigation, etc.

Provisions are recognised when the Group 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.

l) 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.

m) Cash and cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

o) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets measured at the lower of their carrying amount and fair value less cost to sell with gains and losses on remeasurement recognised in profit or loss.

Once classified as held for sale, assets are no longer amortised. depreciated or impaired.

p) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

q) Stock in trade

(a) Inventory comprises of lands (with or without removable structure) incl. existing/ added boundary walls, Land and Building/ Residential Complex, Built-up floor space acquired/ purchased for development and/or sale, other removable/ disposable assets existing thereon. These are valued at lower of Cost or net realizable value. Costs are determined by adding all considerations/ costs which are attributable to purchase/ acquisition, and other expenses incurred specifically thereto.

(b) Inventory of hospitality business comprises of closing balance of consumables purchased. FIFO method is followed for ascertaining the cost price considered for valuation. Closing inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.

(c) Securities held for trade and those devolved on SHCIL in the process of settlement are held as stock-in trade and are valued at lower of cost or net realisable value.

(d) Securities on Deposit receipts received as collateral or directly deposited by clients with stock exchanges are not recorded in the accompanying financial statements.

(All amounts are in Rupees crores unless otherwise stated)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

3 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Cash in hand (including postage stamps)	**3.27**	4.39
Balances with Banks		
- Bank balance	**596.92**	916.32
- Bank Deposits	**281.10**	85.83
Collaterised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	**85.00**	173.20
Total	**966.30**	1,179.73

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Bank deposits against fund placed with Group under Credit Guarantee Enhancement Scheme		
- Bank balance	**0.19**	0.15
- Bank deposits	**321.91**	293.96
Unclaimed dividend account	**50.57**	8.23
Balances with banks (margin money against guarantees/lien marked) *	**190.58**	602.93
Bank deposits under directions of Court & Tribunal etc.	**49.59**	205.97
Other bank balances/deposits #	**514.34**	229.47
Total	**1,328.15**	1,340.71
* Includes balances for more than 12 months	**184.41**	472.25
# Includes balances for more than 12 months	**182.53**	26.85

5 DERIVATIVE FINANCIAL INSTRUMENTS:

	As at March 31, 2022			As at March 31, 2021		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
Currency derivatives:						
- Spot and forwards	**788.27**	**2.02**	**-**	795.16		15.91
Total Derivative Financial Instruments - Part I	**788.27**	**2.02**	**-**	795.16	-	15.91
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
Undesignated Derivatives	**788.27**	**2.02**	**-**	795.16	-	15.91
Total Derivative Financial Instruments - Part II	**788.27**	**2.02**	**-**	795.16	-	15.91

The derivatives have been used by the Group for hedging the interest rate and principle risk for loans taken in foreign currency.

Refer Note No. 56 for management of risk arising from derivatives.

6 RECEIVABLES:

	As at March 31, 2022	As at March 31, 2021
(A) Secured		
- considered good	**25.04**	3.76
- considered doubtful	**6.94**	-
(B) Unsecured		
- considered good	**207.10**	195.59
- considered doubtful	**40.03**	9.84
- others	**0.00**	29.20
	279.12	238.39
Less: Allowance for bad and doubtful debts	**36.55**	44.76
Total	**242.57**	193.63

(All amounts are in Rupees crores unless otherwise stated)

Trade receivables ageing

As at 31 March 2022	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months-1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	**197.04**	**17.15**	**4.65**	**3.23**	**8.91**	**230.99**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**0.86**	**3.45**	**23.67**	**6.26**	**7.08**	**41.32**
(iii) Undisputed Trade Receivables — credit impaired	**-**	**-**	**-**	**-**	**1.08**	**1.08**
(iv) Disputed Trade Receivables— considered good	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**(0.01)**	**(0.00)**	**(0.01)**	**0.05**	**4.51**	**4.54**
(vi) Disputed Trade Receivables — credit impaired	**-**	**-**	**0.01**	**0.02**	**0.93**	**0.96**
(vii) Other Receivables	**0.23**	**-**	**-**	**-**	**-**	**0.23**
	198.12	**20.60**	**28.31**	**9.57**	**22.52**	**279.12**
Less: Provision for impairment	**2.15**	**0.66**	**15.14**	**5.12**	**13.48**	**36.55**
Total						**242.57**

** Unbilled Revenue of SHCIL as on 31/03/2022 ₹ 17.32 cr (PY ₹ 17.18 cr)*

As at 31 March 2021	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	149.68	15.08	8.73	5.11	6.92	185.52
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	0.03	1.04	22.11	13.96	8.29	45.44
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	1.26	1.26
(iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	0.03	(0.03)	0.05	0.00	5.06	5.11
(vi) Disputed Trade Receivables — credit impaired	0.01	-	0.02	0.05	0.87	0.95
(vii) Other Receivables	0.12	-	-	-	-	0.12
	149.86	16.09	30.91	19.12	22.40	238.39
Less: Provision for impairment	0.42	0.25	19.65	11.96	12.48	44.76
Total						193.63

For terms and conditions of trade receivables owing from related parties and transactions with related parties, see Note 50.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 56.

7 LOANS

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Term loans	**6,850.96**	11,997.66
(ii) Leasing	**0.04**	0.04
(iii) Factoring	**367.04**	434.74
(iv) Debentures	**812.07**	1,065.14
Total (A) -Gross	**8,030.12**	13,497.58
Less: Impairment loss allowance	**5,406.64**	6,656.75
Total (A) - Net	**2,623.48**	6,840.83
(B) Security Details		
(i) Secured by tangible assets and intangible assets	**8,217.89**	8,273.14
(ii) Covered by bank/government guarantees	**193.59**	205.46
(iii) Unsecured	**(381.37)**	5,018.98
Total (B) Gross	**8,030.12**	13,497.58
Less: Impairment loss allowance	**5,406.64**	6,656.75
Total (B) Net	**2,623.48**	6,840.83
(C) Loans in India		
(i) Public sector	**54.39**	54.39
(ii) Others	**7,975.73**	13,443.19
Total (C)- Gross	**8,030.12**	13,497.58
Less: Impairment loss allowance	**5,406.64**	6,656.75
Total (C)-Net	**2,623.48**	6,840.83

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56.

(All amounts are in Rupees crores unless otherwise stated)

8 INVESTMENTS

		Amortised cost	At Fair Value			Others	Total
			Through other comprehensive Income	**Through profit or loss**	**Designated at fair value through profit or loss**		
As at 31 March 2022							
(A)							
(i)	Mutual funds	**-**	**-**	**112.90**	**-**	**-**	**112.90**
(ii)	Government securities	**36.88**	**0.72**	**-**	**-**	**-**	**37.60**
(iii)	Treasury Bill		**533.09**				**533.09**
(iv)	Other approved securities	**30.51**	**93.29**	**-**	**-**	**-**	**123.80**
(v)	Debt securities	**-**	**4,803.79**	**614.50**	**-**	**-**	**5,418.29**
(vi)	Equity instruments						
(vii)	Others	**-**	**-**	**119.83**	**-**	**-**	**119.83**
	Security receipts	**-**	**-**	**190.53**	**-**	**-**	**190.53**
	Commercial Paper	**-**	**-**	**-**	**-**	**-**	**-**
	Preference shares	**-**	**-**	**4.86**	**-**	**-**	**4.86**
	Total – Gross (A)	**67.39**	**5,430.89**	**1,042.62**	**-**	**-**	**6,540.90**
(B)							
(i)	Investments in India	**67.39**	**5,430.89**	**1,042.62**	**-**	**-**	**6,540.90**
(ii)	Investments outside India						
	Total – Gross (B)	**67.39**	**5,430.89**	**1,042.62**	**-**	**-**	**6,540.90**
(C)	Less: Allowance for Impairment loss	-	-	-	-	-	-
(D)	**Total – Net (A-C)**	**67.39**	**5,430.89**	**1,042.62**	**-**	**-**	**6,540.90**

		Amortised cost	At Fair Value			Others	Total
			Through other comprehensive Income	Through profit or loss	Designated at fair value through profit or loss		
As at 31 March 2021							
(A)							
(i)	Mutual funds	-	-	1,155.07	-	-	1,155.07
(ii)	Government securities	58.55	481.43	-	-	-	539.98
(iii)	Debt securities	-	114.36	-	-	-	114.36
(iv)	Equity instruments	-	2,482.24	653.68	-	-	3,135.91
(v)	Others						
	Venture capital	-	-	114.50	-	-	114.50
	Security receipts	-	-	414.55	-	-	414.55
	Commercial paper	-	24.85	-	-	-	24.85
	Certificate of deposit	-	-	-	-	-	-
	Preference shares	-	-	4.87	-	-	4.87
	Total – Gross (A)	58.55	3,102.88	2,342.67	-	-	5,504.10
(B)							
(i)	Investments in India	58.55	3,102.88	2,342.67		-	5,504.10
(ii)	Investments outside India	-	-	-	-	-	-
	Total – Gross (B)	58.55	3,102.88	2,342.67	-	-	5,504.10
	Less: Allowance for Impairment loss	-	-	-	-	-	-
(C)	Total – Net (A-C)	58.55	3,102.88	2,342.67	-	-	5,504.10

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56

(All amounts are in Rupees crores unless otherwise stated)

9 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Security Deposits	**24.42**	124.56
Accrued Income		
- Interest on Investments	**2.88**	21.24
- Other income	**28.36**	15.06
Unbilled revenue	**17.32**	17.18
Amounts due on settlement from Clearing House	**226.76**	136.57
Amounts recoverable from government towards stamp duty payments	**0.25**	7.93
Amounts due on settlement from Clients and Brokers, Others	**223.56**	1,057.43
Other advances receivable	**0.01**	49.47
Loans to employees	**28.04**	28.93
Other Deposits	**190.50**	88.93
Other doubtful deposits	**21.69**	12.12
Other recoverables	**50.95**	58.20
	814.75	1,617.61
Less: Impairment loss allowance	**79.98**	79.55
Total	**734.77**	1,538.06

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56

10 INVESTMENT ACCOUNTED USING EQUITY METHOD

	As at March 31, 2022	As at March 31, 2021
Investment in associates	**-**	-
Total	**0.00**	0.00

11 DEFERRED TAX ASSETS AND LIABILITIES

Particulars	As at 01 April 2021	Recognised in equity	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2022
Deferred tax assets:					
Loans	1,995.29	-	(251.73)	-	**1,743.56**
Minimum alternate tax credit entitlement	-	-	-	-	**-**
Others	(37.26)	-	(412.52)	0.02	**(450.60)**
	1,958.03	-	(664.25)	0.02	**1,292.96**
Deferred tax liabilities:					
Property, plant and equipment	241.43	-	-	-	**241.43**
Investments	(51.33)	-	(450.32)	579.08	**77.43**
DTL on Special Reserve u/s 36(i)(viii)	46.72	-	-	-	**46.72**
Borrowings	14.13	-	(11.15)	-	**2.98**
	250.95	-	(461.47)	579.08	**368.56**
Net deferred tax assets	1,707.08	-	(202.78)	(579.06)	**924.40**

12 INVESTMENT PROPERTY

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions/ Adjustments	Disposals/ Adjustment	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals/ Adjustment	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
Owned Assets										
Freehold Land	9.84	1.98	-	**11.82**	-	-	-	**-**	**11.82**	9.84
Buildings	202.22	129.25	-	**331.47**	18.58	2.73	(66.83)	**88.14**	**243.33**	183.63
Flats	9.29	-	-	**9.29**	1.66	0.28	-	**1.94**	**7.36**	7.63
Assets under finance lease										
Leasehold land	0.02	24.23	-	**24.25**	-	-	-	**-**	**24.25**	0.02
Total	221.38	155.46	-	**376.84**	20.24	3.00	(66.83)	**90.07**	**286.76**	201.14

(All amounts are in Rupees crores unless otherwise stated)

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions/ Adjustments	Disposals/ Adjustment	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned Assets										
Freehold Land	9.84	-	-	9.84	-	-	-	-	9.84	9.84
Buildings	202.22	-	-	202.22	13.87	4.71	-	18.58	183.63	188.35
Flats	9.29	-	-	9.29	1.51	0.15	-	1.66	7.63	7.79
Assets under finance lease										
Leasehold land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Total	221.38	-	-	221.38	15.38	4.86	-	20.24	201.13	206.01

For details regarding rental income earned from investment property, refer statement of profit and loss.

For details regarding investment property given on lease, refer Note 51.

Fair value of investment property (Land & Building)

Particulars	**As at March 31, 2022**	As at March 31, 2021
IFCI Limited	**499.81**	325.18
IFCI Infrastructure Development Limited	**46.22**	46.22

Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Company follows direct sale comparison technique. The valuation model considers the value of the subject property by comparing recent sales / listing of similar interest in the properties located in the surrounding area. By analysing sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments would be made for size, location, time, amenities and other relevant factors when comparing such sales price against the subject property. This approach is commonly used to value standard properties when realisable sales evidence is available.

13 PROPERTY, PLANT AND EQUIPEMNT

	Gross Block				**Depreciation**				**Net Block**	
	As at 1 April 2021	Additions/ Adjustments	Disposals/ Adjustments	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals/ Adjustments	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
Owned Assets										
Freehold Land	161.09	0.06	1.98	**159.17**	-	0.09	-	**0.09**	**159.08**	161.09
Buildings	633.54	0.10	129.26	**504.39**	52.24	17.56	66.82	**2.98**	**501.40**	581.30
Leasehold Improvement	3.56	0.72	0.11	**4.17**	1.17	0.76	0.06	**1.86**	**2.31**	2.39
Plant & Machinery	105.11	7.43	1.36	**111.19**	28.39	8.72	0.61	**36.50**	**74.69**	76.72
Furniture & Fixtures	26.41	0.67	0.12	**26.96**	21.19	1.11	0.08	**22.22**	**4.74**	5.22
Vehicles	2.80	2.19	0.46	**4.54**	1.92	0.67	0.45	**2.14**	**2.40**	0.88
Office Equipments	51.85	11.61	0.96	**62.50**	39.00	8.43	0.94	**46.50**	**16.00**	12.85
Electrical Installations and Equipments	11.82	0.54	0.03	**12.33**	10.08	0.61	0.03	**10.66**	**1.67**	1.73
Assets under Lease										
Leasehold Land	264.42	-	24.23	**240.19**	37.72	3.85	-	**41.57**	**198.62**	226.70
TOTAL	1,260.61	23.32	158.49	**1,125.43**	191.72	41.78	68.98	**164.52**	**960.90**	1,068.89

(All amounts are in Rupees crores unless otherwise stated)

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions/ Adjustments	Disposals/ Adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Owned Assets										
Freehold Land	114.67	46.39	(0.03)	161.09	-	-	-	-	161.09	114.67
Buildings	598.10	35.44	-	633.54	36.66	15.62	0.04	52.24	581.30	561.44
Leasehold Improvement	2.34	1.23	0.01	3.56	0.66	0.51	0.01	1.17	2.39	1.68
Plant & Machinery	95.00	10.14	0.03	105.11	20.21	8.20	0.02	28.39	76.72	74.79
Furniture & Fixtures	26.09	0.37	0.04	26.41	19.61	1.62	0.03	21.19	5.22	6.48
Vehicles	3.40	0.24	0.85	2.80	1.67	0.75	0.50	1.92	0.88	1.73
Office Equipments	48.44	4.06	0.64	51.85	30.48	9.14	0.61	39.00	12.85	17.96
Electrical Installations and Equipments	11.84	0.12	0.14	11.82	9.04	1.11	0.06	10.08	1.73	2.80
Assets under Lease										
Leasehold Land	264.42	-	-	264.42	28.25	9.47	-	37.72	226.70	236.18
TOTAL	1,164.30	97.98	1.68	1,260.61	146.57	46.42	1.27	191.72	1,068.88	1,017.73

During the year company has not revalued its Property Plant and Equipment (PPE) and intangible assets.

14 GOODWILL

	As at March 31, 2022	As at March 31, 2021
Gross Block		
(i) Opening Balance	**446.64**	446.64
(ii) Additions	-	-
(iii) Acquisitions through business combinations	-	-
(iv) Disposals	-	-
(v) Other adjustments	-	-
(vi) Closing Balance	**446.64**	446.64
Impairment provision		
(i) Opening balance	-	-
(ii) Acquisitions through business combinations	-	-
(iii) Impairment for the period	-	-
(iv) Disposals	-	-
(v) Reversals in provision	-	-
(vi) Other adjustments	-	-
(vii) Closing Balance	-	-
Net Goodwill	**446.64**	446.64

15 OTHER INTANGIBLE ASSETS

	Gross Block				**Amortisation**				**Net Block**	
	As at 1 April 2021	Additions	Disposals	**As at 31 March 2022**	As at 1 April 2021	For the year	Disposals	**As at 31 March 2022**	**As at 31 March 2022**	As at 31 March 2021
Computer software	14.17	5.46	-	**19.63**	11.75	2.53	-	**14.28**	**5.35**	2.42
Right of use Lease Assets	87.79	23.00	11.62	**99.17**	45.06	18.95	6.21	**57.80**	**41.35**	42.73
Licenses and franchises	0.60	-	-	**0.60**	0.17	0.12	-	**0.29**	**0.31**	0.43
TOTAL	102.57	28.45	11.62	**119.40**	56.99	21.60	6.21	**72.38**	**47.01**	45.58

	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	For the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	13.94	0.71	0.48	14.17	10.00	2.22	0.48	11.75	2.42	3.93
Right of use Lease Assets	71.56	16.23	-	87.79	26.23	18.83	-	45.06	42.72	45.33
Licenses and franchises	1.80	-	1.20	0.60	1.25	0.12	1.20	0.17	0.43	0.55
Non compete fees	-	-	-	-	-	-	-	-	-	-
TOTAL	87.31	16.94	1.68	102.57	37.49	21.17	1.68	56.99	45.57	49.82

(All amounts are in Rupees crores unless otherwise stated)

16 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Capital advances	**5.67**	3.86
Pre-paid expenses	**19.97**	17.09
Provident fund - asset	**92.21**	13.20
Statutory Dues	**60.12**	15.97
Other Assets	**39.46**	27.76
	217.43	77.88
Less: Provision for impairment	**-**	-
Total	**217.43**	77.88

17 ASSETS HELD FOR SALE

	As at March 31, 2022	As at March 31, 2021
Freehold Land	**-**	3.77
Assistance under development financing (AUF) - Associates	**7.54**	7.54
Total	**7.54**	11.31

18 PAYABLES

	As at March 31, 2022	As at March 31, 2021
I Trade payables		
Total outstanding dues to MSMEs	**0.87**	0.40
Total outstanding dues of creditors other than MSMEs	**390.00**	409.92
Total	**390.87**	410.32

Trade payables Ageing

As at 31 March 2022	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**0.87**	**-**	**-**	**-**	**0.87**
(ii) Others	**358.93**	**4.88**	**3.34**	**22.79**	**389.95**
(iii) Disputed dues – MSME	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues - Others	**0.00**	**0.03**	**0.02**	**-**	**0.05**
Total					**390.87**

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	0.40	-	-	-	0.40
(ii) Others	370.30	8.10	18.71	11.95	409.05
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues - Others	0.03	0.51	0.00	0.33	0.87
Total					410.32

	As at March 31, 2022	As at March 31, 2021
II Other payables		
Total outstanding dues to MSMEs	**-**	-
Total outstanding dues of creditors other than MSMEs	**2.23**	211.10
Total	**2.23**	211.10

The amount overdue to the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022 is ₹ 0.87 crores (Previous Year: ₹ 0.40 crores). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Group.

(All amounts are in Rupees crores unless otherwise stated)

19 DEBT SECURITIES

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Non-Convertible Debentures		
- 6.00% LIC - Redeemable on 28.12.2021	-	193.57
- 6.00 % SBI - Redeemable on 25.01.2022	-	192.85
- 9.37% LIC - Redeemable on 01.04.2022	-	418.19
(ii) Bonds		
- Privately Placed Bonds	**3,238.66**	3,606.71
- Privately Placed Zero Coupon Bonds	**311.47**	271.90
- Infrastructure Bonds	**478.95**	896.27
- Others	-	230.21
- Less: Interest accrued but not due	**(162.01)**	(430.08)
(iii) Tax-free Bonds (secured by floating charge on receivables of IFCI Ltd.)		
- held by others	**265.00**	265.00
(iv) Public issue of NCDs		
Secured Redeemable Non Convertible Debentures (secured by floating charge on receivables of IFCI Ltd.)		
- held by others	**1,025.27**	1,208.27
- Less: Interest accrued but not due	**(61.92)**	(56.90)
(v) Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)		
- Others (Bonds/ Debentures etc.)	-	575.00
Total (A)	**5,095.43**	7,370.99
(B) Inside/Outside India		
(i) Debt securities in India	**5,095.43**	7,370.99
(ii) Debt securities outside India	-	-
Total (B)	**5,095.43**	7,370.99

20 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Term loans		
- from banks and other parties	**633.32**	1,782.56
- from other parties		
- - from financial institutions	-	94.10
- - from KfW Line	**372.75**	409.83
(ii) Loans repayable on demand from Banks	**18.95**	70.46
(iii) Others	-	-
Total	**1,025.02**	2,356.95
(B) Inside/Outside India		
(i) Borrowings in India	**652.27**	1,947.12
(ii) Borrowings outside India	**372.75**	409.83
Total	**1,025.02**	2,356.95

Term loan of ₹ NIL crore (PY ₹ 40.00 crore) are secured by way of hypothecation of factored debt of IFCI Factors Ltd. on pari pasu basis.

Loan from banks payable on demand of ₹ 17.13 crore (PY ₹ 11.14 crore) are secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd. and ₹ 1.82 crore (PY ₹ 19.31 crore) secured by an exclusive charge on entire present and future current assets of StockHolding Document Management Services Limited including cash and cash equivalents.

(All amounts are in Rupees crores unless otherwise stated)

21 SUBORDINATED LIABILITIES

	As at March 31, 2022	As at March 31, 2021
(A) At Amortised cost		
(i) Subordinate - Tier II Bonds	**1,101.29**	1,464.29
- Less: Interest accrued but not due	**(126.63)**	(150.99)
Total (A)	**974.66**	1,313.30
(B) Inside/Outside India		
(i) Subordinated Liabilities in India	**974.66**	1,313.30
(ii) Subordinated Liabilities outside India	**-**	-
Total (B)	**974.66**	1,313.30

22 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on bonds & borrowings	**677.95**	1,074.34
Unsecured Loan	**0.02**	(0.54)
Security Deposits	**9.81**	11.81
Unpaid Matured Debentures & interest	**0.46**	0.23
Funds Placed with the Corporation		
(a) Scheduled Cast Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**306.54**	294.65
(b) PLI scheme	**50.00**	-
(c) Employees Providend Fund	**80.14**	-
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	**19.67**	19.52
Amounts due on settlement to Clearing House, Clients and Brokers	**439.77**	1,197.23
Amounts payable to Government on account of stamp duty collection	**95.54**	103.70
Advance Depository Participant charges, Advances from Customers,Statutory dues including Provident Fund and Taxes (includes amount due on settlement)	**419.65**	340.80
Contractual liability against Factoring	**5.95**	20.02
Unclaimed Dividend	**5.93**	8.24
Right of use lease Liabilities	**47.09**	49.11
Other Liabilities (trade deposits and other payables)	**593.70**	377.00
	2,752.23	3,496.10

23 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Impairment provision on off balance sheet exposure	**32.17**	33.27
Employee Benefits	**70.29**	71.90
Provisions for others expenses	**29.77**	21.74
Provision for Claims-Long term Provisions	**24.46**	25.48
Total	**156.68**	152.39

Refer Note No. 49 for detailed disclosure on employee benefits.

24 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Income received in Advance	**7.76**	9.21
Grant in Aid received for trainings	**1.53**	2.09
Statutory Dues	**23.70**	0.41
Other	**2.67**	0.85
	35.67	12.57

(All amounts are in Rupees crores unless otherwise stated)

25 EQUITY

	As at March 31, 2022	As at March 31, 2021
Authorised		
4,00,00,00,000 Equity Shares of ₹ 10/- each	**4,000.00**	4,000.00
	4,000.00	4,000.00
Issued		
2,17,02,38,759 Equity Shares of ₹ 10/- each	**2,170.24**	1,963.24
	2,170.24	1,963.24
Subscribed		
2,10,43,08,005 Equity Shares of ₹ 10/- each	**2,104.31**	1,897.31
	2,104.31	1,897.31
Paid up		
2,10,29,91,305 Equity Shares of ₹ 10/- each	**2,102.99**	1,895.99
	2,102.99	1,895.99

Reconciliation of the number of equity shares and share capital:

The Company had received ₹ 200 crore on March 15, 2021 from Government of India (GOI) towards subscription to the share capital of the Company during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85,401 number of equity shares of face value of ₹ 10/- each to GOI on April 23, 2021 @ ₹ 13.70/- per equity share (including security premium of ₹ 3.70/- per equity share).

Further, an amount of ₹ 100 crore was received from GOI on January 17, 2022, towards subscription to the share capital of the Company for the FY 2021-22 as share application money. In this regard, the Committee of Directors had allotted 6,10,12,812 number of equity shares of face value of ₹ 10/- each to the GOI on February 25, 2022 @ ₹ 16.39/- per equity share (including security premium of ₹ 6.39/- per equity share).

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares				
Outstanding at beginning of the period	**1,895,993,092**	**1,895.99**	1,695,993,092	1,695.99
Add: Shares issued to Government of India	**206,998,213**	**207.00**	200,000,000	200.00
Outstanding at the end of the period	**2,102,991,305**	**2,102.99**	1,895,993,092	1,895.99
Paid up share capital	**2,102,991,305**	**2,102.99**	1,895,993,092	1,895.99

Terms/ rights attached to equity shares:

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

Shareholders holding more than 5% of equity shares

Name of the shareholder	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Shareholding %	% Change during the year	Number of shares	Shareholding %	% Change during the year
President of India	**1,363,954,070**	**64.86%**	**3.84%**	1,156,955,857	61.02%	4.60%

26 OTHER EQUITY

		As at March 31, 2022	As at March 31, 2021
i	**Share application money pending allotment**		
	Opening balance	**200.00**	200.00
	Less: transfer during the year	**(200.00)**	(200.00)
	Add: Application money received during the year	**-**	200.00
	Closing balance	**-**	200.00
ii	**Reserve u/s 45IC of RBI Act**		
	Opening balance	**924.23**	923.67
	Add: Transfer from retained earnings	**0.52**	0.56
	Closing balance	**924.75**	924.23

(All amounts are in Rupees crores unless otherwise stated)

26 OTHER EQUITY *(Contd.)*

		As at March 31, 2022	As at March 31, 2021
iii	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961**		
	Opening balance	**136.74**	136.74
	Closing balance	**136.74**	136.74
iv	**Capital Reserve**		
	Opening balance	**0.85**	0.85
	Sale of associate	**-**	-
	Closing balance	**0.85**	0.85
v	**Securities Premium Reserve**		
	Opening balance	**1,032.06**	1,032.06
	Add: Issue of equity shares	**93.00**	-
	Closing balance	**1,125.06**	1,032.06
vi	**Capital Redemption Reserve**		
	Opening balance	**300.05**	300.05
	Add: Transfer from retained earnings	**-**	-
	Closing balance	**300.05**	300.05
vii	**Debenture Redemption Reserve**		
	Opening balance	**260.08**	260.08
	Add: Transfer from retained earnings	**(159.50)**	-
	Closing balance	**100.58**	260.08
viii	**General Reserve**		
	Opening balance	**374.01**	369.92
	Add:	**166.38**	4.09
	Closing balance	**540.39**	374.01
ix	**Deemed equity contribution**		
	Opening balance	**335.82**	335.82
	Less: Early redemption of prefernce shares	**-**	-
	Closing balance	**335.82**	335.82
x	**Impairment Reserve**		
	Opening balance	**132.00**	111.56
	Add: Transfer from retained earnings	**7.57**	20.44
	Closing balance	**139.57**	132.00
xi	**Retained Earnings**		
	Opening balance	**(2,167.56)**	(187.05)
	Add: profit/(loss) during the year	**(1,831.34)**	(1,941.50)
	Less: Transfer to capital redemption reserve	**-**	-
	Less: Transfer to reserve u/s 45IC of RBI Act	**158.98**	(0.56)
	Less: Transfer to general reserve	**(166.38)**	(4.09)
	Less: Transfer to impairment reserve	**(7.57)**	(20.44)
	Less: Transfer to contingency reserve	**(30.89)**	(13.80)
	Less: Securities Premium	**(93.00)**	-
	Less: Dividends (incl dividend distribution tax)	**-**	-
	Add: Others	**(6.45)**	(0.13)
	Closing balance	**(4,144.21)**	(2,167.56)
xii	**Debt instruments through Other Comprehensive Income**		
	Opening balance	**21.55**	17.48
	Add: other comprehensive income during the year	**(24.34)**	4.07
	Closing balance	**(2.79)**	21.55

(All amounts are in Rupees crores unless otherwise stated)

26 OTHER EQUITY *(Contd.)*

		As at March 31, 2022	As at March 31, 2021
xiii	**Equity instruments through Other Comprehensive Income**		
	Opening balance	**203.66**	(22.76)
	Add: Transfer from retained earnings	**-**	0.05
	Add: other comprehensive income during the year	**933.88**	226.37
	Closing balance	**1,137.54**	203.66
xiv	**Remeasurements of the defined benefit plans**		
	Opening balance	**51.43**	51.18
	Add: other comprehensive income during the year	**1.11**	0.25
	Closing balance	**52.54**	51.43
xv	**Contingency reserve**		
	Opening balance	**37.30**	23.50
	Add: other comprehensive income during the year	**30.89**	13.80
	Closing balance	**68.19**	37.30
xvi	**Foreign currency translation reserve**		
	Opening balance	**0.35**	0.53
	Add: other comprehensive income during the year	**0.26**	(0.18)
	Closing balance	**0.61**	0.35
xvii	**Amalgamation reserve**		
	Opening balance	**(0.60)**	(0.60)
	Closing balance	**(0.60)**	(0.60)
	Total balance	**715.10**	1,841.97

Reserve u/s 45IC of RBI Act

Pusuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Group has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reseve created u/s 45IC of RBI Act, 1934.

Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961

Section 36(1)(viii) of the Income Tax Act allowes financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.

Capital Reserve

Capital Reserve represents proceeds of forfeited shares

Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 55 of the Companies Act, 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer. Later vide Notification GSR-574(E) dated 16/08/19, Ministry of Corporate Affairs (MCA) has notified amended rules for Share Capital and Debentures (Rules 2014), no additional DRR has to be created either for public issue of bonds or for private placements in case of existing bonds and debentures.

General Reserve

General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Deemed equity contribution

Deemed equity contribution on account of preferential rate borrowings from shareholders.

Retained Earnings

Represnets as at date accumulated surplus/(deficiet) of the profits earned by the Group.

(All amounts are in Rupees crores unless otherwise stated)

Contingency reserve

Contingency reserve was created through an annual transfer of net income attributed to a specific reserve to be used in case of any continegencies arising.

Foreign currency translation reserve

Foreign currecny translation reserve is created out of the exchange difference arising on on conversion of foreign subsidiary into presentation currency.

Amalgamation reserve

Represents reserve created on merger of two or more entities.

Debt instruments through Other Comprehensive Income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

Equity instruments through Other Comprehensive Income

This comprises changes in the fair value of certain identified equity instruments recognised in other comprehensive income and accumulated within equity.

Remeasurements of the defined benefit plans

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

27 INTEREST INCOME

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Interest on loans	-	544.67	-	1,054.64
Interest income from investments	84.32	(4.09)	75.83	9.44
Interest on deposits	7.21	36.23	-	42.28
Other Interest Income	-	8.60	-	10.68
Total	91.53	585.41	75.83	1,117.04

28 FEES AND COMMISSION INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Fund Management Fees	9.89	9.30
Business Services Fees and Commission (including guarantee commission)	51.17	35.98
Application and Administration Charges	1.40	1.70
Total	62.46	46.98

29 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Equity securities	70.04	121.97
- Derivatives	(0.73)	(0.60)
- Security Receipts	7.53	(7.01)
- Preference Shares	-	48.37
- Units of Venture Capital Funds	14.12	10.07
- Units of Mutual Funds	26.11	17.76
(B) Net gain on derecognition of financial instruments at fair value through other comprehensive income	(70.85)	5.99
(C) Total Net gain/(loss) on fair value changes	46.21	196.55
Fair value changes :		
- Realised	(51.14)	(109.64)
- Unrealised	97.36	306.20
(D) Total Net gain/(loss) on fair value changes	46.21	196.55

(All amounts are in Rupees crores unless otherwise stated)

30 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/(loss) on derecognition of property, plant and equipment	**0.02**	0.01
Foreign exchange gain/loss	**0.12**	-
Interest from Income Tax Refund	**2.72**	15.10
Deferred Income from Land	**4.43**	5.25
Profit on sale of associates	**0.89**	0.62
Sundry balances written back (net)	**13.83**	1.54
Others	**21.42**	4.92
Total	**43.44**	27.45

31 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	**928.29**	1,133.94
Interest on debt securities	**8.29**	5.40
Other interest expenses	**1.40**	2.30
Interest on Right of Use Lease Liability	**4.86**	5.45
Bank charges	**0.22**	0.14
Total	**943.07**	1,147.23

32 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	**For the year ended March 31, 2022**		For the year ended March 31, 2021	
	On Financial Assets measured at fair value through OCI	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Loans *	**-**	**1,439.83**	-	2,293.61
Investments	**(50.03)**	**-**	2.95	-
Provision for doubtful debts/ advances	**-**	**(0.02)**	-	7.75
Other assets	**-**	**1.51**	-	0.78
Total	**(50.03)**	**1,441.31**	2.95	2,302.14
* Includes write off during the year		**1,388.83**		1,490.15

33 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	**252.54**	236.01
Contribution to provident and other funds	**26.69**	28.09
Expenses towards post employment benefits	**18.90**	18.79
Staff welfare expenses	**12.62**	9.18
Others	**0.28**	0.36
Gratuity fund contributions	**-**	-
Total	**311.04**	292.42

34 DEPRECIATION AND AMORTISATION

	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment	**41.77**	46.36
Depreciation on Investment Property	**3.01**	4.85
Amortisation of intangible assets	**21.60**	21.17
Total	**66.39**	72.39

(All amounts are in Rupees crores unless otherwise stated)

35 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	**3.16**	1.46
Rates and Taxes	**7.34**	6.81
Insurance	**7.02**	6.95
Repairs and Maintenance		
- Buildings	**15.19**	15.81
- Plant and Machinery	**14.77**	11.58
- IT	**3.96**	2.74
- Others	**3.85**	5.64
Electricity & Water Charges	**15.19**	14.56
Security expenses	**7.72**	8.89
Payment to Auditors *	**1.66**	1.68
Directors' Fee & Expenses	**0.45**	0.98
Publications & Advertisement	**0.76**	0.60
Consultation & Law charges	**18.32**	13.03
Travelling & Conveyance	**6.17**	4.73
Training & Development	**1.20**	1.00
Postage & Telephone	**4.12**	4.45
Printing & Stationery	**9.57**	6.18
Listing/ Filing/ Custody Fee	**18.02**	1.91
Library & Membership Subscription	**0.56**	0.73
Expenses on CSR Activity	**0.87**	1.96
Impairment loss on assets held for sale	**-**	(19.01)
Advertising & Business Promotion	**3.21**	1.92
Communication Costs	**7.68**	6.06
Outsourcing Expenses and Feet on Street	**24.87**	25.29
Technical Know-how Fees	**90.13**	79.10
Software Expenses	**16.70**	11.30
Foreign exchange gain/loss	**18.54**	8.96
Other miscellaneous expenses	**2.21**	26.22
Total	**303.25**	251.54

* Refer note 36 for details on payment to auditors

36 PAYMENT TO AUDITORS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees	**1.45**	1.57
Certification and other services	**0.15**	0.05
Reimbursement of Expenses	**0.06**	0.06
Total	**1.66**	1.68

37 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	For the year ended March 31, 2022	As at March 31, 2021
A. Contingent Liabilities#		
(i) Claims not acknowledged as debts	**122.18**	61.72
(ii) Guarantees excluding financial guarantees	**3.26**	3.23
(iii) Export obligations under EPCG Licenses	**2.75**	4.81
(iv) Tax Matters :		
Income Tax*	**2.21**	1.46
Service tax / GST	**-**	-
Total	**130.40**	71.22

*Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2022

(All amounts are in Rupees crores unless otherwise stated)

37 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) *(Contd.)*

		For the year ended March 31, 2022	As at March 31, 2021
B.	**Commitments**		
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**0.90**	0.90
(ii)	Undrawn Commitments	**43.32**	204.83
	Total	**44.22**	205.73
C.	**Contingent assets**	**Nil**	Nil

37.1 TAX EXPENSE

	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Amounts recognised in profit or loss		
Current tax (a)		
Current tax expense	**35.11**	17.50
Current tax expense/ (benefit) pertaining to earlier years	**-**	8.97
Sub-total (a)	**35.11**	26.47
Deferred tax (b)		
Deferred tax expense/ (credit)	**202.78**	(199.68)
Sub-total (b)	**202.78**	(199.68)
Tax expense (a)+(b)	**237.89**	(173.21)

B. Reconciliation of effective tax rate

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	%	**Amount**	%	Amount
Profit before tax		**(1,523.31)**		(2,084.79)
Tax using the Group's domestic tax rate of 34.944%	**34.94%**	**(532.31)**	34.94%	(728.51)
Effect of:				
Tax exempt income	**0.00%**	**-**	0.00%	-
Non-deductible expenses	**0.00%**	**-**	0.00%	-
Changes in estimates related to prior years for current tax	**0.00%**	**-**	-0.43%	8.97
Current year depreciation for which no deferred tax asset was recognised	**0.42%**	**(6.35)**	0.43%	(8.97)
Others	**-50.98%**	**776.55**	-26.64%	555.30
Effective tax rate	**-15.62%**	**237.89**	8.31%	(173.21)

38 Certain balances appearing under trade receivables and payables are subject to confirmation.

39 IN CASE OF IFCI LIMITED

(i) The Company had received ₹ 200 crore on March 15, 2021 from Government of India (GOI) towards subscription to the share capital of the Company during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85,401 number of equity shares of face value of ₹ 10/- each to GOI on April 23, 2021 @ ₹ 13.70/- per equity share (including security premium of ₹ 3.70/- per equity share). Further, an amount of ₹ 100 crore was received from GOI on January 17, 2022, towards subscription to the share capital of the Company for the FY 2021-22 as share application money. In this regard, the Committee of Directors had allotted 6,10,12,812 number of equity shares of face value of ₹ 10/- each to the GOI on February 25, 2022 @ ₹ 16.39/- per equity share (including security premium of ₹ 6.39/- per equity share).

(ii) The Company is consistently following the policy of provision on loan assets on the basis of Ind AS norms vs IRAC norms, whichever is higher. As on March 31, 2022, Impairment allowance under Ind AS 109 is higher than RBI Prudential (IRACP) Norms (including standard assets provisioning). Accordingly the company has provided for the amount as per Ind AS in the books of accounts as on March 31, 2022. The existing impairment reserve of ₹ 34.54 crores created upto March 31, 2022 has not been reversed. Though ECL on Loan Assets is computed on portfolio basis, however full impairment allowance has been made on loan accounts declared as fraud as per RBI norms.

(iii) The Company has changed its accounting policy whereby interest income on stage 3 assets (except on assets which are standard under IRAC norms) shall not be recognized in books of accounts with effect from 01st April 2021. Accordingly interest income is lower by ₹ 248.03 crore (net of ECL) for the reporting period.

(iv) The global economy has subsumed the impact of Covid-19 and is gradually recovering. The company does not envisage any major disruptions and impact on its operations moving forward.

(All amounts are in Rupees crores unless otherwise stated)

(v) These financial statements have been prepared as per Schedule III Division III of the Companies Act, 2013 which has been notified by the Ministry of Corporate Affairs and published in the official Gazette on 11th October 2018. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

(vi) The Capital Risk Adequacy Ratio (CRAR) stands at -(64.85%) as on 31 March 2022, below the RBI stipulated guidelines vide circular dt 31st May 2018 (RBI/2017-18/181 DNBR (PD) CC.No. 092/03.10.001/2017-18).

40 In the context of reporting business/geographical segment as required by Ind AS 108 - "Operating Segments", the Company operations comprise of only one business segment of financing. Hence, there is no reportable segment as per Ind AS 108.

41 On all the secured bonds and debentures issued by the Company and outstanding as on 31st March 2022, 100% security cover has been maintained against principal and interest, by way of floating charge on book debts/receivables of the Company . Further, asset cover for unsecured non convertible debentures issued by the company is 1.15 times as at 31st March 2022, on the basis of external valuation obtained by the Company from an independent expert.

42 Stockholding Corporation of India Ltd. (SHCIL) had during the year 2000-01 undertaken a transaction of ₹ 24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount alongwith compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from 1st August 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit [1] 30.00 crore with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalised bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹ 30.00 crore. Accordingly, the Company made the deposit. The amount of ₹ 60.00 crore, deposited by the Company in the High Court (₹ 30.00 crore) and Supreme Court (₹ 30.00 crore) is shown under the heading "Long Term Loans and Advances" under the sub heading "Security and other deposits" in the Statement of Balance Sheet. The bank was granted liberty to withdraw ₹ 30.00 crore along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹ 38.04 crore was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹ 15.00 crore along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹ 15.45 crore was released to the Bank. The Special Leave petition has been converted into a Civil Appeal on February 08, 2017 and the matter is listed in the Supreme Court for final disposal. The matter is appearing regularly and was last taken up for hearing in December 06, 2021.

The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honorable Supreme Court and also in view of the legal opinion obtained by SHCIL, in the opinion of SHCIL management no provision is required to be made in the statement of Profit and Loss for year ended March 2022

43 In case of Stock Holding Corporation of India Ltd (SHCIL), there were certain unreconciled Items amounting to ₹ 3.50 Cr grouped under trade receivable as on 31st March 2019. On further Investigation It has been revealed that one of the employee of the company had fraudulently made payments to the non-clients amounting to ₹ 2.94 Cr (net after recovery) from client bank accounts. The company has filed a First Information Report to the Rabale police station. And the company has filed an insurance claim to New India Assurance Company Limited.

As at March 31, 2020, the Company can determine the amount of embezzlement of fund to prior accounting periods however it cannot determine the amount of period specific loss as required under IndAS 8, as amounts recoverable from the employee and that from the Insurance claim is not fully determinable at March 31, 2020. Therefore it falls under the exception to IndAS 8 which states that If the quantum of loss cannot be ascertained clearly during the current period the accounting effects can be taken prospectively. The company on a conservative assessment, has provided an impairment of ₹ 2.94 cr for the entire recoverable in the profit & loss statement of the previous financial year. Also the company had appointed an outside agency to prepare the bank reconciliation of the said bank account from FY 2014-15 to FY 2018-19. Rectification entries have been passed on receipt of revised bank reconciliation statement in the previous financial year.

During the current financial year , the insurance company has granted ₹ 2.75 cr against a claim of ₹ 2.94 cr. Out of the awarded claim, ₹ 2.21 cr has been received from the insurance company and the balance of ₹ 53.79 lakhs will be recived upon the monetization of assets owned by the said employee or from the insurance company in case of any shortfall. Accordingly, the reversal of an impairment of ₹ 2.75 cr accounted in the current financial year.

The company had appointed a forensic auditor to conduct detailed analysts of the embezzlement of fund. The final report has been submitted by Forensic Auditor. Based on report management believes that there is unlikely of any further financial Impact of the same on the financial statements.

44 There was fire incident on December 11, 2017 at Mahape premises of the company. The insurance company has appomnied surveyor. The Corporation has received the insurance claim amounting to ₹ 14.05 crore on 28th July 2021 towards the fire incident. The surveyor assessed damage to the property of the company. The company appointed contractors to carry out the repair work for the interior and basement areas. Expenses amounting to ₹ 1.30 crore has been transferred to Repairs and Maintenence account for Mahape Interiors furnishing for the year ended March 31 2022. (Previous year 36.02 Lakh for Mahape Interiors furnishing)

45 StockHolding Document Management Services Limited

(a) A fire incident occurred on December 11, 2017 at Mahape premise of the company. The insurance company has not yet settled the claim.

(b) The company has been receiving claims for loss of documents from its clients. Majority of the clients have completed audit while others are in various stages of conducting audit through their auditors to assess damage to their documents for the final claims. Pending ascertainment of actual claim, the company has not provided/disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of account as on March 31, 2022.

(All amounts are in Rupees crores unless otherwise stated)

46 In case of SHCIL Services Limited, the Company has received summons dated 6th March 2018 from Court of Additional Chief Metropolitan Magistrate, 4th court, Girgaon, Mumbai) for violation of provisions of section 81, 193 and 285 of Companies Act 1956 which took place prior to financial year 2008-09. SHCIL Services Limited had earlier filed the compounding applications with Regional Director, Mumbai. However on follow up it was understood that the compounding applications are not traceable. Now on the advice of legal consultants we have filed a fresh compounding application dated September 11, 2018 with ROC. The Compounding fee is the prerogative of Court, however based on past compounding orders, penal provision and as discussed with Advocates, the liability on account of Compounding application will not be a material amount and the same is un ascertainable at the present.

47 In case of

A IFCI infrastructure development Ltd. (IIDL) :-

a) Inventory includes one property against which the Regional Provident Fund Commissioner - II has ordered for the recovery of those defaulted by the earlier company, i.e. Haryana Sheet Glass Limited (HSGL). A Writ Petition has been filed by the company before High Court of Punjab and Haryana at Chandigrah against the said order. The Court was of prima facie opinion that proper procedures has not been followed in assessing the liability. Accordingly, the impugned order has been quashed giving liberty to PF department to decide afresh after following due procedure.

b) The Company has received a notice from AIG Stamp Ghaziabad, for short payment of stamp duty amounting to ₹ 150.02/- Lakhs. The Hon'ble high court has granted stay in favour of the company & the case is pending for the final judgement.

c) An award dated 25.01.2018 was passed by the Arbitral Tribunal in the arbitration proceedings between M/s Subir Engineering Work(s) Pvt Ltd. vs. IIDL directing IIDL to pay claimant ₹ 768.00 lakhs with interest @ 6% from 27.10.2016 against the total claim of ₹ 2118 lakhs claimed by the Claimant. (The Award includes VAT amount of ₹ 309.00 lakhs and security deposit of ₹ 272.00 lakhs). IIDL has filed a petition u/s 34 of The Arbitration and Conciliation Act 1996 before Hon'ble Delhi High Court against this award. Further, an amount of ₹ 400.00 lakhs has been deposited in the court as per the direction of Hon'ble High Court.

d) The Company is contesting several matters pertaining to its project 21st Milestone Residency at Ghaziabad before Real Estate Regulatory Authority/ Real Estate Appellate Tribunal. In two of the matter i.e. Vinay Kumar Balyan and Rajesh Kumar Singh, an attachment order was passed by the RERA authority against which the company has filed an appeal before REAT. Further, the company has filed appeal before REAT wherein as per the direction of the tribunal the company was required to deposit an amount of ₹ 91.64 Lakhs and the same was deposited.

B In case of IFCI Venture Capital Funds Limited regarding change in accounting policy towards de-recognition of income on stage 3 assets, Stage 3 income shall not be recognised in the books of accounts w.e.f 01st April 2021, accordingly interest income is lower by ₹ 12.89 crore.

48 OTHER ADDITIONAL REGULATORY DISCLOSURES AS REQUIRED UNDER SCHEDULE III

In case of Stock Holding Corporation of India Limited (SHCIL) and IFCI Infrastruture Development Limited (IIDL)

a) Title Deeds of Immovable Property:

Relevant line item in the balance sheet	Description of the property	Gross carrying value	Title deed held in the Name of	Whether title deed holders are promoters, directors or relative of promotors, directors or employee of promotors, directors	Period of Holding the property	Reason for not being in the name of the company and whether the property is under dispute
Property, Plant and Equipement	18 Flats at Tilak Nagar- 9216 Sq. Feet	1.11	Stock Holding Corporation of India Limited	No	Since 01/05/1993	The conveyance of the property is under process
Property, Plant and Equipement	Pangoorvell, Ariyur Revenue Village, District - Villanpur, Puducherry (area 21.279 acres)	10.01	IFCI Infrastruture Development Limited (through sale certificate issued by IFCI Limited)	No	13 years & 08 months	One of the survey number identified as temple land due to which registration has not taken place. IIDL is in process of resolving the issue with concerned authority.

b) i) Ageing analysis of Capital Work-in-Progress (SHCIL):

	Amounts in CWIP for a period of Mar 2022				
Capital Work-in-Progress	**Less than 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Projects in Progress:-					
- Third Budiling Project at Mahape	**4.25**	**4.24**	**2.36**	**0.02**	**10.87**
- Cloud Resilency Orchestra project	**-**	**-**	**0.64**	**-**	**0.64**
Total	**4.25**	**4.24**	**3.00**	**0.02**	**11.51**

	Amounts in CWIP for a period of Mar 2021				
Capital Work-in-Progress	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
Projects in Progress:-					
- Third Budiling Project at Mahape	4.24	2.38	0.03	-	6.65
- Cloud Resilency Orchestra project	-	0.64	-	-	0.64
- SWIFT India project eServices	0.01	-	-	-	0.01
- eStamping phidelity appliance	1.41	-	-	-	1.41
- Voltas Lift	0.02	-	-	-	0.02
- SWAP software installation project	0.16	-	-	-	0.16
Total	5.68	3.02	0.03	-	8.89

(All amounts are in Rupees crores unless otherwise stated)

ii) Details of Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to its original plan as on March 31, 2022:

Capital Work-in-Progress	To be completed in			
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**
Third building project at Mahape office - (Completion is overdue but not exceeded its costs compared to its original plan)	**10.87**	**-**	**-**	**-**
Cloud Resiliency Orchestra Project by General Technologies (Completion is overdue but not exceeded its costs compared to its original plan)	**-**	**0.64**	**-**	**-**

The project completion is overdue at original plan. However, the cost of project has not been exceeded compared to its original plan.

c) i) **Ageing analysis of Intangible Assets under development (SHCIL):**

Intagible Assets under development	**Amounts for a period of Mar 2022**				
	Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress:					
- SWAP software installation project	**-**	**0.16**	**-**	**-**	**0.16**
- Mobile Application project	**0.09**	**-**	**-**	**-**	**0.09**
Projects in progress of subsidiary	**3.86**	**-**	**-**	**-**	**3.86**
Total	**3.95**	**0.16**	**-**	**-**	**4.11**

Intagible Assets under development	Amounts for a period of Mar 2021				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress of subsidiaries	0.02	-	-	-	0.02
Total	0.02	-	-	-	0.02

48 (d) Benami Property:

No proceedings have been initiated or pending against the company for holding any Benami property under the Benami Transaction (Prohibition)Act, 1988 (45 of 1988) and rules made thereunder.

48 (e) Borrowing against security of Current Assets

The group has no borrowings from bank or financial institutions against security of current assets, except in case of SHCIL and quarterly returns or statements of current assets filed by the SHCIL with banks or Financial institutions are in agreement with books of accounts

48 (f) Wilful Defaulter:

The company has not been declared as wilful defaulter by any bank or financial institution or any other lender during the year.

48 (g) Relationship with Struck off company:

The compnay has no transanction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies

48 (h) Details of Crypto Currency or Virtual Currency:

The company has not traded in Crypto Currency or Virtual Currency during the financial year.

48 (i) Companies with number of Layer of Companies:

Company being a NBFC, clause(87) of section 2 of the Act is not applicable.

48 (j) Scheme of arrangement

During the year there is no Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the companies act 2013

48 (k) Utilization of borrowed funds:

(i) The company has not advanced or loaned or invested any funds to any other person(s) or entity(ies), with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of beneficiaries.

(ii) The company has not received any funds from any other person(s) or entity(ies) including foreign entities, with the understanding that the intermediary shall directtly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

48 (l) Undisclosed Income:

During the year the Company has not disclosed any income in terms of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

48 (m) Registration of charge or satisfaction with Registrar of Companies (ROC):

In case of Stock Holding Corporation of India Limited

Details of charges/ satisfaction of charges to be registered	Amount	Due Date of Registration	Delayed
Charges created by Stock Holding in favour of UTI in 1994 which has been satisfied in 1998*	1,000,000	30/12/1994	No
Charge Created in favour of Indian Overseas Bank as per MCA Website**	275,000	22/09/1988	No

*The charge is satisfied and company is in the process of deletion of charges from the MCA website

**The charge is appearing on the MCA website however as per company records no charge has been created favouring Indian Overseas Bank.

(All amounts are in Rupees crores unless otherwise stated)

49 EMPLOYEE BENEFITS

The Group operates the following post-employment plans -

i. Defined contribution plan

The Group makes monthly contribution towards pension which is a defined contribution plan. The Group 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 March 31, 2022	For the year ended March 31, 2021
Contribution to Pension Fund	**0.01**	0.01
Contribution to Employees' Provident Fund	**8.29**	7.12
Contribution to Employees' Superannuation Fund	**4.37**	3.90

ii. Defined Benefit plan

A. Gratuity

The Group has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months (Maximum Limit – ₹ 20,00,000/-), based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC). This defined benefit plan expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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 Group's financial statements as at balance sheet date:

	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	**8.91**	4.80

(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 E below. Employees do not contribute to the plan.

Expected contributions to gratuity plan for the year ending 31 March 2022 is ₹ 1.62 cr.

(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:

	As at March 31, 2022			As at March 31, 2021		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit(asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit(asset)/ liability
Balance at the beginning of the year	**80.18**	**70.54**	**9.65**	80.18	70.54	9.65
Current service cost	**4.99**	**-**	**4.99**	4.96	-	4.96
Past service cost including curtailment Gains/Losses	**-**	**-**	**-**	-	-	-
Interest cost (income)	**5.62**	**(5.16)**	**0.46**	5.46	(4.84)	0.62
	10.61	**(5.16)**	**5.45**	10.43	(4.84)	5.59
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	**(0.06)**	**-**	**(0.06)**	0.00	-	0.00
- financial assumptions	**(1.99)**	**(0.25)**	**(1.74)**	0.00	(0.66)	0.66
- experience adjustment	**(0.98)**	**(0.29)**	**(0.69)**	(2.93)	0.07	(3.00)
– on plan assets	**-**		**0.29**	-	(0.11)	(0.11)
	(3.03)	**(0.25)**	**(2.21)**	(2.93)	(0.70)	(2.45)
Contributions paid by the employer	**-**	**3.82**	**(3.82)**	-	7.98	(7.98)
Benefits paid	**(10.64)**	**(10.48)**	**(0.16)**	(6.50)	(6.50)	-
	(10.64)	**(6.66)**	**(3.98)**	(6.50)	1.49	(7.98)
Balance at the end of the year	**77.12**	**69.30**	**8.91**	81.18	77.56	4.80

(All amounts are in Rupees crores unless otherwise stated)

(c) Plan assets

	As at March 31, 2022	As at March 31, 2021
Investment with Life insurance Corporation	**100%**	100%

On an annual basis, an asset-liability matching study is done by the Group whereby the Group 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):

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Future salary growth	**6.00%**	6.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.22)**	**1.31**	(1.19)	1.33
Future salary growth (0.50% movement)	**1.32**	**(1.25)**	1.33	(1.20)

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

	As at March 31, 2022	As at March 31, 2021
0 to 1 Year	**3.67**	3.75
2 to 6 Year	**9.42**	10.84
6 Year onwards	**15.41**	17.92
Total	**28.50**	32.51

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 13.11 years (31 March 2021: 12.94 years).

(g) Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group 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.

B. Post retirement medical benefit

IFCI is extending post-retirement medical benefits to the employees and eligible dependent family members after their retirement. As per the scheme, employees who are members of Voluntary Welfare Scheme (VWS) are eligible for reimbursement of medical expenses after retirement. The benefits under the scheme are extended to the retired employees, his/her spouse and dependent children and entitlement for reimbursement, although within the ceilings and is based upon the Grade in which an employee retires, subject to the condition that spouse of the concerned employee is not availing of any medical benefits from his/her employer, if any. Reimbursement of the medical bills is made at the rates applicable to the employees at the center at which the employee resides after retirement as per the rates circulated by IFCI for its working employees time to time.

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 Group's financial statements as at balance sheet date:

	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	**29.82**	29.92

(All amounts are in Rupees crores unless otherwise stated)

(a) 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:

	Defined benefit obligation	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**29.92**	27.28
Current service cost	**0.10**	0.14
Past service cost including curtailment Gains/Losses	**2.00**	1.83
	2.10	1.96
Remeasurements loss (gain)		
– Actuarial loss (gain) arising from:		
- demographic assumptions	**-**	-
- financial assumptions	**-**	-
- experience adjustment	**(1.15)**	0.97
	(1.15)	0.97
Benefits paid	**(1.05)**	(0.30)
		(0.30)
Balance at the end of the year	**29.82**	29.92

Expected contributions to the plan for the year ending 31 March 2022 is ₹ 0.30 crore

(b) Plan assets

There were no plan assets with the Group w.r.t said post retirement medical benfit plan

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to a restricted fund in order to manage the liability risk.

(c) Actuarial assumptions

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Future medical cost increase	**3.00%**	3.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(d) 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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.10)**	**1.09**	(0.90)	0.90

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 as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at March 31, 2022	As at March 31, 2021
0 to 1 Year	**2.41**	2.41
1 to 2 Year	**1.85**	1.86
2 to 3 Year	**1.86**	1.86
3 to 4 Year	**1.64**	1.65
4 to 5 Year	**1.75**	1.76
5 to 6 Year	**1.37**	1.37
6 Year onwards	**18.95**	19.01
Total	**29.82**	29.92

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 7.76 years (31 March 2021: 7.77 years).

(All amounts are in Rupees crores unless otherwise stated)

(f) Discreption of risk exposures

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

Medical Cost Increase - increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption 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.

C. Provident Fund

The Group has a defined benefit provident fund, governed by the IFCI Employees' Provident Fund Regulations. Monthly contributions to the Provident Fund is being charged against revenue. IFCI has been paying interest on the provident fund balance at the rate notified by the Employees' Provident Fund Organization (EPFO) for the relevant year. The Provident Fund is administered through duly constituted and approved administrators. The Committee of Administrators of IFCI Employees' Provident Fund has approved earmarking of specific investments against the PF liability in the current financial year. For the purpose, investments have been earmarked towards PF liability in line with the notification issued by Ministry of Labour & Employment notifying the pattern of investment for EPFO and EPF exempted establishments.

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 Group's financial statements as at balance sheet date:

	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability/ (asset)	**(9.81)**	(11.15)

(a) Funding

During the Financial year 2018-19, the Company has earmarked some of its investments in government securities, mutual funds against Provident fund liability.

Expected contributions to provident fund plan for the year ending 31 March 2022 is ₹ 1.36 cr.

(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:

	As at March 31, 2022			As at March 31, 2021		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit(asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit(asset)/ liability
Balance at the beginning of the year	**82.87**	**94.02**	**(11.15)**	81.76	94.51	(12.76)
Current service cost	**1.19**		**1.19**	1.25	-	1.25
Interest cost (income)	**5.22**		**5.22**	5.85		5.85
	6.41	**-**	**6.41**	7.10	-	7.10
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions						
- financial assumptions	**-**	**-**	**-**	-	-	-
- experience adjustment	**1.69**		**1.69**	1.13		1.13
– on plan assets		**4.83**	**(4.83)**		12.19	(12.19)
	1.69	**4.83**	**(3.14)**	1.13	12.19	(11.06)
Contributions paid by the employer	**6.59**	**6.59**	**-**	6.37	6.37	-
Benefits paid	**(15.16)**	**(15.16)**	**-**	(13.48)	(13.48)	-
Employer contribution	**-**	**1.19**	**(1.19)**	-	1.25	(1.25)
Settlements/transfers	**-**	**0.75**	**(0.75)**	-	(6.81)	6.81
	(8.57)	**(6.64)**	**(1.94)**	(7.11)	(12.68)	5.57
Balance at the end of the year	**82.40**	**92.22**	**(9.81)**	82.87	94.02	(11.15)

(c) Plan assets

	As at March 31, 2022	As at March 31, 2021
Investment in government securities	**100%**	100%

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to a trust which in turn make invstements in order to manage the liability risk.

(All amounts are in Rupees crores unless otherwise stated)

(d) Actuarial assumptions

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.30%**	6.69%
Expected statutory interest rate on the ledger balance	**8.10%**	8.50%
Expected year/Current short fall in interest earnings on the fund	**0.30%**	0.30%
Mortality	**IALM (2012-14)**	IALM (2012-14)
Disability	**None**	None
Withdrawal Rate (Age related)		
Up to 30 Years	**1.00%**	1.00%
Between 31 - 44 Years	**1.00%**	1.00%
Above 44 Years	**1.00%**	1.00%
Normal Retirement Age	**60**	60

(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.

	As at March 31, 2022		As at March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.06)**	**0.07**	(0.06)	0.06

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 as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at March 31, 2022	As at March 31, 2021
1 year	**10.55**	13.01
Between 2-5 years	**20.13**	23.92
Between 6-10 years	**20.96**	17.62
Over 10 years	**30.76**	28.32
Total	**82.40**	82.87

As at 31 March 2022, the weighted-average duration of the defined benefit obligation was 13.11 years (31 March 2021: 12.94 years).

(g) Discreption of risk exposures

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

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount recognised in Statement of Profit and Loss		
Leave encashment	**0.66**	1.90
Leave fare concession	**0.47**	0.33
Medical benefits	**2.13**	2.49

(All amounts are in Rupees crores unless otherwise stated)

50 RELATED PARTY DISCLOSURE

i. Name of the related party and nature of relationship:-

A.

Nature of Relationship	Name of the Related Party
Associates *	IFCI Social Foundation Institute of leadership development Associates held for sale - Athena Chattisgarh Power Pvt. Ltd. - Gati Infrastructure Bhasmey Power Pvt. Ltd. - KITCO Ltd. - Nagai Power Pvt. Ltd. - Shiga Energy Private Ltd. - Vadraj Cements Ltd. - Vadraj Energy (Gujarat) Ltd.

* The accounts of Associates have not been consolidated in the Consolidated Financial Statements for the year ending March 31, 2022. However, the names of the Associates have been disclosed in the related party for meeting the Ind AS requirements.

Joint venture	IFCI Sycamore Capital Advisors Pvt. Ltd. (under voluntary liquidation)
Key Managerial Personnel*	Sh. Manoj Mittal - Managing Director & Chief Executive Officer (w.e.f 12 June 2021) Shri. Sunil Kumar Bansal Deputy Managing Director (w.e.f 4 June 2020) Shri. Prasoon - Chief Financial Officer (w.e.f 16 Sep. 2021) Ms. Jhummi Mantri - Chief Financial Officer (upto 16 Sep. 2021) Ms. Priyanka Sharma - Company Secretary (w.e.f. 16 Sep. 2021) Ms. Rupa Deb - Company Secretary (upto 7 Sep. 2021) Dr. Bhushan Kumar Sinha (w.e.f. 21 May 2018) Prof. N Balakrishnan (w.e.f. 30 October 2017) Prof. Arvind Sahay (w.e.f. 30 October 2017) Shri. K Kadiresan (w.e.f. 30 March 2022) Shri MML Verma (upto 4 March 2022) Ms. Anindita Sinharay (w.e.f. 5 January 2021)
Entities under the control of same government	The Group is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Group has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements.

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

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Associates			
KITCO	(i) Dividend Received	**-**	-
IFCI Social Foundation Trust	(i) Contribution for CSR activities	**-**	0.15
	(ii) Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI	**-**	-
B. Entities under the control of same government			
CEGSSC, GOI	Agency Commission - Credit Guarantee Fund For SC/ST	**0.05**	0.17
Ministry Of Electronics & Information Technology, GOI	Commission - M Sips	**3.86**	3.67
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI Electronics	**2.00**	5.00
Ministry Of Electronics & Information Technology, GOI	Agency Fees SPECS	**3.75**	3.15
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI	Scheme Management Fee-PLI-Bulk Drugs	**1.66**	1.50
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI	Scheme Management Fee-PLI-Medical Devices	**2.00**	2.50
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI	Scheme Management Fee-PLI-Bulk Drugs Parks	**1.90**	1.43
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI	Scheme Management Fee-PLI-Medical Devices Parks	**0.76**	0.95

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Name of related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Ministry of Food Processing Industries, GOI	Monitoring Agency Fees	**7.80**	0.50
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -IT Hardware	**3.50**	-
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI White Goods	**1.00**	-
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI Auto Scheme	**4.00**	-
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI ACC Scheme	**0.20**	-
Ministry Of Electronics & Information Technology, GOI	Scheme Management Fees -PLI Textile	**0.42**	-
SDF, Ministry Of Consumer Affairs, Food & Public Distribution, GOI	Agency Commission - Sugar Development Fund	**9.15**	9.90
Steel Authority of India Ltd.	Advisory & Appraisal Fee received	**0.06**	0.04
Central Government	Interest Income on G Sec	**33.13**	47.11
State Bank Of India	Rental Income	**1.69**	0.02
Registrar Of Companies	Rental Income	**2.85**	2.60
ONGC Tripura Power Company Ltd.	Rental Income	**-**	2.61
Power System Operation Corporation Ltd.	Rental Income	**6.27**	7.13
SBI Life Insurance	Rental Income	**0.25**	0.15
United India Insurance	Rental Income	**0.26**	0.25
Canara Bank	Rental Income	**0.39**	0.36
National Pension System Trust	Rental Income	**2.21**	-

C. Compensation of key managerial personnel

Short-term employee benefits	**6.08**	5.04
Post-employment defined benefit	**0.29**	0.28
Compensated absences	**0.33**	0.31
Share-based payments	**-**	-
Sitting fees	**0.27**	0.16
Termination Benefit	**0.19**	0.03

Terms and conditions

All transactions with these related parties are priced on an arm's length basis.

51 LEASES

A. Lease as lessee

The leases typically run for a period of 11 months, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Future minimum lease payments		
At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:		
(a) Not later than one year	**0.29**	2.24
(b) Later than one year but not later than five years	**-**	-
(c) Later than five years	**-**	-
ii. Amounts recognised in profit or loss	**9.38**	7.13

B. Lease as lessor

The Group leases out its buidling (classified as investment property) on operating lease basis. The leases typically run for a period of 11 months - 7 years, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2022	For the year ended March 31, 2021
i. Future minimum lease payments		
At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:		
(a) Not later than one year	**33.09**	47.57
(b) Later than one year but not later than five years	**39.00**	28.71
(c) Later than five years	**12.19**	19.46
ii. Amounts recognised in profit or loss	**35.74**	38.60

(All amounts are in Rupees crores unless otherwise stated)

52 EARNINGS PER SHARE (EPS)

			Units	As at March 31, 2022	As at March 31, 2021
i	(a)	Profit Computation for Equity shareholders			
		Net profit as per Statement of Profit & Loss	₹ in crores	**(1,831.34)**	(1,941.51)
		Net profit for Equity Shareholders	₹ in crores	**(1,831.34)**	(1,941.51)
	(b)	Weighted Average Number of Equity Shares outstanding	Nos	**2,102,991,305**	1,895,993,092
ii	(a)	Profit Computation for Equity shareholders (including potential shareholders)			
		Net profit as per Statement of Profit & Loss	₹ in crores	**(1,831.34)**	(1,941.51)
		Net profit for equity shareholders (including potential shareholders)	₹ in crores	**(1,831.34)**	(1,941.51)
	(b)	Weighted Average Number of Equity Shares outstanding	Nos	**2,102,991,305**	1,895,993,092
		Earnings Per Share			
		(Weighted Average)			
		Basic	₹	**(8.71)**	(10.24)
		Diluted	₹	**(8.71)**	(10.24)

53 OPERATING SEGMENTS

The Board has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Group is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108.

a. **Information about products and services:**

The Group deals in only one product i.e. granted loans to corporate customers. Hence, no separate disclosure is required.

b. **Information about geographical areas:**

The entire sales of the Group are made to customers which are domiciled in India. Also, all the assets of the Group are located in India.

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

The Group does not earn revenues from the customers which amount to 10 per cent or more of Group's revenues

54 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into transactions that result in the transfer of loans and advances given to customers. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Group's continuing involvement, or are derecognised in their entirety.

The Group transfers financial assets that are not derecognised in their entirety are primarily through the sale of NPA loans to asset reconstruction companies (ARCs)

A. Transferred financial assets that are not derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

Sale of NPA loans to asset reconstruction companies (ARCs)' are transactions in which the Group sells loan and advances to an unconsolidated special vehicle and simultaneously purchases the majority portion of security receipts issued by said vehicle. The security receipts are collateralised by the loans purchased by the vehicle and hence the cash flow of the security receipts is dependent on the recovery of purchased loans.

The Group continues to recognise that part of the loans in their entirety against which security receipts have been subscribed by the Group because it retains substantially all of the risks and rewards of ownership w.r.t that part of the transferred loan. The part of loan transferred against which cash consideration is received is derecognised.

The following table sets out the carrying amounts and fair values of one financial asset transferred that is not derecognised in entirety and associated liabilities.

	Carrying amount		Fair value		
	Assets - Loans	Liabilities - Borrowings	Assets - Loans	Liabilities - Borrowings	Net position
Sale of NPA loans to asset reconstruction companies (ARCs)					
As at 31 March 2022	**49.64**	**-**	**150.94**	**-**	**150.94**
As at 31 March 2021	74.95	-	176.73	-	176.73

B. Transferred financial assets that are derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

The Group has taken derecognition exemption and de-recognise the loans in their entirety against which security receipts have been subscribed by the Group. The Group has classified said invsetment in security receipts subsequently measured at fair value through profit and loss.

During the year the group has recognised a fair value gain/(loss) of ₹ -193.26 crore (₹ -275.50 crore in 2019-20). The cumulative fair value gain/(loss) on the security receipts as on 31 March 2021 is ₹ -7.01 crore (31 March 2020 - ₹ -34.34 crore)

The following table sets out the details of the assets that represents the Group's continuing involvement with the transferred assets that are derecognised in their entirety.

(All amounts are in Rupees crores unless otherwise stated)

	Carrying amount	Fair value	
	Assets - Investment in security receipts	**Assets - Investment in security receipts**	**Liabilities**
Sale of NPA loans to asset reconstruction companies (ARCs)			
As at 31 March 2022	**190.53**	**190.53**	**-**
As at 31 March 2021	414.55	414.55	-

The amount that best represents the Group's maximum exposure to loss from its continuing involvement in the form of security receipts issued by ARCs is their carrying amount.

55 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.

	As at 31 March 2022		
Particulars	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets:			
Cash and cash equivalents	**-**	**-**	**966.30**
Bank balance other than above	**-**	**-**	**1,328.15**
Derivative financial instruments		**-**	**2.02**
Receivables	**-**	**-**	**242.57**
Loans	**-**	**-**	**2,623.48**
Investments	**1,042.62**	**5,430.89**	**67.39**
Other financial assets	**-**	**-**	**734.77**
	1,042.62	**5,430.89**	**5,964.68**
Financial liabilities:			
Derivative Financial Instrment			**-**
Trade payables	**-**	**-**	**390.87**
Other payables	**-**	**-**	**2.23**
Debt securities	**-**	**-**	**5,095.43**
Borrowings (other than debt securities)	**-**	**-**	**1,025.02**
Subordinated liabilities	**-**	**-**	**974.66**
Other financial liabilities	**-**	**-**	**2,752.23**
	-	**-**	**10,240.44**

	As at 31 March 2021		
Particulars	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	1,179.73
Bank balance other than above	-	-	1,340.71
Derivative financial instruments		-	-
Receivables	-	-	193.63
Loans	-	-	6,840.83
Investments	2,342.67	3,102.88	58.55
Other financial assets	-	-	1,538.06
	2,342.67	3,102.88	11,151.51
Financial liabilities:			
Derivative Financial Instrment			15.91
Trade payables	-	-	410.32
Other payables	-	-	211.10
Debt securities	-	-	7,370.99
Borrowings (other than debt securities)	-	-	2,356.95
Subordinated liabilities	-	-	1,313.30
Other financial liabilities	-	-	3,496.10
	-	-	15,174.67

(All amounts are in Rupees crores unless otherwise stated)

B. Valuation framework

The respective operational department performs the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quaterly reporting period. Specific controls for valuation includes verification of observable pricing, review of siginificant unobservable inputs and valuation adjustments.

The Group 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. It develops Level 3 inputs based on the best information available in the circumstances.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

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 Group 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

As at 31 March 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Derivative financial instruments		-		-
Investments	**781.19**	**305.02**	**5,454.69**	**6,540.90**
	781.19	**305.02**	**5,454.69**	**6,540.90**
Financial liabilities:				
Derivative financial instruments				-
	-	-	-	-

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

As at 31 March 2022	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Loans	**2,623.48**			**2,623.48**	**2,623.48**
	2,623.48	-	-	**2,623.48**	**2,623.48**
Financial liabilities:					
Debt securities	**5,095.43**			**5,095.43**	**5,095.43**
Borrowings (other than debt securities)	**1,025.02**		**1,025.02**		**1,025.02**
Subordinated liabilities	**974.66**			**974.66**	**974.66**
	7,095.11	-	**1,025.02**	**6,070.09**	**7,095.11**

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

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments		-		-
Investments	1,404.29	961.87	3,137.94	5,504.10
	1,404.29	961.87	3,137.94	5,504.10
Financial liabilities:				
Derivative financial instruments				-
	-	-	-	-

(All amounts are in Rupees crores unless otherwise stated)

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

As at 31 March 2021	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	6,840.83			6,840.83	6,840.83
	6,840.83	-	-	6,840.83	6,840.83
Financial liabilities:					
Debt securities	7,370.99			7,370.99	7,370.99
Borrowings (other than debt securities)	2,356.95		2,356.95		2,356.95
Subordinated liabilities	1,313.30			1,313.30	1,313.30
	11,041.24	-	2,356.95	8,684.29	11,041.24

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.

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input
Unquoted equity securities	Net asset value/Company comparable method/ Discounted cash flow	Weighted average cost of capital/Discount rate
Preference shares	Net asset value/Company comparable method/ Discounted cash flow	Weighted average cost of capital/Discount rate
Loans	Discounted cash flow	Future cash flows, discount rates
Debt securities	Discounted cash flow	Future cash flows, discount rates
Borrowings (other than debt securities)	Discounted cash flow	Future cash flows, discount rates
Subordinated liabilities	Discounted cash flow	Future cash flows, discount rates

ii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Investment in preference shares	Equity shares at fair value through other comprehensive income	Investment in unquoted equity instrument
Balance as at 31 March 2021	4.87	-	3,133.06
Total gain or losses:	-	-	-
- in profit or loss	-	-	2,276.29
- in OCI	-	-	-
Purchases	-	-	-
Settlement	(0.01)	-	40.48
Transfers into Level 3	-	-	-
Balance as at 31 March 2022	**4.86**	**-**	**5,449.83**

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Investment in preference shares	Equity shares at fair value through other comprehensive income	Investment in unquoted equity instrument
Total gain or losses recognised in profit or loss :			
- Net fair value change from financial instruments carried at fair value	-	-	2,276.29
Other revenue			
Total gain or losses recognised in OCI :			
- Fair value reserve (equity instruments) - net change in fair value	-	-	-
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:			
- Net fair value change from financial instruments carried at fair value	0.01	-	2,235.81

(All amounts are in Rupees crores unless otherwise stated)

Particulars	Investment in preference shares	Investment in unquoted equity instrument
Balance as at 31 March 2020	27.46	2,447.77
Total gain or losses:		
- in profit or loss	48.37	743.20
- in OCI		
Purchases	-	
Settlement	(70.96)	(57.91)
Balance as at 31 March 2021	4.87	3,133.06

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Investment in preference shares	Investment in unquoted equity instrument
Total gain or losses recognised in profit or loss :		
- Net fair value change from financial instruments carried at fair value	48.37	743.20
Other revenue		
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:		
- Net fair value change from financial instruments carried at fair value	119.33	801.11

56 FINANCIAL RISK MANAGEMENT

The group's activities are primarily subjected to credit risk, market risk and operational risk for managing risk management committee exsists. The function of the committee is to identify, monitor, manage and mitigate these risks. The group also makes sure that it adheres to internal policies and procedures, complies with the regulatory guidelines and maintains sufficient loan documentation.

With regards to its lending activity, the group has established various limits and restrictions to manage the risks. There are various reports which are prepared and presented to senior management by the risk management committee at regular intervals and on ad-hoc basis which helps in risk monitoring. The group has also set-up procedures to mitigate the risks in case of any breach.

A. Risk management framework

The group's Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. The board of directors have established the Risk Management and Asset Liability Management Committee of the Directors (RALMCD) which is responsible for developing and monitoring the group's integrated risk management policies. The RALMCD is assisted in its oversight role by the Risk and Asset Liability Management Committee of Executives (RALMCE). The Integrated Risk Management Department undertakes regular reviews of risk management controls and procedures, the results of which are reported to the RALMCE on monthly basis.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securties and deposits with banks and financial institutions and any other financial assets.

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's loans and advances to customers, trade receivables from customers; loans and investments in debt securities.

a) Credit risk management

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer/obligor. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, business specific risk, management risk, transition specific risk and project related risks.

A financial asset is considered '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 issuer or the borrower
- A breach of contract, such as default
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of the active market for that financial asset because of financial difficulties
- Purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes minimum finalised internal rating, external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits have been established for each customer and reviewed periodically and modifications are done, as and when required. Any loan exceeding prescribed limits require approval from the respective competent authority.

b) Probablity of defalut (PD)

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PD for a 12 month duration and lifetime duration based on the stage allocation of the borrower. A PD used for Ind AS 109 should reflect the institution's view of the future and should be unbiased (i.e. it should not include any conservatism or optimism).

(All amounts are in Rupees crores unless otherwise stated)

To arrive at historical probability of default, transition matrix approach has been applied using IFCI internal obligor ratings.

c) Definition of default

Default' has not been defined under Ind AS. An entity shall apply a default definition that is consistent with the definition used for internal credit risk management purposes and consider qualitative indicators when appropriate. A loan is considered as defaulted and therefore Stage-3 (credit impaired) for ECL calculations in the following cases:

- On deterioration of the IFCI internal combined ratings of the borrower to CR-9 or CR-10 (Comparison to be done between origination rating and current rating).
- On asset being classified as NPA as per RBI prudential norms
- On restructuring of assets with impairment in loan value
- On asset being more than 90 days past dues.

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments which is subject to the impairment calculation.

e) Loss given default (LGD)

LGD is an estimate of the loss from the transaction given that a default occurs. The LGD component of ECL is independent of deterioration of asset quality, and thus applied uniformly across various stages. With respect to loan portfolio, NPA accounts which have originated in past 7 years and have been closed, along with NPA accounts ageing more than 5 years (assumed as closed), have been considered for LGD computation.

f) Significant increase in credit risk

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of the default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make that assessment, an entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

For the assessment of the SICR for the loans and advances, the following conditions have been considered:

- Deterioration of the IFCI internal combined ratings of the borrowers by 3 rating grades. (Comparison to be done between origination rating and current rating).
- Deterioration of the ratings of the borrowers from the investment grade to the sub-investment grade.
- On restructuring of assets without impairment in loan value
- On asset overdue beyond 60 days past dues

g) Provision for expected credit losses

The following tables sets out information about the overdue status of loans and advances, loan commitments, financial guarantees, trades receivables and other financial assets to customers in Stages 1, 2 and 3.

	As at March 31, 2022				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	**131.17**	**-**	**-**	**-**	**131.17**
Grade 7-8 : higher risk	**-**	**220.50**	**-**	‘	**220.50**
Grade 9-10 : Loss	**-**	**-**	**5,101.47**	**-**	**5,101.47**
Others	**127.35**	**1.26**	**561.61**	**-**	**690.22**
	258.51	**221.76**	**5,663.08**	-	**6,143.35**
Loss allowance	**(8.89)**	**(39.75)**	**(4,166.79)**	-	**(4,215.43)**
Carrying value	**249.62**	**182.01**	**1,496.29**	-	**1,927.92**

	As at March 31, 2022				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loans and advances at amortised cost-Greenfield					
Rating -1 to 6	**35.00**	**-**	**-**	**-**	**35.00**
Rating - 7 to 8	**-**	**184.81**	**-**	**-**	**184.81**
Rating - 9 to 10	**-**	**-**	**1,666.96**	**-**	**1,666.96**
	35.00	**184.81**	**1,666.96**	-	**1,886.76**
Loss allowance	**(0.78)**	**(70.55)**	**(1,119.87)**	-	**(1,191.20)**
Carrying value	**34.22**	**114.26**	**547.08**	-	**695.56**

(All amounts are in Rupees crores unless otherwise stated)

Trade receivables at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	195.97	2.15	198.12
More than 6 months less than 1 year	19.94	0.66	20.60
More than 1 year less than 2years	13.17	15.14	28.31
More Than 2 years less than 3 years	4.45	5.12	9.57
Above 3 years	9.04	13.48	22.52
Others	-	-	-
	242.57	36.55	279.12
Loss allowance	-	-36.55	-36.55
Carrying value	**242.57**	**-**	**242.57**

Other financial assets at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	49.58	-	49.58
More than 6 months less than 1 year	0.01	-	0.01
More than 1 year less than 2years	0.05	-	0.05
More Than 2 years less than 3 years	0.30	0.01	0.31
Above 3 years	-	70.39	70.39
Others	288.14	406.27	694.41
	338.07	476.68	814.75
Loss allowance	-	(79.98)	(79.98)
Carrying value	**338.07**	**396.70**	**734.77**

Investment in debt securities at FVTOCI

	Stage-1	Stage-2	Stage-3	Total
BBB - to AAA	631.93	-	-	631.93
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	0.00	-
	631.93	-	-	631.93
Loss allowance	(0.10)	-	-	(0.10)
Amortised cost	631.83	-	-	631.83
Fair value	**627.09**	**-**		**627.09**

	As at March 31, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	**5.71**	**-**	**-**	**-**	**5.71**
Grade 7-8 : higher risk	**7.57**	**-**	**-**	**-**	**7.57**
Grade 9-10 : Loss	**-**	**-**	**-**	**-**	**-**
	13.28	**-**	**-**	**-**	**13.28**
Loss allowance	**(1.01)**	**-**	**-**	**-**	**(1.01)**
Carrying value	**12.26**	**-**	**-**	**-**	**12.26**
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	**17.15**	**-**	**-**	**-**	**17.15**
Grade 7-8 : higher risk	**-**	**-**	**-**	**-**	**-**
Grade 9-10 : Loss	**45.81**	**-**	**-**	**-**	**45.81**
	62.96	**-**	**-**	**-**	**62.96**
Loss allowance	**(31.16)**	**-**	**-**	**-**	**(31.16)**
Carrying value	**31.80**	**-**	**-**	**-**	**31.80**

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	658.11	414.96	-	-	1,073.06
Grade 7-8 : higher risk	-	738.73	-	-	738.73
Grade 9-10 : Loss	-	-	7,912.97	-	7,912.97
Others	188.63	50.17	555.51	-	794.31
	846.74	1,203.86	8,468.48	-	10,519.08
Loss allowance	(12.13)	(217.51)	(5,154.98)	-	(5,384.62)
Carrying value	834.60	986.36	3,313.50	-	5,134.46

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Rating -1 to 6	233.72	-	-	-	233.72
Rating - 7 to 8	554.70	-	-	-	554.70
Rating - 9 to 10	-	-	2,190.09	-	2,190.09
	788.42	-	2,190.09	-	2,978.51
Loss allowance	(10.86)	-	(1,261.27)	-	(1,272.13)
Carrying value	777.56	-	928.82	-	1,706.38

Trade receivables at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	54.10	-	54.10
More than 6 months less than 1 year	0.87	0.04	0.91
More than 1 year less than 2years	1.31	0.06	1.37
More Than 2 years less than 3 years	1.03	0.05	1.08
Above 3 years	-	1.26	1.26
Others	136.31	43.35	179.67
	193.62	44.76	238.39
Loss allowance	-	(44.76)	(44.76)
Carrying value	**193.62**	**-**	**193.62**

Other financial assets at amortised cost

	Lifetime	Credit Imparied	Total
Less than 6 months	139.11	-	139.11
More than 6 months less than 1 year	0.00	-	0.00
More than 1 year less than 2years	0.39	-	0.39
More Than 2 years less than 3 years	0.00	-	0.00
Above 3 years	-	79.55	79.55
Others	896.51	502.05	1,398.56
	1,036.01	581.60	1,617.61
Loss allowance	-	(79.55)	(79.55)
Carrying value	**1,036.01**	**502.05**	**1,538.07**

Investment in debt securities at FVTOCI

	Stage-1	Stage-2	Stage-3	Total
BBB - to AAA	568.93	-	-	568.93
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	98.72	98.72
	568.93	-	98.72	667.65
Loss allowance	(0.09)	-	(50.02)	(50.12)
Amortised cost	**568.84**	**-**	**48.70**	**617.53**
Fair value	**581.04**	**-**	**39.60**	**620.64**

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	5.71	-	-	-	5.71
Grade 7-8 : higher risk	10.52	-	-	-	10.52
Grade 9-10 : Loss	8.91	-	-	-	8.91
	25.14	-	-	-	25.14
Loss allowance	(5.35)	-	-	-	(5.35)
Carrying value	19.78	-	-	-	19.78
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	51.14	-	-	-	51.14
Grade 7-8 : higher risk	64.91	-	-	-	64.91
Grade 9-10 : Loss	45.81	-	-	-	45.81
	161.86	-	-	-	161.86
Loss allowance	(27.92)	-	-	-	(27.92)
Carrying value	133.95	-	-	-	133.95

h) **Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets**

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

Loans and advances at amortised cost

Reconciliation of loss allowance		Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2020	**255.07**	**238.34**	**5,127.79**	**5,621.19**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(41.89)	41.89	-	-
Transfer to Stage 3	(6.17)	(69.48)	75.65	-
Net remeasurement of loss allowance	(151.46)	22.25	(1,448.00)	(1,577.21)
New financial assets originated or purchased	-	-	-	
Financial assets that have been derecognised	(15.49)	(15.49)	(24.53)	(55.51)
Write offs	-	-	1,424.07	1,424.07
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**40.05**	**217.51**	**5,154.98**	**5,412.54**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(0.78)	0.78	-	0.00
Transfer to Stage 3	-	28.08	28.09	56.17
Net remeasurement of loss allowance	3.22	(162.50)	437.53	278.25
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(2.44)	(44.12)	(327.45)	(374.01)
Write offs	-	-	(1,126.35)	(1,126.35)
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2022	**40.05**	**39.75**	**4,166.79**	**4,246.59**

(All amounts are in Rupees crores unless otherwise stated)

Loans and advances at amortised cost- Greenfield

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and not credit-impaired	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2020	**73.05**	**126.71**	**1,024.08**	**1,223.84**
Transfer to Stage 1	0.87	(0.87)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	(37.87)	37.87	-
Net remeasurement of loss allowance	(44.11)	-17.99	199.32	137.22
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(13.60)	(69.98)	-	(83.58)
Write offs	-			
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**16.21**	**0.00**	**1,261.27**	**1,277.48**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(2.55)	2.55	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(4.18)	68.00	250.68	314.50
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(7.69)	-	(129.59)	(137.29)
Write offs			(262.48)	(262.48)
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2022	**1.80**	**70.55**	**1,119.87**	**1,192.22**

The contractual amount outstanding on loans and advances measured at amortised cost that were written off during the year ended 31 March 2022 are still subject to enforcement acttivity

Investment in Debt securities at FVTOCI

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and not credit-impaired	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2020	**0.19**	**-**	**46.97**	**47.16**
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(0.10)	-	3.05	2.95
New financial assets originated or purchased	0.01	-	-	0.01
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	**0.09**	**-**	**50.02**	**50.11**
Transfer to Stage 1	-	-	-	**-**
Transfer to Stage 2	-	-	-	**-**
Transfer to Stage 3	-	-	-	**-**
Net remeasurement of loss allowance	0.01	-	-	**0.01**
New financial assets originated or purchased	-	-	-	**-**
Financial assets that have been derecognised	-	-	(50.02)	**(50.02)**
Write offs	-	-	-	**-**
Unwind of discount	-	-	-	**-**
Changes in risk parameters	-	-	-	**-**
Loss allowance on 31 March 2022	**0.10**	**-**	**0.00**	**0.11**

(All amounts are in Rupees crores unless otherwise stated)

In case of IFCI Factors Limited. As required by the RBI Notification no. “DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Indian Accounting Standard(IndAS) in NBFC, the company has appropriated the difference between the impairment allowance under Ind AS 109 and the provisioning required under RBI Prudential (IRACP) Norms (including standard assets provisioning), a sum of ₹ 105.03 crore has been taken to “Impairment Reserve”.

i) Collateral held and other credit enhancements

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Company’s internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Company holds other types of collateral such as second charges and floating charges for which specific values are generally not available. The company has internal policised on the accepatability of specific classes of collateral or credit risk mitigation.The prinicipal collateral types for loans and advances are:

1 Mortgage of Immovable properties
2 Hypothecation of Movable property
3 Bank and Government Guarantees
4 Pledge of instruments through which promoter’s contribution is infused in the project
5 Pledge of Promoter Shareholding
6 Corporate and Personal Guarantees of Promoters

j) Modified / Restructured loans

When the Group grants concession, for economic or legal reasons related to a borrower’s financial difficulties, for other than an insignificant period of time, the related loan is classified as a Troubled Debt Restructuring (TDR). Concessions could include a reduction in the interest rate below current market rates, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. Loans, for which the terms have been modified, and for which the borrower is experiencing financial difficulties, are considered TDRs.

From a risk management point of view, once an asset is forborne or modified, the Group’s special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

The were no modified assets which were forborne during the period and accordingly no loss were suffered by the Group.

k) Governance Framework

As required by the RBI Notification no. “DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020, where provision requirement as per extant RBI norms is higher than ECL as computed under IndAS, the provision as per RBI norms shall be adopted, on portfolio basis. Further, in accordance with RBI Guidelines, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the difference shall be appropriated from the net profit or loss after tax to a separate ‘Impairment Reserve’.

C. Liquidity risk

Liquidity risk is the potential inability to meet the institution’s liabilities as they become due. From Group perspective, it basically originates from the mismatches in the maturity pattern of assets and liabilities. Analysis of liquidity risk involves the measurement of not only the liquidity position of the institution on an ongoing basis but also examining how funding requirements are likely to be affected under sever but plausible scenarios. Net funding requirements are determined by analysing the institution’s future cash flows based on assumptions of the future behaviour of assets and liabilities that are classified into specified time buckets, utilizing the maturity ladder approach and then calculating the cumulative net flows over the time frame for liquidity assessment

For the present, for measuring and managing net funding requirements, the use of maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is being utilized as a standard tool.

The ALM format prescribed by RBI in this regard is being utilized for measuring cash flow mismatches in different time bands. The cash flows are placed in different time bands based on projected future behaviour of assets, liabilities and off-balance sheet items. Apart from the above cash flows, the institution would also track the impact of prepayments of loans, premature closure of liabilities and exercise of options built in certain instruments which offer put/call options after specified times. Thus, cash outflows can be ranked by the date on which liabilities fall due, the earliest date a liability holder could exercise an early repayment option or the earliest date contingencies could be crystallized

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

- ₹ 94.00 crore overdraft facility that is secured. Interest would be payable between 7.75 percent and 8.21 percent.
- ₹ 130 crore facility that is unsecured and can be drawn down to meet short-term financing needs. Interest would be payable at a rate of 9.57 percent (weighted average rate)

Exposure to liquidity risk

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

(All amounts are in Rupees crores unless otherwise stated)

As at 31 March 2022	**Contractual cash flows**						
	Carrying amount	**Gross nominal inflow/ (outflow)**	**6 month or less**	**6-12 months**	**1-3 years**	**3-5 years**	**More than 5 years**
Non - derivative financial liabilities							
Borrowings	**1,025.02**	**1,166.53**	**394.51**	**145.94**	**342.45**	**59.57**	**224.06**
Debt securities issued	**5,095.43**	**5,067.22**	**56.08**	**248.16**	**1,825.69**	**275.69**	**2,661.60**
Subordinated liabilities	**974.66**	**974.67**	**100.00**	**-**	**100.00**	**694.67**	**80.00**
Derivative financial assets							
Forwards and spots	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-derivative financial assets							
Loans and advances	**2,623.48**	**7,444.16**	**147.82**	**111.50**	**160.99**	**108.97**	**6,914.88**
Investment securities	**6,540.90**	**4,376.77**	**984.28**	**6.62**	**63.49**	**4.72**	**3,317.66**

As at 31 March 2021	Contractual cash flows						
	Carrying amount	Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Borrowings	2,356.95	2,111.64	716.22	519.12	876.30	-	-
Debt securities issued	7,370.99	7,356.54	571.60	2,402.74	(158.22)	1,850.69	2,689.73
Subordinated liabilities	1,313.30	1,313.30	-	-	662.27	-	651.04
Derivative financial assets							
Forwards and spots	(15.91)	(15.91)	(15.91)	-	-	-	-
Non-derivative financial assets							
Loans and advances	6,840.83	10,943.69	488.51	405.48	985.64	361.67	8,702.39
Investment securities	5,504.10	5,844.49	1,559.03	407.37	89.16	31.19	3,757.74

Contractual cash flows	**As at March 31, 2022**	As at March 31, 2021
Other financial assets		
- within 12 months	**544.30**	549.43
- after 12 months	**352.33**	416.33
Gross nominal inflow/(outflow)	**896.63**	965.76
Other financial liabilities		
- within 12 months	**1,361.52**	1,390.35
- after 12 months	**958.68**	1,175.58
Gross nominal inflow/(outflow)	**(2,320.20)**	(2,565.93)

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contract maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross settlement.

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. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency 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.

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	On demand	**6 month or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
As at 31 March 2022							
Other undrawn commitments to lend	**43.32**	**-**	**-**	**-**	**-**	**-**	**43.32**
As at 31 March 2021							
Other undrawn commitments to lend	196.85	-	-	-	-	-	196.85

(All amounts are in Rupees crores unless otherwise stated)

D. Market risk

Market 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, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses.All such transactions are carried out within the guidelines set by the Risk Management Committee.

a. Market risk - trading portfolios

Objectives and limitations of the VaR methodology

The Group uses simulation models to assess possible changes in the market value of the trading portfolio based on historical data from the past five years. The VaR models are designed to measure market risk in a normal market environment. The models assume that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution. The distribution is calculated by using exponentially weighted historical data. Due to the fact that VaR relies heavily on historical data to provide information and does not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the normal distribution assumption.

VaR may also be under– or over–estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level.

In practice, the actual trading results will differ from the VaR calculation. In particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation.

VaR assumptions

The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one-day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days.

Since VaR is an integral part of the Group’s market risk management, VaR limits have been established for all trading operations and exposures are required to be reviewed daily against the limits by management.

b. Market risk - Non-trading portfolios

(i) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Group. The functional currency for the Group is INR. The currency in which these transactions are primarily denominated is EURO.

Currency risks related to the principal amounts of the Group’s EURO bank loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group – primarily INR. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group’s policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group’s exposure to currency risk as reported to the management is as follows:

Particulars	March 31, 2022		March 31, 2021	
	INR	EURO	INR	EURO
Borrowings	372.75	4.43	409.83	4.78
Net exposure in respect of recognised assets and liabilities	**372.75**	**4.43**	409.83	4.78

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR and EURO against all currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022	**37.28**	**(42.48)**	**24.25**	**(27.64)**
EURO (10% movement)				
31 March 2021	42.48	(42.61)	27.64	(27.72)
EURO (10% movement)				

(ii) Interest rate risk

The Group makes attempts to minimize the gap between floating rate liabilities and floating rate assets, in order to minimize interest rate risk. This is achieved by way of borrowings at a floating rate and lending at rates linked to Group benchmark rate, which in turn is linked to, among others, its cost of borrowings. Further, analysis of impact of change in market rates of interest is carried out on a periodic basis, to undertsand impact on Net Interest Income of Group and Market Value of Equity of Group. In line with extant regulatory guidelines, Interest rate Sensitivity statement is prepared on a monthly basis and anlysed to understand gaps in various time buckets.

(All amounts are in Rupees crores unless otherwise stated)

Exposure to interest rate risk

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

Particulars	March 31, 2022	March 31, 2021
Fixed rate instruments		
Financial assets	**267.33**	361.12
Financial liabilities	**6,090.19**	8,704.39
Variable rate instruments		
Financial assets	**2,382.59**	6,479.71
Financial liabilities	**999.90**	2,336.84

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have no impact in statement of profit and loss. This would have an impact on the fair value at the reporting dates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2022				
Variable rate instruments	**10.00**	**(10.00)**	**6.50**	**(6.50)**
Cash flow sensitivity (net)				
31 March 2021				
Variable rate instruments	23.37	(23.37)	15.20	(15.20)
Cash flow sensitivity (net)				

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities declines as a result of changes in the level of equity indices and market price of individual stocks. The non–trading equity price risk exposure arises from equity securities classified at Fair Value. The equity price risk same is more applicable to securities held for the purpose of trading. As the Group focuses on long term investments and curent investments are kept low (investments held for tradng purposes), Group may not be exposed to significant equity price risk.

57 INTEREST IN OTHER ENTITIES

a) Interest in subsidiaries

i. The group's subsidiaries at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Direct subsidiaries						
IFCI Venture Capital funds Ltd (IVCF)	India	**98.59%**	98.59%	**1.41%**	1.41%	Promoting enterpreneurship by providing instituional support
IFCI Infrastructure Development Ltd (IIDL)	India	**100.00%**	100.00%	**0.00%**	0.00%	Infrastructure and real estate sector
IFCI Factors Ltd (IFL)	India	**99.90%**	99.90%	**0.10%**	0.10%	Factoring services, allied products, general purpose loan
IFCI Financial Services Ltd (IFIN)	India	**94.78%**	94.78%	**5.22%**	5.22%	Merchant banking business
Stock Holding Corporation of India Ltd (SHCIL)	India	**52.86%**	52.86%	**47.14%**	47.14%	Custodian and depository participant
MPCON Ltd	India	**79.72%**	79.72%	**20.28%**	20.28%	Consultancy services
Step down subsidiaries						
Subsidiary of IFIN						
IFIN Commodities Limited - Wholly owned subsidiary of IFIN	India	**94.78%**	94.78%	**5.22%**	5.22%	Exchanged based Commodity Trading
IFIN Credit Limited - Wholly owned subsidiary of IFIN	India	**94.78%**	94.78%	**5.22%**	5.22%	No business activity
IFIN Securities Finance Limited - Wholly owned subsidiary of IFIN	India	**94.78%**	94.78%	**5.22%**	5.22%	Marging funding, loan against shares and property and promoter funding

(All amounts are in Rupees crores unless otherwise stated)

(Contd.)

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	
Subsidiary of IIDL						
IIDL Realtors Pvt. Limited - Wholly owned subsidiary of IIDL.	India	**100.00%**	100.00%	**0.00%**	0.00%	Real Estate
Subsidiary of SHCIL						
SHCIL Services Limited - wholly owned subsidiary of SHCIL	India	**52.86%**	52.86%	**47.14%**	47.14%	Broking Advisory Services
Stockholding Document Management Services Ltd- Wholly owned subsidiary of SHCIL	India	**52.86%**	52.86%	**47.14%**	47.14%	Physical Custody Services, digitization and sale of software, product and services.
Stockhoding Securities IFSC Ltd. - wholly owned subsidiary of SHCIL	India	**52.86%**	52.86%	**47.14%**	47.14%	Services Solutions to investors at IFSC, Gift City, Gandhinagar

ii. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	**Stock Holding Corporation of India Ltd (Consolidated)**		**MPCON Ltd**	
	As at March 31, 2022	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Current Assets	**1,917.18**	2,501.14	**8.15**	7.57
Current liabilities	**1,572.29**	2,138.39	**9.47**	11.12
Net current assets	**344.89**	362.75	**(1.32)**	(3.55)
Non current assets	**5,401.45**	2,991.01	**9.77**	10.92
Non current liabilities	**1,151.62**	640.11	**-**	0.01
Net non current assets	**4,249.83**	2,350.90	**9.77**	10.91
Net Assets	**4,594.71**	2,713.65	**8.45**	7.36

Summarised statement of profit and loss

Particulars	**Stock Holding Corporation of India Ltd (Consolidated)**		**MPCON Ltd**	
	For the year ended March 31, 2022	For the year ended March 31, 2021	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Revenue from operation	**564.33**	452.38	**76.04**	70.94
Profit for the year	**148.31**	63.20	**1.20**	0.98
Other Comprehensive income	**1,789.61**	393.92	**(0.10)**	(0.03)
Total Comprehensive income	**1,937.92**	457.12	**1.10**	0.95
Total Comprehensive income attributable to non controlling interest	**913.53**	215.49	**0.22**	0.19

b) Interest in associates and joint venture

i. Set out below are the associates and joint ventures of the group as at 31 March 2021 which, in the opinion of the directors, are material to the group.

Name of entity	Place of business	% of ownership	Relationship	Principle activities	Accounting	**As at March 31, 2022**		As at March 31, 2021	
						Carrying value	**Fair value (if quoted)**	Carrying value	Fair value (if quoted)
Institute of leadership document	India	Nil	Associate	Providing skill development	Equity accounting	**Nil**	**Unqouted**	Nil	Unqouted
IFCI Social foundation	India	Nil	Associate	Trust under income tax act for CSR activities	Equity accounting	**Nil**	**Unqouted**	Nil	Unqouted

(All amounts are in Rupees crores unless otherwise stated)

ii. The tables below provide summarized financial information of associate companies of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate companies and not the group's share of those amounts.

The summarised financial information for the below associates is not available for FY 2021-22. However, information for FY 2020-21 and FY 2019-20 are available with the management and has been represented below.

	Institute of Leadership Development		IFCI Social Foundation	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Liabilities				
Corpus Fund	1.25	1.25	0.11	0.11
Surplus Fund	(6.63)	(5.92)	-	-
Earmarked Funds	-	-	-	-
General fund	-	-	2.60	2.92
Special fund u/s 11(2) of Income Tax	-	-	-	0.20
Campus and fixed assets fund	12.04	12.12	-	-
Gratuity Reserve Fund	-	-	-	-
Cumulative leave fund	-	-	-	-
Other funds	-	-	-	-
Current liabilities and provisions	1.49	0.94	0.02	0.02
	8.15	8.39	2.73	3.25
Assets				
Assets funded by grants from IFCI and other agencies	-	-	-	-
Assets other than those funded from grants	-	-	-	-
Investments	2.92	3.54	2.67	3.14
Non- Current Assets	3.20	3.38	-	-
Current assets, loans and advances	2.03	1.47	0.06	0.11
MDI-Murshidabad	-	-	-	-
	8.15	8.39	2.73	3.25

Statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Revenue	1.82	1.93	1.79	1.80
Profit after tax	(0.71)	(0.63)	0.31	(0.35)
Other Comprehensive income	-	-	-	-
Total Comprehensive income	(0.71)	(0.63)	0.31	(0.35)
Dividends received	-	-	-	-

c) **List of associates / joint venture not consolidated**

Entity	Reason for non-consolidation
Associates	
Athena Chattisgarh Power Pvt. Ltd.	Investment classified as asset held for sale
Gati Infrastructure Bhasmey Power Pvt. Ltd.	Investment classified as asset held for sale
KITCO Ltd.	Investment classified as asset held for sale
Nagai Power Pvt. Ltd.	Investment classified as asset held for sale
Shiga Energy Private Ltd.	Investment classified as asset held for sale
Vadraj Cements Ltd.	Investment classified as asset held for sale
Vadraj Energy (Gujarat) Ltd.	Investment classified as asset held for sale
Joint ventures	
IFCI Sycamore Capital Advisors Pvt. Ltd.	Under voluntary liquidation

(All amounts are in Rupees crores unless otherwise stated)

d) Additional disclosure under Schedule III of Companies Act 2013.

Name of the Entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount (in crore)	% of consolidated profit or loss	Amount (in crore)	% of consolidated other comprehensive income	Amount (in crore)	% of consolidated total comprehensive income	Amount (in crore)
Parent Company								
IFCI Ltd								
31-Mar-22	**8.81%**	**445.45**	**113.07%**	**(1,991.34)**	**-2.01%**	**(35.33)**	**30430.44%**	**(2,026.67)**
31-Mar-21	47.21%	2,372.10	102.42%	(1,957.81)	5.32%	22.13	129.44%	(1,935.68)
Subsidiary Companies (Indian)								
IFCI Venture Capital Funds Ltd.								
31-Mar-22	**3.30%**	**166.74**	**0.17%**	**(2.97)**	**0.01%**	**0.15**	**42.44%**	**(2.83)**
31-Mar-21	3.37%	169.57	-0.13%	2.47	0.03%	0.11	-0.17%	2.58
IFCI Factors Ltd								
31-Mar-22	**2.11%**	**106.44**	**0.55%**	**(9.67)**	**-0.01%**	**(0.11)**	**146.81%**	**(9.78)**
31-Mar-21	2.31%	116.22	0.51%	(9.80)	-0.04%	(0.17)	0.67%	(9.98)
MPCON Ltd								
31-Mar-22	**0.17%**	**8.45**	**-0.07%**	**1.20**	**-0.01%**	**(0.10)**	**-16.60%**	**1.11**
31-Mar-21	0.15%	7.36	-0.05%	0.98	-0.01%	(0.03)	-0.06%	0.95
IFCI Infrastructure Development Ltd. (including step down subsidiary)								
31-Mar-22	**10.04%**	**507.49**	**-0.51%**	**9.03**	**0.00%**	**(0.01)**	**-135.51%**	**9.02**
31-Mar-21	10.05%	505.01	-0.27%	5.12	0.03%	0.11	-0.35%	5.23
Stock Holding Corporation of India Ltd. (including step down subsidiary)								
31-Mar-22	**90.90%**	**4,594.71**	**-8.42%**	**148.31**	**102.00%**	**1,789.61**	**-29097.88%**	**1,937.92**
31-Mar-21	54.01%	2,713.64	-3.31%	63.20	94.64%	393.92	-30.57%	457.12
IFCI Financial Services Ltd. (including step down-subsidiary)								
31-Mar-22	**1.33%**	**67.12**	**-0.04%**	**0.72**	**0.02%**	**0.33**	**-15.72%**	**1.05**
31-Mar-21	1.32%	66.08	0.09%	(1.68)	0.03%	0.14	0.10%	(1.54)
Non-controlling interest								
31-Mar-22	**44.25%**	**2,236.47**	**-3.98%**	**70.14**	**48.08%**	**843.62**	**-13720.12%**	**913.76**
31-Mar-21	25.61%	1,286.53	-1.57%	29.93	44.62%	185.70	-14.42%	215.63
Consolidation adjustement								
31-Mar-22	**-60.90%**	**(3,078.32)**	**-0.76%**	**13.38**	**-48.08%**	**(843.62)**	**12466.13%**	**(830.24)**
31-Mar-21	-44.02%	(2,212.02)	2.30%	(43.99)	-44.62%	(185.70)	15.36%	(229.69)
Total								
31-Mar-22	**100.00%**	**5,054.56**	**100.00%**	**(1,761.20)**	**100.00%**	**1,754.54**	**100.00%**	**(6.66)**
31-Mar-21	100.00%	5,024.49	100.00%	(1,911.58)	100.00%	416.21	100.00%	(1,495.37)

57.1 The figures for the previous period have been regrouped/ rearranged whereever necessary to conform to the current period presentation

58 CAPITAL MANAGEMENT

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business. As per RBI guidelines, IFCI as a Government owned NBFC-ND-SI is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. IFCI has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

i. The Group maintains minimum capital to risk weighted asset ratio enity wise for all the entitie forming part of the group and accordingly manage the capital requirements among all the entities in the group.

(All amounts are in Rupees crores unless otherwise stated)

ii. Capital allocation

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the company's long term strategic objectives.

As per our report of even date attached

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm registration No.: 01411N

CA ATUL AGGARWAL
Partner
Membership No.: 099374

Place: New Delhi
Dated: 28 May 2022

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PROF. ARVIND SAHAY
Director
DIN 03218334

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

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OFFICES OF IFCI

As on 31st March, 2022

Registered Office
IFCI Limited

IFCI Tower, 61 Nehru Place, New Delhi-110019
Tel: +91-11-4179 2800, 4173 2000
Fax No.: +91-11-2648 8471, 2623 0201
Website : www.ifciltd.com
CIN: L74899DL1993GOI053677

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Fax: +91-40-2324 1138

MUMBAI
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Nariman Point
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Tel: +91-22-6129 3400

REGISTRAR & TRANSFER AGENTS

For Equity Shares & Family Bonds:
MCS Share Transfer Agent Ltd
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110 020
website: www.mcsregistrars.com
E-mail: helpdeskdelhi@mcsregistrars.com
admin@mcsregistrars.com
Tel: +91-11-4140 6149/50/51/52
Fax: +91-11-4170 9881

For Infrastructure Bonds (Series I & II):
Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi -110 062
Tel: +91-11-2996 1281-83
Fax: +91-11-2996 1284
E-mail: ifci@beetalfinancial.com

For Infrastructure Bonds (Series III, IV & V) & IFCI NCD (Tranche I & II)
KFin Technologies Private Limited
Corporate & Registered Office:
"KFin Technologies Private Limited",
Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
E-mail : einward.ris@kfintech.com
Phone : 040-67161589 / 1672 / 1678 Fax: +91-040-23001153
Toll Free No. 1800-309-4001
CIN NO.U67200TG2017PTC117649

For Subordinate Bonds (Series I & III) :
Link Intime India Pvt Ltd
C-101, 247 Park,
L.B.S Marg, Vikhroli West,
Mumbai - 400 083
Tel No.: +91 22 4918 6270
Fax No.: +91 22 4918 6060
Email: bonds.helpdesk@linkintime.co.in

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

Registered Address:
Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli, Mumbai - 400025

Communication Address:
Kind Attention: Chief Operating Officer
Address:
Ground Floor Axis House
Wadia International Centre
Pandurang Budhkar Marg
Worli Mumbai-400 025
Phone no. 022 6226 0050/54
Fax: 022-49186060
Toll Free No. 1800-1020-878
Email: debenturetrustee@axistrustee.in

Desk Office:
2nd Floor, 25-Pusa Road,
Near Karol Bagh Metro Station,
New Delhi-110005

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Tel: +91-22-4080 7000-01
Fax: +91-22-6631 1776
Website: www.idbitrustee.in
E-mail: itsl@idbitrustee.com

DEBENTURE TRUSTEE FOR – REGULAR BONDS SERIES NO. 47, 50 & 51
Centbank Financial Services Ltd
Regd. Office:
3rd Floor (East Wing)
Central Bank of India, MMO Building
55 M G Road, Mumbai - 400 001
Tel: +91-22-2261 6217
Fax: +91-22-2261 6208
Website: www.cfsl.in
E-mail: info@cfsl.in

If undelivered, please return to:

MCS Share Transfer Agent Ltd
F-65, Okhla Industrial Area
Phase-I, New Delhi - 110 020