

No. IFCI/CS/2023- 70

February 13, 2023

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

CODE: 500106

Dear Sir/Madam,

Re: Outcome of the Board Meeting held on February 13, 2023.

The Board at its Meeting held on February 13, 2023, has inter-alia approved the Un-audited (standalone and consolidated) financial results of the Company for the quarter ended on December 31, 2022. The same are enclosed herewith along with respective Limited Review Reports and other requisite Annexures.

This for information & records.

Thanking You

Yours faithfully

For IFCI Limited

PRIYANKA

SHARMA

(Priyanka Sharma)

✓ Company Secretary

Encl.: As above

Digitally signed by
PRIYANKA SHARMA
Date: 2023.02.13 16:50:21
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आई एफ सी आई लिमिटेड
पंजीकृत कार्यालय:
आईएफसीआई टावर, 61 नेहरु प्लेस, नई दिल्ली - 110 019
दूरभाष: +91-11-4173 2000, 4179 2800
फैक्स: +91-11-2623 0201, 2648 8471
वेबसाइट: www.ifcilt.com
सीआईएन: L74899DL1993GOI053677

1948 से राष्ट्र के विकास में

IFCI Limited

Regd. Office:

IFCI Tower, 61 Nehru Place, New Delhi - 110 019

Phone: +91-4173 2000, 4179 2800

Fax: +91-11-2623 0201, 2648 8471

Website: www.ifcilt.com

CIN: L74899DL1993GOI053677

In Development of the Nation since 1948



No. IFCI/CS/2023- 71

February 13, 2023

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

CODE: IFCI

Dear Sir/Madam,

Re: Outcome of the Board Meeting held on February 13, 2023.

The Board at its Meeting held on February 13, 2023, has inter-alia approved the Un-audited (standalone and consolidated) financial results of the Company for the quarter ended on December 31, 2022. The same are enclosed herewith along with respective Limited Review Reports and other requisite Annexures.

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PRIYANKA SHARMA
Date: 2023.02.13 16:51:27
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Encl.: As above

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STATEMENT OF UNAUDITED (STANDALONE) FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2022

(₹ in Crores)

Particulars	Standalone Results					
	Quarter ended 31/12/22 (Unaudited)	Quarter ended 30/09/22 (Unaudited)	Quarter ended 31/12/21 (Unaudited)	Period ended 31/12/22 (Unaudited)	Period ended 31/12/21 (Unaudited)	Year ended 31/03/22 (Audited)
1 Revenue from operations						
a) Interest Income	94.80	88.82	145.89	237.48	439.66	592.88
b) Dividend Income	26.18	13.96	21.15	40.68	31.54	37.80
c) Rental Income	9.82	9.19	9.99	28.23	26.43	35.74
d) Fees and commission Income	10.55	12.83	10.61	27.95	33.13	49.54
e) Net gain on fair value changes	12.79	(1.19)	2.88	58.10	(9.98)	40.98
Total Revenue from operations	154.14	123.61	190.52	392.44	520.78	756.94
t) Other Income	2.88	2.59	0.87	6.17	2.62	6.67
Total income	157.02	126.20	191.39	398.61	523.40	763.61
2 Expenses						
a) Finance costs	156.20	159.32	227.44	481.16	724.46	922.88
b) Foreign Exchange Loss	5.46	5.48	6.56	20.64	17.94	18.52
c) Impairment on financial instruments	(131.90)	(220.24)	154.08	(189.39)	1,476.67	1,373.32
d) Employee Benefits Expenses	16.61	25.29	25.98	61.49	68.35	92.43
e) Depreciation and Amortization	6.38	5.62	3.56	18.03	16.87	23.03
f) Others expenses	8.48	(1.49)	11.64	21.65	26.25	118.53
Total expenses	61.23	(26.02)	429.26	413.58	2,330.54	2,548.71
3 Profit/ (loss) before exceptional and tax (1-2)	95.79	152.22	(237.87)	(14.97)	(1,807.14)	(1,785.10)
4 Exceptional items						
5 Profit/ (loss) before tax (3-4)	95.79	152.22	(237.87)	(14.97)	(1,807.14)	(1,785.10)
6 Tax expense						
a) Income tax	-	-	-	-	-	-
b) Taxation for earlier years	-	-	-	-	-	-
c) Deferred Tax (Net)	28.37	42.72	402.50	40.12	76.89	206.24
Total Tax expense [6(a) to 6(c)]	28.37	42.72	402.50	40.12	76.89	206.24
7 Profit/(loss) for the period (5+6)	67.42	109.50	(640.37)	(55.08)	(1,884.03)	(1,991.33)
8 Other Comprehensive Income						
a) Items that will not be reclassified to profit or loss						
-Fair value changes on FVTOCI - equity securities	43.69	9.12	102.41	40.04	150.38	140.98
-Loss on sale of FVTOCI - equity securities	(50.59)	-	(90.64)	(50.59)	(90.64)	(102.70)
Income tax relating to items that will not be reclassified to profit or loss						
-Tax on Fair value changes on FVTOCI - Equity securities	(15.27)	(3.18)	(35.79)	(13.99)	(52.55)	(49.27)
-Tax on Actuarial gain/(loss) on Defined benefit obligation	-	-	-	-	-	-
Subtotal (a)	(22.17)	5.94	(24.02)	(24.54)	7.19	(10.99)
b) Items that will be reclassified to profit or loss						
-Debt securities measured at FVTOCI - net change in fair value	(0.93)	0.54	(10.36)	(0.74)	(14.77)	(10.54)
-Debt securities measured at FVTOCI - reclassified to profit and loss	-	-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss						
-Tax on Fair value changes on FVTOCI - Debt securities	0.32	(0.21)	3.62	0.23	(12.31)	(13.80)
Subtotal (b)	(0.61)	0.33	(6.74)	(0.51)	(27.08)	(24.34)
Other comprehensive income / (loss) (net of tax)	(22.78)	6.27	(30.76)	(25.05)	(19.89)	(35.33)
9 Total comprehensive income / (loss) (after tax) (7+8)	44.64	115.77	(671.13)	(80.13)	(1,903.92)	(2,026.66)
10 Paid-up equity share capital (Face Value of ₹ 10/- each)	2,195.92	2,102.99	2,041.98	2,195.92	2,041.98	2,102.99
11 Other equity (as per audited balance sheet as at 31st March)						(1,657.54)
12 Earnings per share (face value of ₹ 10 each) (not annualised for the interim periods):						
(a) Basic (₹)	0.31	0.52	(3.14)	(0.25)	(9.23)	(9.47)
(b) Diluted (₹)	0.31	0.52	(3.14)	(0.25)	(9.23)	(9.47)

See accompanying notes to the financial results.



STATEMENT OF UNAUDITED (CONSOLIDATED) FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED DECEMBER 31, 2022

(₹ In Crore)

Particulars	Consolidated Results					
	Quarter ended 31/12/22 (Unaudited)	Quarter ended 30/09/22 (Unaudited)	Quarter ended 31/12/21 (Unaudited)	Period ended 31/12/22 (Unaudited)	Period ended 31/12/21 (Unaudited)	Year ended 31/03/22 (Audited)
1 Revenue from operations						
a) Interest Income	108.47	110.23	163.73	293.72	500.66	676.94
b) Dividend Income	0.05	93.49	0.08	94.08	56.13	62.39
c) Rental Income	13.41	15.00	8.83	36.11	20.85	26.76
d) Fees and commission Income	31.38	95.03	13.84	335.37	42.24	62.46
e) Net gain on fair value changes	13.11	(0.79)	4.10	58.61	(5.51)	46.21
f) Sale of products (including Excise Duty)	2.22	0.14	2.71	1.67	14.75	22.29
g) Sale of services	178.86	99.86	171.33	251.93	478.74	655.17
Total Revenue from operations	347.50	412.96	364.62	1,071.48	1,107.86	1,552.22
h) Other Income	2.94	11.97	10.20	20.90	39.85	43.44
Total income	350.44	424.93	374.82	1,092.38	1,147.71	1,595.66
2 Expenses						
a) Finance costs	149.61	161.79	233.58	479.76	741.68	943.07
b) Fees and commission expense	22.97	22.06	21.04	66.83	57.32	76.86
c) Net loss on fair value changes	-	-	-	-	-	-
d) Impairment on financial instruments	(127.70)	(215.15)	151.02	(188.80)	1,484.04	1,391.26
e) Cost of materials consumed	0.20	0.86	3.88	2.89	9.17	15.69
f) Purchases of Stock-in-trade	0.50	(0.25)	0.72	0.50	9.75	10.39
g) Employee Benefits Expenses	64.50	76.86	72.72	208.04	212.47	311.04
h) Depreciation and Amortization	20.56	17.79	14.66	55.64	48.58	66.39
i) Others expenses	86.80	81.61	65.78	268.59	204.48	303.25
Total expenses	217.44	145.57	563.40	893.45	2,767.49	3,117.95
3 Profit/ (loss) before exceptional and tax (1-2)	133.00	279.36	(188.58)	198.93	(1,619.78)	(1,522.29)
4 Exceptional items	(0.52)	-	0.01	0.54	2.85	1.02
5 Profit/ (loss) before tax (3-4)	133.52	279.36	(188.59)	198.39	(1,622.63)	(1,523.31)
6 Tax expense						
a) Income tax	(2.19)	28.29	0.51	34.92	34.66	35.11
b) Taxation for earlier years	0.07	-	0.08	0.07	-	-
c) Deferred Tax (Net)	26.56	41.98	405.00	42.01	74.07	202.78
Tax expense [6(a) to 6(c)]	24.44	70.27	405.59	77.00	108.73	237.89
7 Profit/(loss) for the period after taxes (5-6)	109.08	209.09	(594.18)	121.39	(1,731.36)	(1,761.20)
8 Share of net profit of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-
9 Profit/(loss) for the period (7+8)	109.08	209.09	(594.18)	121.39	(1,731.36)	(1,761.20)
10 Other Comprehensive Income						
a) Items that will not be reclassified to profit or loss						
-Fair value changes on FVTOCI - Equity securities	253.35	886.09	619.21	2,037.43	1,115.90	2,444.49
-Gain/(loss) on sale of FVTOCI - Equity securities	(50.59)	-	(90.64)	(50.59)	(90.64)	(102.70)
-Actuarial gain/(loss) on Defined benefit obligation	(0.07)	(1.38)	0.84	0.86	1.01	1.85
Income tax relating to items that will not be reclassified to profit or loss						
-Tax on Fair value changes on FVTOCI - Equity securities	(57.95)	(203.53)	(142.07)	(466.32)	(262.73)	(565.28)
-Tax on Actuarial gain/(loss) on Defined benefit	0.03	0.03	0.08	0.03	0.07	0.02
b) Items that will be reclassified to profit or loss						
-Fair value changes on FVTOCI - Debt securities	(0.93)	0.54	(10.36)	(0.74)	(14.77)	(10.54)
-Debt securities measured at FVTOCI - reclassified to profit and loss	-	-	-	-	-	-
- Exchange differences in translating the financial statements of a foreign operation	0.25	0.60	0.07	1.41	0.19	0.50
Income tax relating to items that will be reclassified to profit or loss						
-Tax on Fair value changes on FVTOCI - Debt securities	0.32	(0.21)	3.62	0.23	(12.31)	(13.80)
Other comprehensive income / (loss) (net of tax)	144.41	682.14	380.75	1,522.31	736.72	1,754.54
11 Total comprehensive income / (loss) (after tax)	253.49	891.23	(213.43)	1,643.70	(994.64)	(6.66)
12 Profit for the period attributable to Equity holders of the						
Non-controlling interest	92.21	163.48	(706.37)	47.08	(1,892.56)	(1,831.34)
13 Other comprehensive income/ (loss) attributable to Equity holders						
Non-controlling interest	16.87	45.58	21.53	74.30	70.56	70.14
14 Total comprehensive income for the period attributable to Equity holders of the parent	65.50	363.51	277.34	792.80	470.71	910.94
Non-controlling interest	78.91	318.65	194.03	729.52	356.64	843.62
15 Paid-up equity share capital (Face Value of ₹ 10/- each)	157.71	526.99	(429.02)	839.88	(1,421.84)	(920.40)
16 Other Equity (as per audited balance sheet as at 31st March)	95.78	364.23	215.56	803.82	427.20	913.76
17 Earnings per share (face value of ₹ 10 each) (not annualised for the interim periods):	2,195.92	2,102.99	2,041.98	2,195.92	2,041.98	2,102.99
(a) Basic (₹)	0.42	0.78	(3.46)	0.21	(9.27)	(8.71)
(b) Diluted (₹)	0.42	0.78	(3.46)	0.21	(9.27)	(8.71)

Notes:

- 1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 13th February 2023. These results have been subjected to limited review by M/s M.K. Aggarwal & Co, Chartered Accountants.
- 2 The Company has received Rs. 100 crore on September 17, 2022 from the Government of India towards subscription to the share capital during the Financial Year 2022-23 as share application money. In this regard, during the period under report the Company had made preferential allotment of 9,29,36,802 number of equity shares of face value of Rs. 10/- each to the Government of India on October 27, 2022 @ Rs. 10.76/- per equity share (including security premium of Rs. 0.76/- per equity share).
- 3 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 December 31, 2022, Provisioning required under RBI Prudential (IRACP) Norms (including standard provision) is higher than ECL by Rs.15.28 crore. As per management estimate, the difference is temporary and will be subsumed by the year end i.e. by March 31, 2023. Therefore, the company has not transferred the said amount to impairment reserve as on December 31, 2022, as required by RBI notification no. "DOR (NBFC) CC. PD. No109/22.106/2019-20 dated March 13, 2020. However, Impairment allowance higher of RBI norms vs ECL has been charged in the profit and loss for the period ended December 31, 2022. Further, existing impairment reserve of Rs.34.54 crore created till 31/12/2022 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.
- 4 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.
- 5 The valuation of Investments in subsidiary companies has been considered on the basis of financial statements of the subsidiaries for the period ended 30th September 2022, instead of 31st December 2022. There is no material impact of this on the financial results of the company.
- 6 In the matter of Stockholding Corporation of India Ltd. (SHCIL) certain litigation is sub-judice before the Hon'ble supreme court since May 2015. As per legal opinion obtained by the management of SHCIL, no provision has been recognised in the statement of profit and loss.
- 7 On all the secured bonds and debentures issued by the Company and outstanding as on 31st December 2022, 100% security cover has been maintained against principal and interest, by way of floating charge on receivables of the Company and/or Government Securities owned by the Company.
- 8 The Capital Risk Adequacy Ratio (CRAR) stands at (-) 70.25% as on 31st December 2022, below the RBI stipulated guidelines vide circular dt. 31st May 2018 (RBI/2017-18/181DNBR (PD) CC. No. 092/03.10.001/2017-18).
- 9 Some Audit observations in case of Subsidiary Company M/s MPCON Ltd and M/s Stockholding Corporation of India Ltd. (SCHIL) are based on routine operations of company. The financial impact of such observations are not considered material, on overall basis.
- 10 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.
- 11 During the quarter, there is impairment reversal of Rs. 131.90 crores on account of reduction in LGD from 68.70% in Q2 FY23 to 67.79% in Q3FY23 and other factors, resulting into profits during current quarter ended 31st December, 2022.
- 12 The details of loan transferred during the period ended December 31, 2022 under Master Direction - Reserve Bank of India (Transfer of Loan Exposure) Directions, 2021 dated 24th September, 2021 is as follows:

Details of stressed loans transferred during the year

Particulars	(Amount in Rs. Crores)		
	To ARCS	To permitted transferees	To other transferees
1 Number of Accounts	1	-	-
2 Aggregate outstanding of accounts sold to SC/ RC	48.07	-	-
3 Weighted average residual tenor of the loans transferred	-	-	-
4 Net book value of loans transferred (at the time of)	-	-	-
5 Aggregate consideration	17	-	-
6 Additional consideration realized in respect of accounts	69.2	-	-
7 Aggregate gain/ (loss) over net book value	17	-	-

Details of loans acquired during the year

	(Amount in Rs. Crores)	
	From lenders	From ARCs
1 Aggregate principal outstanding of loans acquired		
2 Aggregate consideration paid		
3 Weighted average residual tenor of loans acquired		
	NIL	

Further, there are no cases during the period ended December 31, 2022, where resolution plan implemented under the resolution framework for COVID 19 related stress as per RBI Circular dated 6th August 2020.

- 13 The additional information as required under Regulation 52(4) of SEBI (Securities and Exchange Board of India SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure A.
- 14 The figure for the quarter ended 31st December 2022 have been derived by deducting the figures for the period ended 30th September 2022 from the figures of the period ended 31st December 2022.
- 15 The figures for the previous quarter/period have been regrouped / rearranged wherever necessary to conform to the current period presentation.

Place: New Delhi
Date: 13 February 2023



By Order of the Board


(Manoj Mittal)
Managing Director &
Chief Executive Officer

Disclosure in compliance with Regulation 52(4) of Securities and Exchange Board of India SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended 31 December, 2022 on standalone basis

S.NO	Particulars	Unit	As at/ for the quarter ended 31.12.2022	As at/ for the period ended 31.12.2022
1	Debt-Equity ratio ¹	times		12.77
2	Outstanding Redeemable Preference Shares	Rs. In Crore		Nil
3	Capital Redemption Reserve	Rs. In Crore		231.92
4	Debenture Redemption Reserve	Rs. In Crore		87.58
5	Net Worth ²	Rs. In Crore		465.31
6	Net Profit After Tax	Rs. In Crore	67.42	(55.08)
7	Earnings Per Share	Rs.	0.31	(0.25)
8	Total Debts to Total Assets ³	times		0.74
9	Operating Margin ⁴	%	-23.43%	-52.07%
10	Net Profit Margin ⁵	%	42.94%	-13.82%
11	Sector Specific Equivalent Ratios			
(a)	CRAR ⁶	%		-70.25%
(b)	Gross credit impaired Assets Ratio ⁷	%		94.12%
(c)	Net credit impaired Assets Ratio ⁸	%		82.52%

Notes:

- 1 Debt-Equity ratio = Debt/Net worth
- 2 Net Worth is calculated as defined in Section 2(57) of Companies Act, 2013
- 3 Total Debts to Total Assets = (Debt securities + Borrowings (other than Debt Securities) +Subordinated Liabilities)/ Total Assets
- 4 Operating Margin = Net Operating Profit before Tax/ Total Revenue from Operations
- 5 Net Profit Margin = Net Profit after Tax/ Total Income
- 6 CRAR = Adjusted Net Worth/ Risk Weighted Assets, calculated as per RBI guidelines
- 7 Gross credit impaired Assets Ratio = Gross Credit Impaired Assets/ Gross Loan Assets
- 8 Net credit impaired Assets Ratio = Net Credit Impaired Assets/ Net Loan Assets
- 9 Debt Service coverage Ratio, Interest Service Coverage Ratio, Current Ratio, Current Liability Ratio, Long Term Debt to Working Capital, Debtors Turnover, Inventory Turnover and Bad Debts to Account Receivable Ratio is not applicable to the Company.





M.K. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
(EST. 1973)

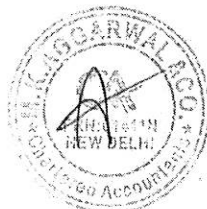
■ 30, Nishant Kunj, Pitam Pura,
New Delhi-110034

■ Tele : 011-47517171, 27355151
M.: 9899997699, 9810064176
Email : atul@mkac.in
Website : www.mkac.in

Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results of IFCI Limited for the Quarter and Nine Months ended 31st December 2022 pursuant to the Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,
The Board of Directors of
IFCI Limited
New Delhi

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **IFCI Limited** ("The Company") for the quarter and nine months ended 31st December, 2022 ("The statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, of the Company, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standards ("Ind AS 34") "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013, as amended read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement ("SRE") 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI"). This standard requires that we plan and perform



the review to obtain moderate assurance as to whether the Financial Statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis for Qualified Opinion

- a) In one of the credit account, OTS (One Time Settlement) was sanctioned at Rs. 61.50 crores against outstanding amount of Rs. 219.23 Crores though security in the form of ZCBs (Zero Coupon Bonds) of Rs 9.75 crores, cheque of Rs. 9.75 Crores was held with the company. Further, additional security in the form of Arbitration Award amounting to Rs. 426 Crores was available. The ZCBs having face value of Rs. 9.75 Crores were now settled in favor of sacrifice incurred by the company amounting to Rs. 5.54 Crores. In our opinion, though the company possessed adequate security, the financial terms of one-time settlement appear to be prejudicial to the interests of the company.
- b) IFCI disbursed Rs. 39.32 Crores under PLI Scheme for SPECS up to 31st December 2022. The files and documents were not furnished to us, and thus we could not review the same.

The cumulative financial impact of aforesaid observations could not be ascertained.

5. Based on our review conducted as above, with the exception of matter described in the paragraph 4 and the effects thereon, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, as amended, read with rules issued there under and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be



disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with relevant prudential norms issued by the Reserve Bank of India (so far it is not inconsistent with IND AS norms) in respect of income recognition, asset classification, provisioning and other related matters.

Emphasis of Matter

1. In terms of DoP (Delegation of Power), identification of account for assignment is to be approved by Board. However, in one of the fraud classified account, the assignment of loan process was initiated even before receipt of formal approval from competent authority.
2. The company has informed us vide letter dt. 01.11.2022 received from nodal ministry that case specific data for SDF (Sugar Development Fund) Scheme may not be shared with auditors. Accordingly, same is not reviewed by us.
3. No files and documents were provided to us towards PLI (Production Linked Incentive) schemes. Accordingly, same is not reviewed by us.
4. In a certain case, it was observed that one party has appointed the company as it's advisor/consultant for assisting and preparation of their proposal under SDF (Sugar Development Fund) scheme of Government of India (GOI). However, company is also acting as nodal agency/agent of government for independently carrying out various due diligence procedures on application received by nodal ministry under SDF Scheme. Notwithstanding express approval from GOI, the action of assisting/coaching an applicant into preparation of documents/project reports on commercial terms, and simultaneously conducting due diligence



on behalf of GOI, severely undermines the creditability of the proposals appraised by the company, and comprises the independent position of the company.

5. We draw attention to Note No. 5 where the valuation of the investments in subsidiary companies has been considered on the basis of Financial Statements for the year ended 30th Sep 2022.
6. We draw attention to Note No. 8 where the Capital Risk Adequacy Ratio (CRAR) stands at (-) 70.25% as on 31.12.2022, below the RBI stipulated guidelines vide circular dt. 31st May 2018 (RBI/2017-18/181DNBR (PD) CC. No. 092/03.10.001/2017-18).

Our opinion is not modified in respect of these matters.

For M. K. Aggarwal & Co.
Chartered Accountants
Firm Registration No: 01411N

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CA Atul Aggarwal
Partner
Membership No. 099374
UDIN: 23099374BGSEOB9265

Place:- New Delhi
Date:- 13th February 2023



M.K. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
(EST. 1973)

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Independent Auditor's Limited Review Report on Consolidated Unaudited Financial Results of IFCI Limited for the Quarter and Nine Months Ended 31st December 2022, pursuant to the Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To,
The Board of Directors of
IFCI Limited
New Delhi

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **IFCI Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/loss for the quarter and nine months ended 31.12.2022 (the "statement"), being submitted by the Parent pursuant to the requirement of Regulation 33& Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standards ("Ind AS 34") "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013, as amended read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India. Our responsibility is to issue a report on these consolidated financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI"). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to

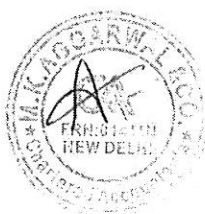


obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The consolidated financial results include the results of the following entities:

S. No.	Name of the Entity	Relationship
1.	IFCI Limited	Parent Company
2.	IFCI Financial Services Ltd. (IFIN)	Subsidiary
3.	IFCI Venture Capital Funds Ltd. (IVCF)	Subsidiary
4.	IFCI Infrastructure Development Ltd. (IIDL)	Subsidiary
5.	IFCI Factors Ltd. (IFL)	Subsidiary
6.	MPCON Ltd.	Subsidiary
7.	Stock Holding Corporation of India Ltd.	Subsidiary
8.	IFIN Commodities Ltd. (indirect control through IFIN)	Step-down Subsidiary
9.	IFIN Credit Ltd. (indirect control through IFIN)	Step-down Subsidiary
10.	IFIN Securities Finance Limited (indirect control through IFIN)	Step-down Subsidiary
11.	IIDL Realtors Pvt. Ltd. (indirect control through IIDL)	Step-down Subsidiary
12.	SHCIL Services Ltd. (indirect control through SHCIL)	Step-down Subsidiary
13.	Stockholding Document Management Services Limited (indirect control through SHCIL)	Step-down Subsidiary
14.	Stockholding Securities IFSC Limited (indirect control through SHCIL)	Step-down Subsidiary



5. Basis for Qualified Opinion

- a) In one of the case, OTS (One Time Settlement) was sanctioned at Rs. 61.50 crores against outstanding amount of Rs. 219.23 Crores though security in the form of ZCBs (Zero Coupon Bonds) of Rs 9.75 crores, cheque of Rs. 9.75 Crores was held with the company. Further, additional security in the form of Arbitration Award amounting to Rs. 426 Crores was available. The ZCBs having face value of Rs. 9.75 Crores were now settled in favor of sacrifice incurred by the company amounting to Rs. 5.54 Crores. In our opinion, though the company possessed adequate security, the financial terms of one-time settlement appears to be prejudicial to the interests of the company.
- b) IFCI disbursed Rs. 39.32 Crores under PLI Scheme for SPECS up to 31st December 2022. The files and documents were not furnished to us, and thus we could not review the same.

The cumulative financial impact of aforesaid observations could not be ascertained.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, with the exception of matter described in the paragraph 5 above and based on consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Indian Accounting Standards as specified u/s 133 of the Companies Act, 2013, as amended read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, including the manner which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the unaudited financial results of six subsidiaries and seven step-down subsidiaries included in the consolidated unaudited financial results, whose financial results reflect total income of Rs. 257.74 Crores & Rs. 759.99 Crores total net profit/loss after tax of Rs. 42.12 Crores & Rs. 176.47 Crores and total comprehensive income (net of



tax) of Rs. 209.30 Crores & Rs 1723.83 Crores for the quarter and nine months ended 31.12.2022 respectively, as considered suitably in the consolidated unaudited financial results. These unaudited financial results have been reviewed by other Auditors whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Emphasis of Matter

1. In terms of DoP (Delegation of Power), identification of account for assignment is to be approved by Board. However, in one of the fraud classified account, the assignment of loan process was initiated even before receipt of formal approval from competent authority.
2. The company has informed us vide letter dt. 01.11.2022 received from nodal ministry that case specific data for SDF (Sugar Development Fund) Scheme may not be shared with auditors. Accordingly, same is not reviewed by us.
3. No files and documents were provided to us towards PLI (Production Linked Incentive) Schemes. Accordingly, same is not reviewed by us.
4. In a certain case, it was observed that one party has appointed the company as it's advisor/consultant for assisting and preparation of their proposal under SDF (Sugar Development Fund) scheme of Government of India (GOI). However, company is also acting as nodal agency/agent of government for independently carrying out various due diligence procedures on application received by nodal ministry under SDF Scheme. Notwithstanding express approval from GOI, the action of assisting/coaching an applicant into preparation of documents/project reports on commercial terms, and simultaneously conducting due diligence on behalf of GOI, severely undermines the creditability of the proposals appraised by the company, and compromises the independent position of the company.
5. We draw attention to **Note No. 6** of the Financial Results in the matter of Stock Holding Corporation of India Limited where certain litigation is sub-judice before Honorable Supreme Court since May 2015. As per the legal opinion obtained by the



Management of Stock Holding Corporation of India Limited, no provision has been recognized in the Statement of Profit and Loss.

6. We draw attention to **Note No. 8** of financial results where the Capital Risk Adequacy Ratio (CRAR) stands at (-) 70.25% as on 31.12.2022, below the RBI stipulated guidelines vide circular dt. 31st May 2018 (RBI/2017-18/181DNBR (PD) CC. No. 092/03.10.001/2017-18).
7. Refer **Note No. 9** of financial results, pertaining to audit observations of subsidiary companies, which are considered non-material at group level.

Our opinion is not modified in respect of these matters.

For M K Aggarwal & Co.

Chartered Accountants

Firm Registration No: 001411N

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CA Atul Aggarwal

Partner

Membership No. 099374

UDIN: 23099374BGSEO9025

Place:- New Delhi

Date:- 13th February 2023

ANNEXURE I-FORMAT OF SECURITY COVER

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Amt in crore
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets related to pari passu debt which includes debt for which this certificate is issued & other debt with pari passu charge	Other assets on which there is pari passu charge including assets covered in column F		debt amount considered more than once (due to exclusive pari passu charge)		Market value for Assets charged on exclusive basis	Carrying Book value for exclusive charge assets where market value is not ascertainable or applicable (For Bank Balance, DSRM market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value book value for pari passu charge assets where market value is not ascertainable or applicable (For Bank Balance, DSRM market value is not applicable)	Total Value (C+L+M+N)	
		Book Value	Book Value	Yes/No	Book Value	Book Value							Relating to Column F		
ASSETS															
Property, Plant and Equipment							640.99		640.99						
Capital Work in-Progress							-		-						
Right of Use Assets							-		-						
Goodwill							-		-						
Intangible Assets							0.30		0.30						
Intangible Assets under Development							-		-						
Investments							2,246.54		2,246.54						
Loans			Yes	2,136.66			-		2,136.66				2,136.66	2,136.66	
Inventories							-		-						
Trade Receivables				Yes	36.57		-		36.57				36.57	36.57	
Cash and Cash Equivalents							89.44		89.44						
Bank Balances other than cash and cash equivalents							652.84		652.84						
Others							2,249.42		2,249.42						
Total					2,173.23		5,879.53		8,052.76				2,173.23	2,173.23	
LIABILITIES															
Debt securities to which this certificate pertains				Yes	1,404.59				1,404.59						
Other debt sharing pari-passu charge with above debt															
Other Debt															
Subordinated debt							874.67		874.67						
Borrowings															
Bank							125.00		125.00						
Debt Securities		not to be filled					3,299.60		3,299.60						
Others (FC borrowing)							358.93		358.93						
Trade payables							76.06		76.06						
Lease Liabilities							-		-						
Provisions							81.97		81.97						
Others							1,366.63		1,366.63						
Total					1,404.59		6,182.86		7,587.45						
Cover on Book Value							1.55								
Cover on Market Value															
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio										
We have examined the compliances made by the listed entity in respect of all the applicable covenants/terms of the issue of the secured and unsecured debt securities (NCD's) and certify that such covenants/terms of the issue have been complied by the listed entity.															

