



ANNUAL REPORT 2010-11

### **EIGHTEENTH ANNUAL GENERAL MEETING**

DATE : September 13, 2011

DAY : Tuesday

TIME : 10:30 A.M.

PLACE : Air Force Auditorium  
Subroto Park  
New Delhi - 110010

- NOTE :**
1. Shareholders are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
  2. No gifts or coupons would be given to the shareholders for attending the Annual General Meeting.

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**BOARD OF DIRECTORS**

(As on 01.08.2011)

|                                  |                                    |
|----------------------------------|------------------------------------|
| <b>Shri P G Muralidharan</b>     | <b>Chairman of the Board</b>       |
| <b>Shri Atul Kumar Rai</b>       | <b>CEO &amp; Managing Director</b> |
| <b>Shri Umesh Kumar</b>          |                                    |
| <b>Shri Sanjeev Kumar Jindal</b> |                                    |
| <b>Shri Shilabhadra Banerjee</b> |                                    |
| <b>Shri Prakash P Mallya</b>     |                                    |
| <b>Shri Rakesh Bharti Mittal</b> |                                    |
| <b>Smt Usha Sangwan</b>          |                                    |
| <b>Prof Shobhit Mahajan</b>      |                                    |
| <b>Shri K Raghuraman</b>         |                                    |
| <b>Shri S Shabbeer Pasha</b>     |                                    |
| <b>Prof Omprakash Mishra</b>     |                                    |
| <b>Shri Sujit K Mandal</b>       | <b>Whole Time Director</b>         |

**PRINCIPAL OFFICERS****EXECUTIVE DIRECTORS**

Shri T K Ray

Smt Shashi Sharma

**CHIEF GENERAL MANAGERS**

Shri Sonjoy Sethee (CFO)

Shri N K Duggal

Shri B N Nayak

**GENERAL MANAGERS/VICE PRESIDENTS**

Shri Dinesh Sharma

Shri Gautam Meour

Shri V Satyavenkata Rao

Shri S P Sharma

Smt Manju Jain

Shri S K Vats

Shri Biswajit Banerjee

Shri Prasoon

Shri Sachikanta Mishra

Shri Suneet Shukla

Smt Rashmi Sachdev

Smt Pooja S Mahajan

**COMPANY SECRETARY**

Smt Rupa Sarkar

**STATUTORY AUDITORS**Chokshi & Chokshi  
Chartered Accountants

## FINANCIAL HIGHLIGHTS

|  | As at<br>March 31, 2011 | As at<br>March 31, 2010 |
|--|-------------------------|-------------------------|
| <b>(₹ crore)</b>                             |                         |                         |
| <b>RESOURCES</b>                             |                         |                         |
| Share Capital                                | 1,001.68                | 1,001.68                |
| Reserves and Surplus                         | 4,001.72                | 3,608.12                |
| Borrowings in Rupees                         | 18,737.72               | 13,028.27               |
| Borrowings in Foreign Currency               | 526.85                  | 534.19                  |
|  | <b>24,267.97</b>        | <b>18,172.26</b>        |
| <b>APPLICATION</b>                           |                         |                         |
| Fixed Assets                                 | 1,212.61                | 1,450.10                |
| Investments                                  | 8,005.56                | 5,882.43                |
| Deferred Tax Assets                          | 1,020.91                | 1,387.44                |
| Net Current Assets                           | 14,028.89               | 9,452.29                |
|  | <b>24,267.97</b>        | <b>18,172.26</b>        |
|  | <b>2010-2011</b>        | <b>2009-2010</b>        |
| <b>EARNINGS</b>                              |                         |                         |
| Total Income (₹ crore)                       | 2,486.37                | 1,679.33                |
| Profit before tax (₹ crore)                  | 1,166.25                | 1,115.26                |
| Profit after tax (₹ crore)                   | 706.25                  | 670.94                  |
| <b>RATIOS</b>                                |                         |                         |
| Capital Adequacy (excl. Deferred Tax Assets) | 16.4%                   | 17.9%                   |

## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of IFCI Limited will be held on Tuesday, September 13, 2011 at 10:30 a.m. at Air Force Auditorium, Subroto Park, New Delhi-110010 to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended March 31, 2011 and the report of the Board of Directors and Auditors' thereon.
2. To confirm the interim dividend already paid on Preference Shares as Final Dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri K Raghuraman, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S Shabbeer Pasha, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Smt Usha Sangwan, who retires by rotation and being eligible, offers herself for re-appointment.
7. To appoint Auditors and fix their remuneration and for the purpose to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 224A, and other applicable provisions, if any, of the Companies Act, 1956, M/s Chokshi & Chokshi, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board/Audit Committee of Directors of the Company, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED that pursuant to Section 262 of the Companies Act, 1956, Article 130 of the Articles of Association of the Company, Shri Shilabhadra Banerjee, who was appointed as Casual Director with effect from April 30, 2010 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary resolution:

“RESOLVED that pursuant to Section 260 of the Companies Act, 1956, Article 130 of the Articles of Association of the Company, Shri Rakesh Bharti Mittal, who was appointed as an Additional Director with effect from October 27, 2010 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

“RESOLVED that Shri Sujit K Mandal, who was appointed as an Additional and Whole Time Director by the Board of Directors of the Company with effect from November 1, 2010 and who, as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act 1956, received a notice from a member, in writing, proposing the candidature of Shri Sujit K Mandal, for the office of Director, be and is hereby appointed as a Director of the Company not liable to retire by rotation.”

“RESOLVED further that subject to the provisions of Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and Article 162 of Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according approval, which the Board of Directors is hereby authorized to accept, consent of the members, be and is hereby accorded for the appointment of Shri Sujit K Mandal as Whole Time Director with effect from November 1, 2010 for a period of three years and to the payment of remuneration as setout hereunder:

  - I. **Pay:** Basic Salary of ₹ 1,66,667/- per month.
  - II. **Provident Fund:** Monthly subscription to the Fund at the minimum rate of 10% of the Pay. IFCI shall contribute every month a sum equal to 10% of Pay to the account in the Fund. He shall not be covered under IFCI Pension Regulations.
  - III. **Housing:** Rent free accommodation, as per rules of IFCI or House Rent Allowance @50% of the basic pay.
  - IV. **Travelling, Boarding and Lodging:** Actual expenditure to be reimbursed for outstation journeys undertaken for official work.

- V. **Medical Benefits:** Actual expenses incurred for self and his family.
- VI. **Personal Accident Insurance:** Premium (not to exceed ₹ 4000/- per annum).
- VII. **Club Fee:** Fee of Clubs, subject to a maximum of two Clubs (excluding admission and life membership fee).
- VIII. **Gratuity:** 15 days salary for each completed year of service. Part service in excess of six months shall be reckoned as a completed year of service.
- IX. **Payment of tax on Perquisites/Special (Perquisite) Allowance:** IFCI to bear tax in full on non-monetary perquisites and to pay special allowance on monetary perquisites which are taxable.
- X. **LTA:** Entitled to travel with family, by any mode, i.e., Air, Train, Road once every year for visiting any place in India.
- XI. **Other Perquisites:** Other retrial benefits and like amounts/benefits would be paid as per rules of IFCL.”
- “RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Companies Act, 1956.”
- “RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter and vary the aforesaid terms as to remuneration (including perquisites) within the ceiling limits in that behalf laid down in Schedule XIII to the Companies Act, 1956 as in force from time to time.”
- “RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.”
11. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:
- “RESOLVED that pursuant to the provisions of Section 314 and other applicable provisions of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force and as may be enacted from time to time and subject to such other rules, regulations, and guidelines as may be applicable and subject to such approvals, permissions and sanctions, if required and as may be necessary, consent of the Company, be and is hereby accorded for appointment of Shri Siddharth Mandal as Manager at a remuneration of ₹ 49,552/- per month with effect from November 1, 2010 and further increase as per general policy of the Company and subject to limits prescribed under Section 314 of the Companies Act, 1956 as applicable .”
- “RESOLVED further that the consent of the Company be and is hereby accorded for further increase in remuneration and the elevation of Shri Siddharth Mandal as per the general policy of the Company as applicable to the other employees and subject to limits prescribed under Section 314 of the Companies Act, 1956 as applicable.”
12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED that pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI Guidelines”) and subject to such other rules, regulations, guidelines, approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Committee of Directors for Employees Stock Option (ESOP Committee) which the Board has constituted to exercise its powers, including the powers, conferred by this resolution] to create, offer and grant stock options at any time to the permanent employees, existing and future, including any Director of the Company, whether Whole-Time or otherwise, as may be decided solely by the Board under the scheme titled ‘IFCI Employee Stock Option Scheme-2011’ (hereinafter referred to as the “ESOP-2011”) exercisable into so much of equity shares of Face Value ₹ 10 each not exceeding 3% of the Paid-up Equity Share Capital of the Company in aggregate, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the regulations or other provisions of the law as may be prevailing at the relevant time.”
- “RESOLVED further that the Board, be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of options from time to time in accordance with ESOP-2011 or allot shares to a Trust set-up to administer ESOP-2011 and that it may also envisage for providing any financial assistance to the Trust to enable the trust to acquire, purchase or subscribe Equity Shares of the Company for the purpose of ESOP-2011.”
- “RESOLVED further that the number of options that may be granted to any Non-Executive Director (including any Independent Director) in any financial year under the ESOP-2011 and in aggregate shall not exceed 1% of the paid up capital of the Company.”
- “RESOLVED further that the Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED further that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 3% of the Paid-up Equity Share Capital shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED further that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.”

“RESOLVED further that the Board be and is hereby authorized to take necessary steps for listing of the shares allotted under the ESOP-2011 on the Stock Exchanges, where the shares of the Company are listed and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf.”

“RESOLVED further that the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

**Registered Office: By order of the Board of Directors**

IFCI Ltd  
IFCI Tower  
61 Nehru Place  
New Delhi-110019

**Rupa Sarkar**  
Company Secretary

Dated: July 28, 2011

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, setting out material facts in respect of the business under Item Nos.8, 9, 10, 11 and 12 is annexed hereto.

3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Holidays, between 11:00 a.m. to 1:00 p.m. up to the date of Annual General Meeting.
4. Register of Members and Share Transfer Books for equity shares will remain closed from Saturday, September 3, 2011 to Tuesday, September 13, 2011 (both days inclusive).
5. IFCI is not including the financial statements and other details of its subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd and MPCON Ltd, including their subsidiaries, if any, in its financial statements in terms of exemption granted by the Ministry of Corporate Affairs under General Circular 2/2011 dated February 8, 2011. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of IFCI or its subsidiary companies seeking such information at any point of time on specific request in writing to the Company. The Annual Accounts of the subsidiary companies are open for inspection at the Registered Office of IFCI and at the Registered Offices of the respective subsidiary companies up to the date of Annual General Meeting on any working day.
6. The members holding shares/family bonds in physical form are requested to intimate to the Registrar and Transfer Agent (R&TA), MCS Ltd, F-65, Okhla Industrial Area, Phase-I, New Delhi-110020, change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares/family bonds held in demat form is required to be intimated to the concerned Depository Participant.
7. Members holding shares in more than one folio in identical order of names are requested to write to R&TA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
8. 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.
9. Members/Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.
10. Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared up to the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed their dividend upto the aforesaid financial year may claim their



dividend from the Registrar of Companies, Delhi & Haryana.

11. Consequent upon amendment to Section 205A and introduction of Section 205C, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund.
12. The dividend for the Financial Year 2008-09, 2009-10 remained unclaimed/unpaid after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend (2008-09 and 2009-10 respectively) Account 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 & Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for the year 2008-09 is 22.10.2016 and for the year 2009-10 is 21.10.2017.
13. Members who have not yet encashed their dividend warrants or have not received the dividend warrants are requested to seek issuance of demand draft. Such members may write to IFCI Ltd for the payment of unpaid dividend amount. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No. 8**

Shri Shilabhadra Banerjee, was appointed as a Director in Casual Vacancy that occurred due to the resignation of Shri K Narasimha Murthy. In terms of Section 262 of the Companies Act, 1956, Shri Banerjee is to hold office upto the date of ensuing Annual General Meeting of the Company, but is eligible for re-appointment. The Company has received a valid notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Banerjee for office of Director. Brief resume of Shri Banerjee is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Banerjee is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are, in any way, concerned or interested in the said resolution.

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

##### **Item No. 9**

Shri Rakesh Bharti Mittal, was appointed as an Additional Director by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956, Shri Mittal shall hold office upto the date of ensuing Annual General Meeting of the Company. The Company has received a valid notice and requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of

Shri Mittal for office of Director. Brief resume of Shri Mittal is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Mittal is interested in the resolution as it relates to his appointment. None of the other Directors of the company are, in any way, concerned or interested in the said resolution.

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

##### **Item No. 10**

Shri Sujit K Mandal, was appointed as an Additional and Whole Time Director by the Board of Directors of the Company in accordance with Section 260 of the Companies Act, 1956 w.e.f. November 1, 2010. Shri Sujit K Mandal, as an Additional Director, shall hold office upto the date of this Annual General Meeting. The Company has received a notice in writing, along with requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Shri Mandal for the office of Director.

The Board of Directors of the Company also appointed Shri Mandal as Whole Time Director of the Company with effect from November 1, 2010 for a period of three years, upto October 31, 2013 subject to the approval of the members at their General Meeting. The approval of members is being sought for appointment of Shri Sujit K Mandal as Whole Time Director, not liable to retire by rotation, and payment of remuneration to him as set out in Resolution No.10. Brief resume of Shri Mandal is set out in the "Information about Directors seeking appointment/re-appointment at the Annual General Meeting as required under the Code of Corporate Governance Clause of Listing Agreement."

Shri Sujit K Mandal, is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

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

##### **Item No. 11**

Shri Siddharth Mandal, is a mechanical engineer, with distinction, holding certificate in ANSYS Cfx (Computational Fluid Dynamics) and ANSYS 10.0 (FEA) and Auto- CAD. He has undergone industrial training at Hindustan Aeronautics Ltd at Engine Division, Bangalore and project work at Volvo Buses India, Bangalore. He has also participated in Formula SAE competition at Germany and Italy for consecutive four years and is a Steering Committee member of the project. Prior to joining IFCI, he was working with Deloitte Touche Tomatsu as a Consultant in the area of Financial Services and Risk Management. He is son of Shri Sujit K Mandal, Whole Time Director of the Company. In terms of Section 314(1)(b) of the Companies Act, 1956, if a relative of Director is appointed in a place of profit in terms of the Companies Act, 1956, the approval of the members of the Company as special resolution is required.

Shri Sujit K Mandal, is interested in the resolution. None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

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

#### **Item No. 12**

Your Company believes in rewarding its employees and Directors for their continuous hard work, dedication and support, which has led the Company on the growth path. Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in ownership of the Company through stock option scheme. The objective of the ESOP-2011 is to provide an incentive to attract and retain the best talents by way of rewarding their past performance and motivate them to contribute to the corporate growth and profitability in future.

The main features of the employee stock option schemes are as under:

#### **1. Total number of options to be granted:**

Options exercisable into equity shares up to 3% of the Paid-up Equity Share Capital of the Company would be available for being granted to eligible employees and Directors of the Company under ESOP-2011. Each option when exercised would be converted into one Equity share of ₹ 10 each fully paid-up.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed/cancelled options as per the provisions of IFCI - ESOP 2011.

SEBI Guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, stock split/consolidation and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the above ceiling shares as stated above from time to time shall be deemed to be increased to the extent of such additional equity shares issued.

#### **2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

Following classes of employees are entitled to participate in the ESOP-2011:

- (a) Permanent employees of the Company working in India or out of India;
- (b) Directors of the Company whether a Whole-Time Director or not.

#### **3. Transferability of employee stock options:**

The stock options granted to an employee will not be transferable to any person and shall not be pledged,

hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee (stock option holder) while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

#### **4. Requirements of vesting and period of vesting:**

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The ESOP Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest subject to the minimum and maximum vesting period as specified below.

Options granted under ESOP-2011 would vest not less than one year and not more than 4 years from the date of grant of such options. The vesting will start at the first anniversary of grant.

#### **5. Exercise Price or pricing formula:**

Exercise Price in respect of the stock options granted shall be up to 25% discount from the Market Price of the equity shares of the Company.

#### **6. Exercise period and the process of Exercise:**

The Vested options shall be eligible to be exercised on and from the Vesting Date itself. The vested stock options need to be exercised, within 4 years from the date of vesting of the options.

The options will be exercisable by the Employees by a written application to the Company/ESOP Committee or any Trust formed in this behalf expressing his/her desire to exercise the options in such manner and on such format as may be prescribed by the ESOP Committee from time to time. The options will lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested options, the ESOP Committee shall be entitled to specify such procedures and/or mechanisms for the Shares issued on Exercise of the Options as may be necessary and the same shall be binding on the Option Grantees.

#### **7. Appraisal process for determining the eligibility of employees to ESOP-2011:**

The options shall be granted to the employees as per performance appraisal system of the Company.

#### **8. Maximum number of options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee under the Scheme shall not exceed the number of shares equivalent to 1% of the Paid-up Share Capital of the Company per grant and in aggregate.

#### 9. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

#### 10. Method of option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the Employee Stock Option Plan provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and as per Clause 6 of the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the shares that may be offered to them under the ESOP-2011.

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

**Registered Office: By order of the Board of Directors**

IFCI Ltd  
IFCI Tower  
61 Nehru Place  
New Delhi-110019

**Rupa Sarkar**  
Company Secretary

Dated: July 28, 2011

#### INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE CLAUSE OF LISTING AGREEMENT.

At the ensuing Annual General Meeting S/Shri K Raghuraman, S Shabbeer Pasha and Smt Usha Sangwan shall retire by rotation and being eligible, they offers themselves for re-appointment. Shri Shilabhadra Banerjee and Shri Rakesh Bharti Mittal, who have been appointed as a Casual Director and Additional Director respectively by the Board, also seek approval of members for appointment as Directors liable to retire by rotation. Also Shri Sujit K Mandal, Whole Time Director seek approval of the members. The information or details to be provided for the aforesaid Directors under Corporate Governance Code are as under:

a) Shri K Raghuraman, aged about 62 years, is a former Executive Director of Punjab National Bank. He is a Commerce Graduate and a qualified Chartered Accountant. He has over 34 years of Banking experience. He has participated in various international conferences/seminars

abroad in the area of Banking. He is also a Director on the Board of Andhra Bank, Oriental Carbon and Chemicals Ltd, Birla Ericsson Optical Ltd, Nagarjuna Agrichem Ltd, Canbank Factors Ltd, Laderup Finance Ltd, Suvridha Parklifts Ltd, Lanco Budhil Hydro Power Pvt Ltd and Laderup Corporate Advisory Pvt Ltd. He does not hold any shares in IFCI Ltd.

b) Shri S Shabbeer Pasha, aged about 52 years, is a Commerce Graduate, CAIIB, Graduate Member of the Institute of Cost and Works Accountants of India and a qualified Chartered Accountant. He has wide experience of over 25 years in the areas of Audits, Inspections and Investigations, Direct Tax Laws, Corporate Consulting, Management Consultancy, Mergers and Acquisitions and Information Technology related areas. He has held various positions on many committees of the Government of Karnataka and Government of India. He was Chairman of the Karnataka Chapter of the Institute of Chartered Accountants of India. He has served in various committees of the Institute of Chartered Accountants of India. At present, he is a Member of the Committee on International Affairs of ICAI, New Delhi. He is the Proprietor of K Rahman Khan & Company, Chartered Accountants. He is serving his second term as a Director on the Board of Canara Bank. He has also been involved in various social activities and is Member and Office Bearer of many social organizations. He is also on the Board of Bonanza Portfolio Ltd. He does not hold any shares in IFCI Ltd.

c) Smt Usha Sangwan, aged about 52 years, is Executive Director of Life Insurance Corporation. She holds a Master's Degree in Economics from Punjab University, Licentiate from Insurance Institute of India and a Post Graduate Diploma in Human Resource Management. Along with varied experience of Housing Finance, Pension & Group Superannuation and almost all aspects of core business of LIC, she has also operated at Branch, Divisional, Zonal and Corporate level. She has been exposed to various prestigious training programmes in India and abroad. Prominent among them being Marketing Strategies at ISB-Hyderabad, Transformational Leadership at IIM-Lucknow and HR as Business Strategy at Asian Institute of Management, Philippines. She does not hold any shares in IFCI Ltd.

d) Shri Shilabhadra Banerjee, aged about 62 years, is a Masters in History from St Stephen's College, Delhi. He began his career in the Indian Administrative Services in 1971 in Andhra Pradesh. In a career spanning over 37 years, he has held several eminent positions including that of Joint Secretary in the Ministries of Petroleum & Natural Gas and Urban Development. He was Director General (Acquisition) in the Ministry of Defence and retired as Secretary, Ministry of Tourism in October 2008. He spearheaded the infrastructure upgradation at important

tourist destinations in India and played a key role in articulating India's response to climate change issues relating to the tourism sector. He holds a Post Graduate Diploma in Public Administration from the Indian Institute of Public Administration, New Delhi in 1992 and an M. Phil. degree in Social Sciences from the University of Panjab in the same year. He has been a Visiting Fellow at the Queen Elizabeth House, University of Oxford, U.K. and the National Institute of Urban Affairs, New Delhi. He is a Director on the Board of ITC. He has also been appointed as Independent Monitor by Ministry of Defence, Government of India for a period of three years, to oversee the implementation of Pre-Contract Integrity Pacts in all defence procurement cases in which the estimated costs exceed ₹ 100 crore. He does not hold any shares in IFCI Ltd.

- e) Shri Rakesh Bharti Mittal, aged about 55 years, is the Vice-Chairman and Managing Director of Bharti Enterprises. He is the Chairman of Bharti Group Ventures – Bharti AXA Life Insurance Company Ltd, Bharti AXA General Insurance Company Ltd, Field Fresh Foods (P) Ltd, Comviva Technologies Ltd, Centum Learning Ltd and Beetel Teletech Ltd – besides being on the Board of Bharti Airtel Ltd, Bharti Ventures Ltd, Bharti Telecom Ltd and Bharti Enterprises (Holding) Private Ltd. Bharti Airtel is amongst the leading global telecom service providers with operations in 19 countries across Asia and Africa. He is the Chairman of Confederation of Indian Industry's (CII), National Council for Agriculture and Member,

Agricultural and Processed Food Products Export Development Authority (APEDA). He has been nominated on several distinguished Boards and Advisory Council of leading educational institutions viz., Indian School of Business (ISB), Bharti School of Telecommunications Technology and Management, YMCA and Dayanand Medical College and Hospital. He is Co-Chairman of Bharti Foundation, the philanthropic arm of Bharti Group. He is an electronics engineer with rich experience of over 34 years. He does not hold any shares in IFCI Ltd.

- f) Shri Sujit K Mandal, aged about 60 years, is a Mechanical Engineering graduate from National Institute of Technology, Durgapur and is post graduate in Business Management from Indian Institute of Management, Ahmedabad. He has rich experience of more than 36 years of Industrial/Corporate Finance spanning nearly all aspects of management in the Industrial and Financial Sectors. He has vast experience in the areas of Project, Production Operations Management and Corporate Planning in reputed Engineering Industries and developed expertise in Project Finance, Product Development, Corporate Advisory, Project Development, NPA Management, Policy Formulations, Strategic Management and Corporate Planning and Turnaround Strategy etc. At present, he is Director on the Board of Tourism Finance Corporation of India Ltd, IFCI Factors Ltd, IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd and Management Development Institute. He does not hold any shares in IFCI Ltd.

#### LISTING AT STOCK EXCHANGES

The Company's Equity Shares are listed at following six Stock Exchanges in India. Besides, the bonds issued to the public by the Company were also listed at Stock Exchanges mentioned at Sl. Nos. 1, 2 and 3 below. After the redemption of these Bonds on maturity/through exercise of call option, the listing of these bonds have been discontinued.

- |  |   |
|--|---|
| 1. Bombay Stock Exchange Ltd<br>Phiroze Jeejeebhoy Tower<br>Dalal Street, Fort<br>MUMBAI-400 001     | 2. The National Stock Exchange of India Ltd<br>Exchange Plaza<br>Plot No. C/1, G Block<br>Bandra-Kurla Complex, Bandra (East)<br>MUMBAI-400 051 |
| 3. The Delhi Stock Exchange Ltd<br>DSE House, 3/1 Asaf Ali Road<br>DELHI-110 002                     | 4. The Calcutta Stock Exchange Ltd<br>7 Lyons Range<br>KOLKATA-700 001  |
| 5. The Madras Stock Exchange Ltd<br>Post Box No. 183<br>No. 30, Second Line Beach<br>CHENNAI-600 001 | 6. Ahmedabad Stock Exchange Ltd<br>Kamdheni Complex<br>Opp. Sahajanand College<br>Panjara Pole, Ambawadi<br>AHMEDABAD-380 015                   |

The company has paid the annual listing fee to all the Stock Exchanges for the financial year 2011-12 except to the Stock Exchanges at New Delhi, Kolkata, Ahmedabad and Chennai as the Company had applied for delisting of securities pursuant to the resolution passed at the Annual General Meeting held on September 10, 2001 and September 12, 2003.

## DIRECTORS' REPORT

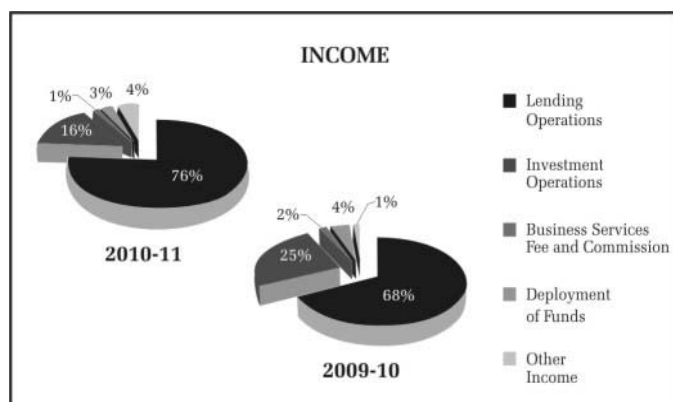
### To the Members

The Board of Directors of your Company has the pleasure of presenting the Eighteenth Annual Report of IFCI Limited together with the Audited Statements of Accounts for the year ended March 31, 2011.

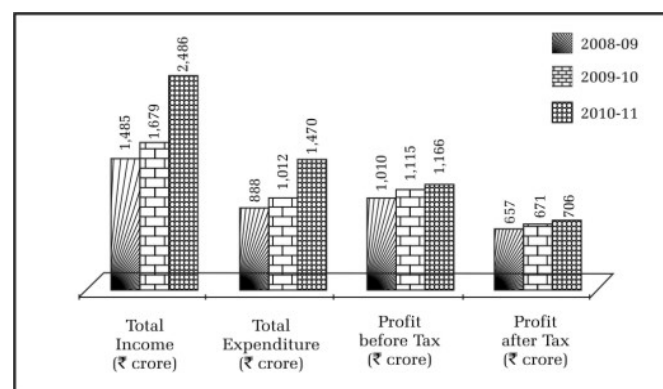
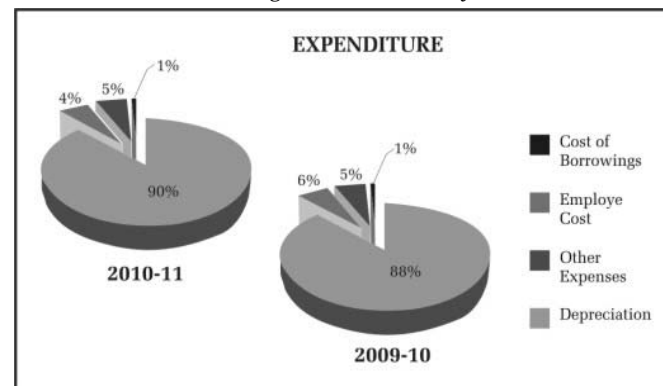
### FINANCIAL RESULTS

| PARTICULARS  | (₹ crore)    |            |
|--|--------------|------------|
|  | 2010-11      | 2009-10    |
| 1. Operational Income  | 2,422        | 1,657      |
| 2. Total Income  | 2,486        | 1,679      |
| 3. Cost of Borrowings  | 1,319        | 891        |
| 4. Staff Cost/Other Expenditure                                    | 141          | 112        |
| 5. Depreciation  | 10           | 9          |
| 6. Total Expenditure   | 1,470        | 1,012      |
| 7. Profit before provisions/write-off                              | 1,016        | 667        |
| 8. Write-off/Provisions for Bad & Doubtful Assets(net of reversal) | (150)        | (448)      |
| 9. Profit Before Tax   | 1,166        | 1,115      |
| 10. Tax Expense  | 460          | 444        |
| 11. Profit After Tax   | 706          | 671        |
| 12. Surplus brought forward from previous year                     | 608          | 312        |
| 13. Appropriations:  |              |            |
| Reserve u/s 45 IC of RBI Act                                       | 142          | 134        |
| Capital Redemption Reserve   | -            | 82         |
| General Reserve  | -            | 65         |
| Special Reserve u/s 36(1)(viii)                                    | 10           | 10         |
| Corporate Social Responsibility Fund                               | 10           | -          |
| Dividend on Equity Shares (incl. Tax)                              | 86           | 84         |
| Dividend on Preference Shares (incl. Tax)                          | 0*           | 0*         |
| 14. Balance carried to Balance Sheet                               | <b>1,066</b> | <b>608</b> |

\* ₹ 0.31 crore



Your Company, during FY 2010-11, has clocked a growth of 48% in total income, which has grown to ₹ 2,486 crore from the total income of ₹ 1,679 crore in the previous year on the strength of creation of fresh assets, which increased from ₹ 7,846 crore as on March 31, 2009 to ₹ 15,942 crore as on March 31, 2011. The Balance Sheet size of ₹ 24,268 crore as at March 31, 2011 is the highest in the history of IFCI since 1948.



The cost of borrowings increased to ₹ 1,319 crore for the current year from ₹ 891 crore in the previous year, since, in order to create fresh assets, fresh borrowings had to be made. The total borrowing increased from ₹ 13,562 crore as at March 31, 2010 to ₹ 19,264 crore as at March 31, 2011.

Profit from operations has significantly improved by 47% to ₹ 951 crore for the current year over ₹ 645 crore for the previous year. Profit before tax and after tax of ₹ 1,166 crore and ₹ 706 crore respectively has increased by 5% over corresponding amount of ₹ 1,115 crore and ₹ 671 crore respectively for the previous year.

### Dividend

Your Directors have recommended a Dividend @ Re.1 per equity share (10%) of face value of ₹ 10/- for the year 2010-11. Further, Dividend at the applicable rate i.e. ₹ 0.31 crore (including Corporate Dividend Tax) on Preference Shares has been paid as Interim Dividend.

## Directors

Since the last Annual General Meeting, Shri Tejinder Singh Laschar resigned from the Board on August 31, 2010. Shri Rakesh Bharti Mittal joined the Board as Additional Director on October 27, 2010.

## Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to any departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended March 31, 2011 on a 'going concern basis'.

## Auditors

M/s Chokshi & Chokshi, Chartered Accountants (Firm Registration No. 101872W), Mumbai, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. You are requested to consider their appointment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (i) Operating Environment and Outlook

Macroeconomic conditions, after contraction in 2009 on a heterogeneous scale, witnessed improvement all over the world in FY 2010-11. IMF, in their 'Global Financial Stability Report' published in April, 2011 observed that improvements in macroeconomic performance in advanced economies and strong prospects for emerging markets are supporting overall financial stability and that risks to global financial stability have declined. However, structural weakness and vulnerabilities in euro area pose significant risks to bank balance sheets, which have thin capital buffers apart from uncertain assets quality and sovereigns facing debt sustainability challenges.

Reserve Bank of India (RBI), in its 'Financial Stability Report' dated June 14, 2011 somewhat differently observes

that 'the growth is slackening in most parts of the world, even as the risks from global imbalances and sovereign debt crisis in Europe continue to hover' and subsequently in the monetary policy review on June 16, 2011, it observed that the global environment has changed for the worse, after its last review made on May 3, 2011. RBI also noted that 'Lead indicators suggest that growth moderated in both advanced economies and emerging market economies (EMEs) under the impact of high oil and other commodity prices, the spill-over from the Japanese natural disasters and monetary tightening in EMEs to contain inflationary pressures. Uncertainty about the resolution of the sovereign debt problem in the euro area has increased. These developments increase downside risks to global growth prospects'.

The Indian economy, on the back of improved agricultural output, strong private consumption, robust investment and a pick-up in exports, has rebounded strongly during 2010-11. GDP growth however, decelerated to 7.8% in Q4 of 2010-11 from 8.3% in the previous quarter and 9.4% in the corresponding quarter a year ago. For the year as a whole, GDP growth in 2010-11 was 8.5%. While private consumption was robust, investment activity moderated in Q4 of 2010-11. IIP growth, on year-on-year basis, moderated to 6.3% in April 2011, but growth in capital goods production at 14.5% was buoyant.

Domestic inflation remains high and much above the comfort zone of RBI. The headline Wholesale Price Index (WPI) inflation rate was 9.7% in March 2011. The main drivers of WPI inflation in April-May 2011 were non-food primary articles, fuel group and non-food manufactured products. The consumer price inflation for industrial workers (CPI - IW) rose from 8.8% in March 2011 to 9.4% in April 2011. Domestic fuel prices do not yet reflect the current trends of global prices. Although global commodity prices moderated in recent weeks, it is too early to downgrade this as a risk factor. Year-on-year non-food credit growth moderated from 21.3% in March 2011 to 20.6% in early June 2011, but remained above the indicative projection of 19%. The year-on-year deposit growth increased to 18.2% in early June 2011 from 17.0% in March 2011. However, corporate earnings growth and profit margins in the fourth quarter of 2010-11 were already showing stresses in their performance and ever since then the investment climate has weakened further.

We believe that growth would be adversely affected in the days to come on account of tight monetary conditions and worsening investor sentiment.

### Initiatives of IFCI

Your Company, during the year under review, accelerated its operations and re-established its presence in the financial market by enlarging and retaining high value customer base. The business model adopted by IFCI has been guided by maximization of return on investment, while maintaining

emphasis on due diligence, as well as appropriate risk mitigants. High yielding short term lending, backed by strong and easily enforceable security of highly rated companies, formed the key strengths helping your Company to expand its asset base without any Non Performing Assets (NPAs). Your Company will continue to explore possibilities for new business in the short and medium term with the aim of establishing a niche market for itself in financial products like loans against liquid securities, working capital gap, pre-operative expenses, acquisition, financing and participation in QIPs and IPOs.

The Government of India has developed an ambitious plan for infrastructure investment, involving both public and private sector. Developing roads, ports, power generation and transmission infrastructure forms an integral part of the plan. Furthermore, there is an increased focus on evaluating new sectors in Indian infrastructure and developing an infrastructure advisory division for providing holistic solutions to existing and potential clients. In keeping with the dynamics of the sector, your Company's Project Development Group (PDG) has scouted for the best investment opportunities in the Indian infrastructure space. The group proposes to make further investments in infrastructure while nurturing projects in its portfolio. While adding to its existing portfolio of investments in roads, thermal power and hydro power generation, the group has forayed into power transmission, solar power generation and wind energy generation through its investments during FY 2010-11 and is looking forward to investing in the logistic sector.

Your Company has strengthened the Treasury team by creating a dedicated Research Desk for making better and more informed investment decisions with the aim of maximizing profits in all treasury operations. The Treasury Department has been equipped with necessary tools and technology to meet the challenges in the rapidly changing environment. Your Company has also initiated operations in new segments viz. Collateralized Borrowing & Lending Obligation (CBLO) and Overnight Interest Swaps (OIS) to manage liquidity risk.

Your Company, after strengthening the activities of its Corporate Advisory Group, has diversified in areas of high value segments of financial consultancy. As a result, currently, IFCI provides the entire gamut of financial advisory services to clients across different sectors of the economy. IFCI has been able to create a space for itself in the niche bid advisory segment, where only a handful of global consultants have the expertise to provide consultancy services for competitive tariff based power projects, Ultra Mega Power Projects (UMPP), City Gas Distribution (CGD), Gas Pipeline Projects etc. During the current FY 2011-12, the thrust would be to get more Transaction Advisory assignments in the infrastructure sector, which will provide the impetus to further expand the footprints of IFCI in advisory business.

IFCI is the nodal agency for channelizing the Sugar Development Fund (SDF) Loans of the Government of India. Your Company, besides financial appraisal for SDF loans, disinvestment and monitoring, is exploring new avenues to increase fee based income by providing consultancy to sugar

industry in almost every area, which includes restructuring, syndication and getting technical and financial partners; both to private and co-operative sector and preparing schemes for sugar factories to avail assistance from SDF for cane development activities. During the year 2010-11, fee based income from financial appraisals for SDF assistance, was higher by about 49% vis-a-vis previous year, as a result of continued efforts made in this direction.

Your Company, consequent on its demonstrated success in NPA resolution, took the initiative for the acquisition of NPAs from Banks/other FIs after complying with RBI guidelines on the subject. Your Company acquired NPAs from Banks/other FIs, and earned attractive returns. Your Company proposes to acquire further NPAs from Banks/other FIs by way of participating in public auction and/or through bilateral deals, to ensure that the momentum of earning profit with a substantial return is maintained. Innovative strategies are being adopted for the resolution of NPAs including assets under the control of Official Liquidators and companies before BIFR.

Your Company has been continuously posting profits. After paying dividend @ 8% for the year 2008-09 and @ 10% for the year 2009-10, the Board of Directors is now recommending to pay dividend @ 10% subject to your approval. The capital adequacy ratio of your Company as on March 31, 2011 at 16.4% is comfortable. Your Company is poised to raise resources in a big way to ensure accelerated growth in the years to come.

As per the study carried out by 'The Economic Times and Great Place to Work Institute', on "India's Best Companies to Work for-2011", your Company, for the second consecutive year, maintained its position as third best place to work for in the Financial Services Sector.

Your Company is keeping a close watch on the various developments in connection with the issue of new Banking Licenses and evaluating its strategy for foray into the Banking arena.

Your Company, in order to provide the requisite fillip to more effective management development in relation to significant and growing sectors of the economy, established Management Development Institute (MDI) in 1973 and another campus of MDI is now proposed to be set up at Murshidabad, West Bengal for which the foundation stone was laid by the Hon'ble Finance Minister of India on October 31, 2010. An MoU was signed between MDI and your Company in this regard. MDI has now emerged as one of the most prominent Business Schools of the country and as per CNBC Survey for the year 2011, it ranked 5th among the top 10 business institutes of the country. MDI is also in the process of acquiring land in Bengaluru for setting up a third campus.

The Technical Consultancy Organisations (TCOs) promoted by your Company provide a complete set of consultancy services in the areas of project conceptualization and other related services, credit syndication, preparation of various project specific agreements including credit documents, restructuring of projects, valuation of assets, stock audits, assessment studies

on working capital, project monitoring consultancy, securitization services and secretarial assistance, in conducting training, entrepreneurship development programmes. IFCI is the lead promoter Institution for MPCON, HIMCON, HARDICON and NITCON.

### Corporate Social Responsibility

Your Company has taken the initiative for undertaking Corporate Social Responsibility (CSR) from the year 2010-11. The main objective of the CSR initiative is to provide a platform to specialized agencies for enabling their involvement in CSR related activities with special focus on public health, education, environment and micro-finance. Under this initiative, in the year 2010-11, your Company released an amount of ₹ 50 lakh to Institute of Leadership Development (ILD) for upgradation and strengthening of infrastructure as well as to pursue its project for adoption of 3 villages for the purpose of social and economic development of the area, capacity building for enhancing the level of education and training as well as implementation of developmental programmes on health, energy, environment, sustainable economic activities and skill development programmes. Also ₹ 26 lakh was released to Rashtriya Gramin Vikas Nidhi (RGVN), Guwahati to pursue a project on Solar Lighting and Sanitation in semi urban areas of Kamrup District, Assam which will definitely uplift the standard of people living in the area.

### Subsidiary Organisations

The following subsidiary companies have synergized their operations with IFCI:

- **IFCI Infrastructure Development Ltd (IIDL)**

IFCI Infrastructure Development Ltd (IIDL) had been promoted as a wholly owned subsidiary of your Company, as an instrument for unlocking value from real estate held by IFCI by way of its office and residential properties, acquiring valuable and strategic real estate in the process of recovery from NPAs of IFCI and availing new opportunities in real estate development through development authorities. Over the years, IIDL has expanded its asset base by purchasing assets and intensifying development work on such assets at various geographical locations in the country and made its presence felt on a pan India basis.

IIDL, with its implementation of projects like Service Apartment Project at Delhi, Hotel Project at Lucknow, Financial City project at Bengaluru and residential projects in NCR and Kochi, is one of the growth engines in the development of real estates and infrastructure, to which impetus is given by Government of India.

IIDL has also secured an important opportunity to participate in the development of a food park approved by the Ministry of Food & Processing Industries, Government of India during the year. IIDL has formed a Special Purpose Vehicle (SPV) named "JANGIPUR BENGAL MEGA FOOD PARK" for the development of the food park. During the year 2010-11, there was a growth of 86% in the company's

assets base, which went up to ₹ 640.05 crore as against ₹ 344.04 crore at the end of previous year. The net profit increased by 7.98%, which was at ₹ 4.33 crore during the year under review as against ₹ 4.01 crore during the previous year. The gross income of the company was ₹ 29.32 crore despite the generally slow recovery rate in the real estate sector during the year under review.

- **IFCI Venture Capital Funds Ltd (IVCF)**

IFCI Venture Capital Funds Ltd was set up by your Company in the year 1975 with a view to promoting entrepreneurship by providing risk capital mainly to first generation entrepreneurs/technocrats to help them setup business projects. Later on, IVCF started providing capital support to Small and Medium Enterprises (SMEs) towards initial capital and growth. Since inception, it has supported entrepreneurs by providing start-up/growth capital for setting up more than 400 projects across India. IVCF closed three private equity/venture capital funds, launched in 2008, with aggregate corpus of ₹ 512 crore on June 30, 2010. During the year 2010-11, the entity sanctioned an amount of ₹ 395.14 crore and disbursed ₹ 292.14 crore out of the aggregate corpus fund. IVCF registered a growth of 166% in Profit after Tax at ₹ 13.14 crore (₹ 4.94 crore) in 2010-11 over previous year.

- **IFCI Financial Services Ltd (IFIN)**

IFIN is engaged in Stock Broking, Investment Banking, Mutual Fund Distribution and Advisory Services, Depository Participant Services and Insurance Products. IFIN continued to grow both organically and inorganically. The retail branches of IFIN at the end of the year increased from 25 to 42. The size of operations has also increased considerably and reasonable growth was registered in the institutional services. A growth of 26.89% was registered in company's income from operations at ₹ 33.13 crore as compared to ₹ 26.11 crore during previous year. During the year 2010-11, the authorized share capital of the company was raised from ₹ 28.25 crore to ₹ 50 crore.

- **IFCI Factors Ltd (IFL)**

IFCI Factors is one of the first members of Factors Chain International from India. It has pioneered the export factoring business in India and is also providing domestic factoring services, through which it is steadily replacing the hitherto conventional modes of working capital finance in the banking space. IFL achieved a turnover of ₹ 2,683 crore, funds in use of ₹ 856 crore and net profit of ₹ 20.1 crore, registering a growth of 131% in turnover, 183% in funds in use and 90% in net profit over the corresponding numbers of financial year 2009-10, whereby the year under review had been yet another significant year. IFL hopes to maintain the momentum in growth in future and aims to become one of the major players in the factoring industry in India in the next 3-5 years. The factoring business globally grew by 28% in the year 2010 at € 1648 billion as compared to € 1283 billion in previous year, though the Indian factoring volume grew only at 4% at € 2.75 billion (€ 2.65 billion). With India's



market share of 0.77% in Asia, there is vast scope for factoring business in India. However, it is going to be a continued challenge for factoring companies to raise appropriately priced funds to create quality domestic and export factoring assets and appropriately structure deals to de-risk business in the absence of supportive factoring legislations in India. The proposed Factoring Bill, if passed, is expected to create a conducive environment for further development of the factoring industry in India.

• **MPCON Ltd**

MPCON is providing consultancy services to small and medium enterprises, individual entrepreneurs, Government Departments and agencies, various state level institutions, commercial banks and other institutions in the States of Madhya Pradesh, Rajasthan and Chhattisgarh. The company is specialised in small business, training and skill development. During the year 2010-11, the total income of MPCON grew by 19.18% at ₹ 8.61 crore. The project consultancy income grew by 121% during the period and stood at ₹ 2.86 crore ( ₹ 1.30 crore) which constituted 33.28% share in total income. Training programmes and others constituted 65.11% share and stood at ₹ 5.60 crore (₹ 5.14 crore). The profit after tax of MPCON grew by 80.14% in the year 2010-11 and stood at ₹ 0.46 crore.

**(ii) Industry Structure & Development**

The industrial sectors in which your Company has major exposures and which include power generation, service sector and other infrastructure/logistics, have performed satisfactorily. Government of India, under the 'National Action Plan for Climate Change' (NAPCC) has identified measures that promote our development objectives, while yielding co-benefits for addressing climate change effectively. These developments translate into potential investment opportunities in roads, ports, renewable energy and the power sector at large. The prospects of other sectors in which your Company has major exposures, viz., iron and steel, petroleum refining, construction and real estate have improved with the upswing in economic activities.

IFCI, being categorized as an NBFC-ND-SI (Non-Banking Financial Company-Non Deposit taking Systemically Important) by RBI, has to compete, in the area of project finance, with Banks and Financial/Investment Institutions. Your Company, having embarked upon substantial asset creation in FY 2008-09, after a gap of 10 years, has been able to re-establish business relationships with several major industrial houses in the country by extending financial assistance. Your Company has endeavored to maximize returns, with the in-house experience in infrastructure projects, by investing by way of loans with a mix of equity, mezzanine and sub debt.

During FY 2010-11, looking to the maturity profile of its existing liabilities, IFCI has sanctioned term loans of one to three years duration mainly to meet the short term fund requirements of companies with excellent track record, for

general corporate purposes, investment in subsidiary company/(s), acquisition, subscription to rights issue, purchase of warrants, refinancing of high cost debt, pre-operative expenses for project implementation, etc. against adequate security. Apart from fund based activity, your Company also ventured into non-fund based activities like advisory services, syndication, underwriting etc. In order to retain and enlarge the customer base, endeavours were made to develop such products which cater to the needs of corporate clients.

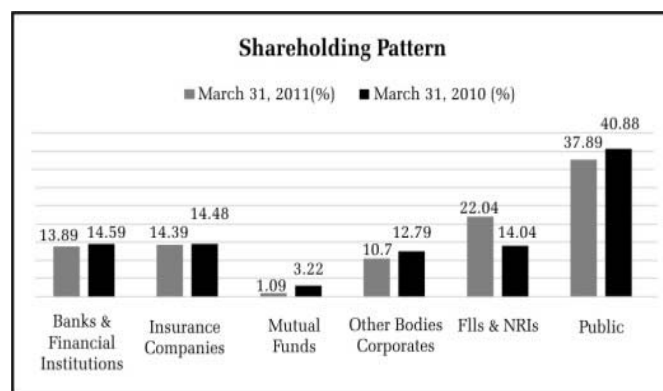
Your Company, during the year, also ensured improvement in various other operational areas like Treasury and Investments and posted substantially higher level of revenue and profits.

The details of various developments are given hereunder:

**(a) Approvals and Disbursements:**

During the FY 2010-11, total fund based approvals were ₹ 13,208.50 crore as against ₹ 6,765.56 crore in the previous year registering a rise of 95.23%. Out of the above approvals, an amount of ₹ 3,262.25 crore (24.69%) was by way of rupee term loans, ₹ 3,111 crore (23.55%) by way of corporate loans, ₹ 945 crore (7.15%) by way of short term loans and ₹ 1,460 crore (11.05%) by way of debenture. The amount approved towards equity and other investments was ₹ 4,430.25 crore (33.54%).

Total disbursements during FY 2010-11 amounted to ₹ 8,399.39 crore compared to ₹ 6,053.82 crore in the previous year registering a rise of 38.75%. Out of the said disbursement, ₹ 2,028.06 crore (24.14%) was by way of rupee term loans, ₹ 3,034.20 crore (36.12%) by way of corporate loans, ₹ 1,150.45 crore (13.69%) by way of short term loans, ₹ 110 crore (1.30%) by way of debenture and ₹ 2,076.68 crore (24.72%) by way of equity & other investments.



**(b) Treasury and Investment Operations**

During the FY 2010-11, your Company earned an income of ₹ 139 crore from fixed market operations. While the avenues of investment were broadened for earning higher return, safety and liquidity were the prime criteria behind all investment decisions. Your Company was able to achieve returns at par

with/higher than the market returns of top rated instruments with similar maturity. During the year, operations in Collateralized Borrowing and Lending Obligation and Overnight Interest Swaps were also introduced.

In foreign currency operations, your Company managed its exposure in foreign exchange reasonably well by taking appropriate forward covers. The foreign exchange position was nearly hedged throughout the year. Your Company did not have any exotic derivatives exposure in equity/debt or foreign exchange market.

In equity operation, your Company continued with the strategy of selective disinvestment of slow moving/illiquid stocks and strengthening the portfolio through selective investment in frontline and mid cap stocks. While improving the quality of the portfolio, in FY 2010-11 your Company earned a profit of ₹ 325.39 crore from equity operations. Net investment portfolio of your Company as on March 31, 2011 stood at ₹ 8,005.56 crore which is substantially higher than the net investment amount of ₹ 5,882.43 crore as on March 31, 2010.

Your Company embarked on an ambitious drive of raising ₹ 5,000 crore during FY 2009-10 by way of bond issuance and bank loans. Buoyed by the success in FY 2009-10, your Company set a higher target for FY 2010-11 and mobilised ₹ 7,000 crore. The remarkable feat was achieved through successful nurturing of relationship developed by your Company with different market participants. The overwhelming response of investors to the maiden Infrastructure Bond issuance program of your Company demonstrates the goodwill and confidence enjoyed by your Company among investors.

**(c) Management of Non-Performing Assets**

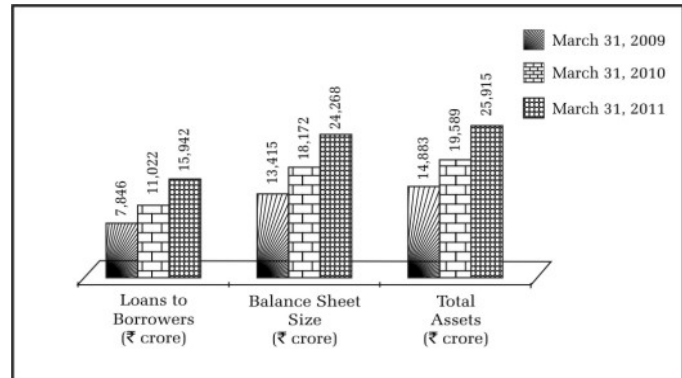
Your Company continued to exploit aggressively all channels available to it to reduce its NPAs and were successful in doing so. This is evidenced by NPA recovery of more than ₹ 338 crore surpassing the recovery budget, of which ₹ 263 crore was by One Time Settlement (OTS) and Assignment and ₹ 75 crore through Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act (SARFAESI) and legal route.

In future, your Company has to meet new challenges in resolving NPA where it holds minority stake and action under SARFAESI is difficult due to non-receipt of consent from other secured creditors pursuant to settlement with them by company. IFCI intends to resolve these NPAs by adopting DRT and High Court route among other recourses available to it.

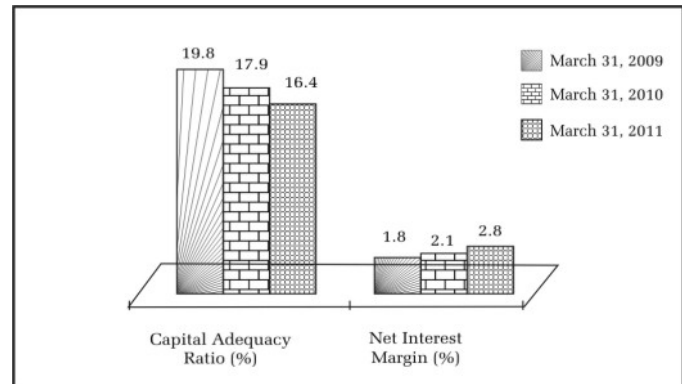
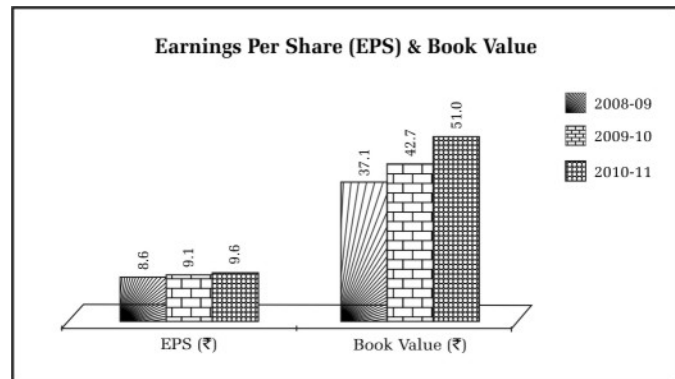
**(iii) Financial Performance**

Your Company's profit before tax of ₹ 1,166 crore in the current year is higher by 5% as compared to ₹ 1,115 crore in the previous year mainly on the strength of creation of fresh assets since April 2008. Profit after tax of ₹ 706 crore for the year has also shown a growth of 5% over previous year's profit after tax of ₹ 671 crore.

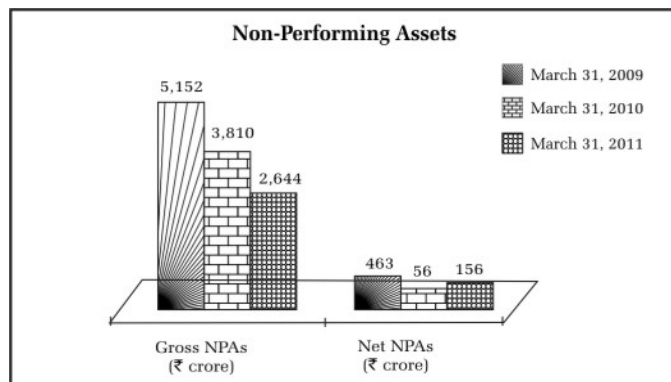
Standard loans to borrowers which stood at ₹ 6,425 crore as at April 1, 2008 have shown CAGR of 35% and stand at ₹ 15,942 crore as at March 31, 2011. The growth over the previous year's standard loans to borrowers of ₹ 11,022 crore is 45%. Total assets have also increased to ₹ 25,915 crore in the current year from ₹ 19,589 crore in previous year registering a growth of 32%.



Satisfactory levels have been maintained for key financial ratios viz. interest margin, capital adequacy ratio, debt-equity ratio, debt service coverage ratio, net worth, etc. Basic EPS increased to ₹ 9.6 per share for the current year vis-a-vis ₹ 9.1 per share for the previous year. Book Value (excluding Revaluation Reserve) also increased to ₹ 51 per share as at March 31, 2011 from ₹ 42.7 per share as at March 31, 2010 (FV ₹ 10/-).



Your Company's quality of assets continued to be excellent. The ratio of net NPAs to net advances was as low as 0.97% as at March 31, 2011.



#### (iv) Segment-wise/Product-wise Performance

Your Company operates in India and hence it is considered to operate only in the domestic segment. More than 90% of revenue for the Company comes from a single segment of financing. Accordingly, segment reporting as required under Accounting Standard-17, issued by The Institute of Chartered Accountants of India, is not applicable.

#### (v) Opportunities, Threats and Future Outlook

Your Company is well poised to expand and diversify its operations and performance in accordance with its business strategy. Your Company will continue to explore possibilities for new business for short term and medium term with the aim of establishing a niche market for itself in products like short and medium term loans against liquid securities, take-out finance and debt swapping. In addition to the normal lending activities, your Company continues to concentrate on private equity participation, project development activities, non-fund based income from advisory services, syndication, underwriting of loans, acquisition of NPAs from other lenders and thrust on the activities of subsidiaries/associate companies.

IFCI, as an NBFC-ND-SI, has developed for itself niche products, covering the entire range of capital structure including debt, equity, equity related products, mezzanine instruments etc. of short, medium and long term duration.

The overall economic scenario in the country is worsening and inflationary pressure has pushed up the cost of funds and impacted profit margins. However, owing to strong growth in the balance sheet without NPAs, your Company would continue to improve its top line and bottom line. On the power front, there exists a huge demand-supply gap with an all India average energy shortfall of 7% and peak demand shortfall of 12%. There is over 90,000 MW of new generation capacity required in the next seven years with over 150,000 MW of hydro power yet to be tapped. Additional 60,000 circuit km of transmission network is

expected by 2012. Power generation and transmission will continue to be a potential sector for investment by your Company.

There is an annual growth of 12-15% projected for passenger traffic and a growth of 15-18% for cargo traffic. Covering 66,590 km, highways/expressways constitute only 2% of all roads and carry 40% of the road traffic. This clearly indicates the scope for further development of highways. Your Company shall leverage on its experience in bidding for attractive road projects across India.

Growth in merchandise exports projected at over 13% p.a. underlines the need for large investments in port infrastructure. It is expected that 95% of foreign trade by volume and 70% by value would be through the maritime route. The New Foreign Trade Policy envisages doubling of India's share in global exports in next five years to USD 150 billion.

Your Company shall continue to aggressively pursue project development activities in the infrastructure projects by way of participating in equity as promoter/co-promoter. This endeavour is expected to result in ample opportunities in future where your Company can involve itself in appraisal, underwriting, syndication of debt/sub-debt, equity, etc. besides acting as the lenders' agent. The said areas would improve the overall return by way of non-fund based income such as underwriting, syndication fee etc. Your Company would continue its endeavour to establish/re-establish relationship with corporate houses of repute and standing so as to exploit emerging business opportunities during the days to come.

Your Company, with its present business model, does not envisage any major challenge in the short as-well-as medium term perspective. In the emerging scenario arising out of Government's move to modify regulatory requirements which is expected to provide the opportunity to different players to be more pro-active for economic development of the nation, your Company has geared up to find its 'niche' area.

#### (vi) Risk Management

Managing various types of risks is an inherent part of IFCI's business. Business and revenue growth have to be viewed in the context of the risks implicit in your Company's business strategy. Recognizing this, your Company has continued its endeavor to have in place a robust and integrated risk management system. The risk management strategy is based on a clear understanding of various risks, a multiplicity of risk assessment and measurement procedures and continuous monitoring. Forming part of the risk management architecture of your Company, the Risk Management Committee of Directors is overseeing all the risks viz. credit, market, liquidity and operational risks and any other risks, assumed by your Company. The Committee guides the development of policies, procedures and systems for managing risk at the organizational level.

The Audit Committee of Directors provides direction and monitors the quality of the internal audit function and compliance with systems and procedures. At the executive level, a Risk Management Committee of Executives has been constituted to facilitate overseeing of various risks in a focused manner, supported by an independent risk management function that looks after all aspects of enterprise-wide risk management. The risk management function endeavors to anticipate vulnerabilities at the transaction level or the portfolio level, as appropriate, through quantitative or qualitative assessment of inherent risks. Appropriate structure, approved policies and procedures and review processes are in place through which risk is managed. A well-established, effective and independent internal control mechanism exists for supplementing the risk management systems to build risk consciousness and discipline into decision-making throughout the Company.

Being primarily a lending institution, credit risk is the most important for IFCI and therefore, your Company has put in place comprehensive credit risk management architecture. With appreciable augmentation of credit portfolio during the year under report, systems and controls are in place, to mitigate credit risks including exposure limits for borrowers, borrower groups, industrial sectors, multi-tier credit appraisal system, risk-based monitoring system, committee system for considering proposals and detailed risk assessment of new proposals, which have been further strengthened commensurate with the volume of business activities. Emphasis is placed on both, evaluation and containment of risk for individual exposures and analysis of the portfolio behaviour. The loan policy and risk management policy of your Company is reviewed periodically keeping in view the changing economic and business environment. Periodic reviews of existing products and services are carried out with a view to continuously monitoring the risks and assisting in control management. Overall portfolio quality and high risk exposures are also monitored periodically.

Your Company undertakes analysis of industries/sectors where the exposure levels are sizeable as also to evaluate and capitalize on business opportunities in the prospective/sunrise sectors.

As a part of loan review mechanism, credit audit of a majority of the standard assets with exposure of ₹ 50 crore and above, was taken up during the year under report, with the objective of detecting weaknesses, if any, in these exposures and initiating timely corrective action. The credit audit exercise also provides the top management with information on quality of credit administration including credit sanction process, risk evaluation and post-sanction follow-up. Your Company continues to undertake reviews of large borrower accounts and related industries/sectors on a regular basis with the objective of monitoring and managing the risk in the portfolio. In another initiative

towards effectively monitoring the standard asset portfolio, rapid analysis of quarterly results of assisted concerns, with particular focus on assessing cash flows and debt servicing capacity as also detecting early warning signals, if any, were carried out during the year under report. Credit exposures are managed through target sectors/corporate/group identification, appropriate credit approval processes, post-disbursement monitoring and remedial management procedures.

In order to make the risk management system more robust as also a best practice, your Company has initiated steps to adopt and make internal credit risk rating models an integral part of the credit assessment process. The use of these models is being disseminated at an organizational level for measuring credit risk in new business proposals and existing loan portfolios. The internal rating models, based on two-dimensional rating methodology, have the capacity to estimate probability of default (PD), loss given default (LGD) and expected loss (EL) in a specific loan asset. During the year under report, the internal rating process has been streamlined for achieving faster turnaround time and accelerating credit delivery. From a portfolio monitoring perspective, the internal rating along with the size of the exposure would determine the monitoring frequency applicable to the exposure in line with the policies approved by the Board. With a view to initiating the process of monitoring the loan portfolio using these models, ratings of select standard cases were carried out during the year under report.

The market and liquidity risk is managed by the Asset & Liability Committee (ALCO) through analysis of structural liquidity gaps and interest rate sensitivity positions and deployment of surplus funds by Treasury besides approved limits and triggers for various types of deployment. The investment policy of your Company is reviewed periodically in the light of the prevalent market scenario. To manage the operational risks, there are adequate internal controls and systems in place aided and assisted by internal audit, remote back-up of data, disaster management policy and appropriate insurance.

Going forward, with the growth of business and augmentation of loan portfolio, risk management at IFCI would assume a larger and more complex role. Your Company would continue to work on various initiatives which would not only help to develop a more robust risk management framework but also inculcate a strong culture for risk management and awareness in the Company. The steps taken would streamline the mechanism for effective overall institutional risk management at IFCI.

#### **(vii) Nominee Directors**

Appointment of Nominee Directors on the Boards of assisted concerns has been a long and well established

practice for Institutions and Banks with a view to monitoring the performance of their borrower companies. The basic objective of such appointments is to help build up professional management and facilitate effective functioning of the Board of Directors as well as formulation of proper corporate policies and strategies to improve productive efficiency and promote long term growth of the assisted companies, keeping in view the overall interest of the shareholders and financial institutions. The feedback reports received from Nominee Directors act as a useful tool for credit monitoring. The system of Nominee Directors is functioning effectively in your Company.

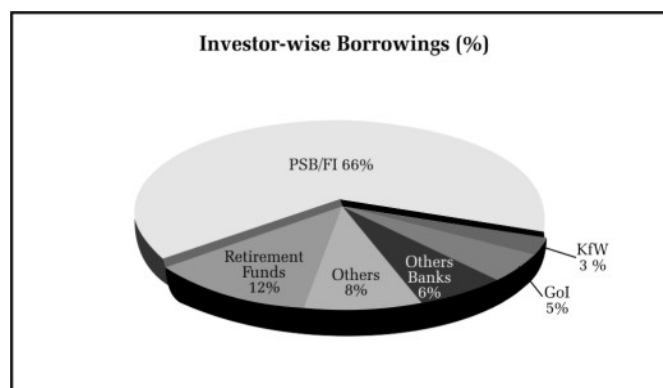
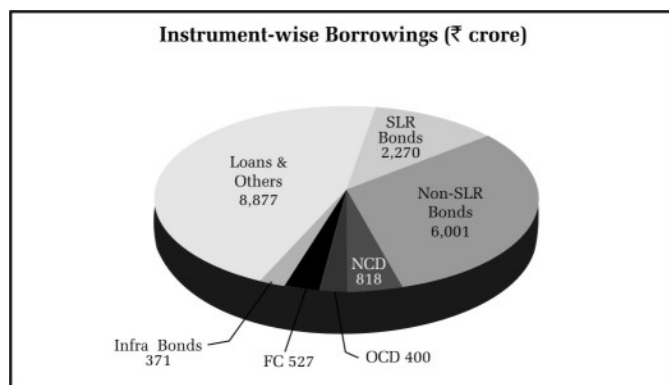
**(viii) Resources**

Your Company continued the initiative of increased levels of resource mobilization programme undertaken during the previous year 2009-10. During the year 2010-11, an amount of ₹ 7,000 crore was mobilized mainly by way of rupee bank facilities and private placement of bonds at competitive rates. A few new instruments like Tax Saving Bonds and Commercial Paper were introduced during the year.

Your Company is privileged to have been authorized by the Government of India for issuance of Long Term Infrastructure Bonds to retail investors, having tax benefits under Section 80 CCF of Income Tax Act, 1961. The two issues floated by IFCI received overwhelming response and the total valid subscription of ₹ 370.75 crore was fully allotted. We are thankful to our investors for their investment and for reposing their faith and trust in IFCI. The entire proceeds out of these infrastructure bonds have been fully utilized during the year under report in infrastructure facilities as defined by the Reserve Bank of India.

The total borrowing of your Company stood at ₹ 19,265 crore as at March 31, 2011, which comprised of rupee and foreign currency borrowings of ₹ 18,738 crore and ₹ 527 crore respectively.

The investor-wise and instrument-wise break-up of the borrowings as at March 31, 2011 are indicated below:



Investor service 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.

**(ix) Public Deposits**

Your Company did not raise any public deposit during the year. There was no public deposit outstanding as at the beginning or end of the year under report.

**(x) Internal Control Systems and their Adequacy**

Your Company has in place adequate systems of Internal Control and the Internal Audits are being carried out, based on the scope approved by the Audit Committee of the Board of Directors (ACD). A 'Risk based Internal Audit' system has already been introduced, which has made the Internal Audit more focused and such Reports are constantly reviewed by ACD.

**SIGNIFICANT DEVELOPMENTS**

**(i) Project Development Group (PDG)**

Availability of quality infrastructure is a prerequisite of the sustainable growth of any country. The present growth phase of Indian economy is also coupled with impetus on the infrastructure sector. Project development is a part of IFCI's strategy to enter infrastructure projects early in their life cycle, ensuring IFCI reasonable returns on cost of funds. It shares strong relationships with India's leading infrastructure companies and is associated with them throughout the project development life cycle from inception to commissioning and thereafter nurturing the projects to realize returns. It is these relationships and the experience of the group in Indian infrastructure which positions your Company as one of the country's largest players in infrastructure investment.

PDG, with its dedicated team of highly qualified and experienced professionals, has developed invaluable insights into the technical, practical and financial aspects of the infrastructure sector in general and power generation and roads in particular. During the year 2010-11, your Company has made investments in select coal and gas

based Thermal Power, Hydro Power, Wind and Solar Power, Power Transmission, Road, Port and Logistic Projects and simultaneously increased focus on providing a gamut of fee-based services in the infrastructure sector. Going forward, your Company intends to consolidate its position as a provider of end to end financial services in the infrastructure sector.

**(ii) Corporate Advisory Services**

In the area of providing customized corporate advisory services, your Company, despite stiff competition during the year, has not only been able to retain its existing clients but has also been able to secure some prestigious new assignments relating to disinvestment of public sector enterprises on competitive bidding basis, management consultancy assignments with respect to bid advisory, due diligence, project appraisal, business re-engineering, besides new assignments with respect to financial restructuring, business plan, valuation and bid process management from various private/public sector entities and Central/State Government(s). During the year, your Company has also been empanelled by many prestigious clients for various consultancy assignments.

**(iii) Sugar Development Fund**

Your Company has been acting as an agent of the Government of India since the inception of the Sugar Development Fund (SDF) for the purpose of disbursement, follow up and recovery of SDF loans. Cumulative approvals and disbursements under SDF upto March 31, 2011 stood at ₹ 4,102 crore and ₹ 3,400 crore respectively. The agency commission accrued during the year 2009-10 was of the order of ₹ 11.40 crore, which is likely to be ₹ 14 crore for the year 2010-11. During the year 2010-11, IFCI has received ₹ 19 crore out of the outstanding agency commission.

Your Company has also carried out merchant appraisals for SDF loans, which fetched a fee of ₹ 1.85 crore during the year 2010-11 as against a sum of ₹ 1.24 crore earned during the previous year 2009-10.

**(iv) NPA Acquisition and Resolution**

Your Company, while managing its NPA portfolio since 2007-08 and putting exemplary performances in terms of recovery of NPAs, acquired a very strong expertise in this business segment. Making use of the said expertise, taking care of the regulatory framework and other advantageous factors, your Company has floated a separate business vertical for acquisition of NPAs from Banks and Institutions. The acquisitions were aimed at further management of the same and unlocking the true worth out of the said NPAs with substantially higher returns, compared to normal lending operations. Till date, your Company has acquired more than 80 NPAs at a total consideration of about ₹ 220 crore and has resolved a substantial number of accounts with a highly satisfactory annualized return. Your Company

will endeavour to attain still higher levels of such business and to maintain a pre-eminent position in the NPA business segment.

**(v) Human Resources**

The revitalisation of Human Resource Management practices has immensely contributed towards the resurgence that your Company has witnessed over the last few years. Your Company strongly believes that, going forward, creating a pool of leaders would be vital for accelerated growth of the Company. Hence, in the year 2010-11, your Company laid special focus on the creation of a leadership pipeline. The identified leadership talent, on the foundation of performance driven culture is being progressively exposed to challenging assignments.

The manpower strength of your Company as on March 31, 2011 was 264 including 261 executives and professionals as compared to a total strength of 252 as on March 31, 2010.

Your Company has further strengthened its position as a preferred employer in the Indian financial sector. During the year, your Company has been able to attract talent from leading banks and multinational organizations. Besides, it has recruited 16 young professional from leading business schools like ISB Hyderabad, IIM Ahmedabad, IIM Bengaluru, IIM Kolkata and Faculty of Management Studies, New Delhi.

Your Company continued its endeavour to upgrade knowledge and skill set of its employees. Aside from regular in-house behavioural and functional interventions, employees were nominated to leading institutes in India and abroad for Executive Education programs. Employees were also nominated to participate in various conferences and discussion forums organised by industry so as to provide them platforms for keeping abreast with the latest developments and also to explore business opportunities.

**(vi) Information Technology and Communications**

A software package developed in-house, namely 'Central Integrated Information System, (CIIS) is an umbrella providing solutions for automating operations of various activities of your Company. During the year 2010-11, to meet the current and emerging business needs, the existing software applications were upgraded with enhanced/added features.

In a constant endeavour to induct latest technology and improve operational efficiency, "Oracle BI" business intelligence software was implemented. The application provides interactive dashboards with user level security thereby facilitating Management Information System (MIS) and facilitating the decision making process of top management. The system provides visual presentation of data, which can also be customised by the user by slicing and dicing.

In the efforts to provide IT support to its Associates and Subsidiaries, the IT team of your Company has implemented the Financial Accounting, Balance Sheet and Loan Accounting modules of CIIS at Asset Care & Reconstruction Enterprise Ltd and also implemented the Loan Accounting modules at IFCI Factors Ltd.

The Video conferencing facility has been established at the Head Office as well as in the Mumbai and Hyderabad Regional Offices. Additional firewalls were implemented to enhance the security of the Data Center. A state-of-art visitor entry and monitoring system was implemented at Head Office for enhanced security.

#### **Compliance**

Timely submission of various returns and data/information to RBI, SEBI and other regulatory bodies and the Government of India has been ensured through the Compliance and Secretarial Departments of your Company at the Head Office.

#### **Cautionary Statement**

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

#### **Corporate Governance**

A detailed report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement has been obtained and is annexed at the end of Corporate Governance Report.

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

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per Companies (Disclosures of particulars in the Report of the

Board of Directors) Rules, 1998 regarding conservation of energy and technology absorption, are not applicable. The particulars regarding expenditure and earning in the foreign exchange are given in Item Nos.10 and 11 in the Notes on the Accounts.

#### **Particulars of Employees**

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to the Members and others entitled thereto. The Annexure is available for inspection by members at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

#### **Appreciation**

The Board of Directors of your Company wishes to express its gratitude for the cooperation, guidance and support received from the Ministry of Finance, various other Ministries and Departments of the Government of India, State Governments, the Securities and Exchange Board of India, the Reserve Bank of India and other regulatory bodies. The Board of Directors also acknowledges the continued cooperation received from all overseas correspondent banks and other members of the banking fraternity.

The Board of Directors would like to thank Banks, Financial Institutions and other investors and shareholders for their continued support.

The Directors of your Company place on record their appreciation of the dedicated and sincere service rendered by the officers and staff at all levels.

**For and on behalf of the Board of Directors**

Place: New Delhi  
Dated: July 28, 2011

**P G MURALIDHARAN**  
Chairman of the Board

## 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. In IFCI, we believe that a high standard of Corporate Governance is the essence of business growth and investor confidence. The Company aims to set the highest standards of governance, meticulously pursue them and thereby maximize value for its shareholders and fairness to its customers, employees and public at large.

### 2. BOARD OF DIRECTORS:

(A) As on March 31, 2011, the Board of the Company consisted

of 13 Directors, out of whom 11 Directors were Non-Executive while one was Managing Director and Chief Executive Officer and one was Whole Time Director.

The composition of the Board is in conformity with the Listing Agreement. The composition of the Board, number of Board Meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship/Membership of Committees in other Companies in respect of each Director is given below:

| Sl. No.  | Name of Director                 | Category                                    | Attendance Particulars                        |                                   |     | No. of Directorship(s)/Committee Membership(s)/Chairmanship(s) of Other Companies |                         |                           |
|--|----------------------------------|---|---|-----------------------------------|-----|---|-------------------------|---------------------------|
|  |                                  |   | No. of Board Meetings during the year 2010-11 | At AGM held on September 17, 2010 |     | Other Directorship(s)   | Committee Membership(s) | Committee Chairmanship(s) |
|  |                                  |   | Held  | Attended                          |     |   |                         |                           |
| 1.   | Shri P G Muralidharan            | Non Executive-Independent                   | 5   | 5                                 | No  | 1   | 1                       | -                         |
| 2.   | Shri Atul Kumar Rai              | Chief Executive Officer & Managing Director | 5   | 5                                 | Yes | 6   | -                       | -                         |
| 3.   | Shri K V Eapen                   | Nominee Director-Government of India        | 5   | 4                                 | No  | 1   | -                       | -                         |
| 4.   | Shri Sanjeev Kumar Jindal        | Nominee Director-Government of India        | 5   | 5                                 | No  | 3   | 2                       | -                         |
| 5.   | Shri Prakash P Mallya            | Non Executive-Independent                   | 5   | 5                                 | Yes | 3   | 1                       | 2                         |
| 6.   | Shri Shilabhadra Banerjee(*)     | Non Executive-Independent                   | 5   | 2                                 | Yes | 1   | -                       | -                         |
| 7.   | Shri Rakesh Bharti Mittal(*)     | Non Executive-Independent                   | 3   | 2                                 | No  | 8   | 5                       | -                         |
| 8.   | Smt Usha Sangwan                 | Non Executive-Independent                   | 5   | 5                                 | No  | -   | -                       | -                         |
| 9.   | Shri K Raghuraman                | Non Executive-Independent                   | 5   | 5                                 | Yes | 7   | 3                       | 2                         |
| 10.  | Prof Shobhit Mahajan             | Non Executive-Independent                   | 5   | 5                                 | Yes | 1   | -                       | -                         |
| 11.  | Shri S Shabbeer Pasha            | Non Executive-Independent                   | 5   | 5                                 | Yes | 2   | -                       | -                         |
| 12.  | Prof Omprakash Mishra(**)        | Non Executive Independent                   | 5   | 4                                 | No  | -   | -                       | -                         |
| 13.  | Shri Sujit K Mandal              | Whole Time Director                         | 5   | 5                                 | Yes | 4   | 3                       | -                         |
| DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2010-11 |                                  |   |   |                                   |     |   |                         |                           |
| 1.   | Shri Tejinder Singh Laschar (**) | Non Executive-Independent                   | 2   | 2                                 | No  | 1   | 1                       | -                         |

(\*) Appointed/inducted on the Board during the year.

(\*\*) Shri Tejinder Singh Laschar resigned from the Board of Directors w.e.f. August 31, 2010.

- NOTE:
- Number of Meetings represent the Meetings held during the period in which the Director was Member of the Board.
  - Number of other Directorships indicated above is exclusive of the Directorships on the Board of Private Limited Companies and Non-Corporate Institutions.
  - In case of Directors Retired/Resigned, the status of other Directorship and Committee Membership is as on the basis of the last disclosure made by the Director.
  - The details of Committee Memberships are in relation to the specified Committees viz. Audit Committee and Investors' Grievance Committee.



(B) The Board has access to the information pertaining to Clause 49 of the Listing Agreement.

(C) Information pursuant to Clause 49 IV(G) of the Listing Agreement: A brief resume and name of the companies in which Directors, who are being appointed/reappointed, hold Directorship/Committee Membership are given in the notice under heading "Information about Directors seeking appointment/reappointment as required under the Corporate Governance Clause of Listing Agreement."

**(D) Number of Board Meetings held and dates:**

During the Financial Year 2010-11, the Board of Directors met 5 (five) times. The dates of the Meetings were April 30, July 23, October 27 in 2010, January 21 and February 19 in 2011.

**3. AUDIT COMMITTEE:**

(A) The Audit Committee of IFCI consists of 5 (five) Non-Executive independent Directors. The Chairman of the Committee is an Independent Director. The composition of the Audit Committee and attendance of Directors at the Meetings is shown below:

| Sl. No.                         | Name of Director               | Category | No. of Meetings during FY 2010-11 |          |
|---------------------------------|--------------------------------|----------|-----------------------------------|----------|
|                                 |                                |          | Held                              | Attended |
| <b>MEMBERS OF THE COMMITTEE</b> |                                |          |                                   |          |
| 1.                              | Shri S Shabbeer Pasha          | Chairman | 5                                 | 5        |
| 2.                              | Shri Sanjeev Kumar Jindal(**)  | Member   | 1                                 | -        |
| 3.                              | Shri Shilabhadra Banerjee(**)  | Member   | 1                                 | -        |
| 4.                              | Prof Omprakash Mishra(**)      | Member   | 1                                 | 1        |
| 5.                              | Shri Sujit K Mandal(**)        | Member   | 1                                 | 1        |
| <b>MEMBERS RETIRED/RESIGNED</b> |                                |          |                                   |          |
| 1.                              | Shri Tejinder Singh Laschar(*) | Member   | 3                                 | 3        |
| 2.                              | Shri K V Eapen(*)              | Member   | 4                                 | 1        |
| 3.                              | Smt Usha Sangwan(*)            | Member   | 4                                 | 4        |
| 4.                              | Prof Shobhit Mahajan(*)        | Member   | 4                                 | 4        |

(\*) Shri Tejinder Singh Laschar had resigned from the Board w.e.f. August 31, 2010. Shri K V Eapen, Smt Usha Sangwan and Prof Shobhit Mahajan, also ceased to be the Member of the Committee w.e.f. October 27, 2010.

(\*\*) S/Shri Sanjeev Kumar Jindal, Shilabhadra Banerjee, Sujit K Mandal and Prof Omprakash Mishra were appointed as the Member of the Committee w.e.f. October 27, 2010.

**Note:** Number of Meetings represents the Meetings held during the period in which the Director was Member of the Committee.

The Statutory Auditors and other Senior Executives are invited to participate in the Meetings of the Audit Committee wherever necessary, as decided by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

**(B) Number of Audit Committee Meetings held and dates:**

During the Financial Year 2010-11, the Audit Committee of Directors of IFCI met 5 (five) times. The Meetings were held on April 10, April 30, July 23, October 27 in 2010 and January 21 in 2011.

**(C) Terms of Reference:**

The terms of reference of the Audit Committee are mainly 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 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 that adequate follow up action is taken by the management. In addition, the Committee reviews the performance of the Company's Auditors to ensure the effectiveness of the audit procedure. The Committee also proposes for the appointment of Statutory Auditors and fixation of their fee.

**4. REMUNERATION OF DIRECTORS:**

(A) The Board had formed a Committee of Directors with a mandate for policy on HR matters including compensation, career management and succession planning. The Committee also looks after the compensation structure at the Board Level. The Committee consists of 5 (five) Directors. During the year 2 (two) Meetings of the Committee were held on January 22 and February 12, 2011.

(B) The following are the details of the remuneration paid to the managerial personnel during the Financial Year 2010-11:

**Shri Atul Kumar Rai, Chief Executive Officer and Managing Director**

| Particulars         | (₹ lakh)     |
|---------------------|--------------|
| Salary & Allowances | 84.64        |
| Contribution to PF  | 12.99        |
| Perquisites         | 1.29         |
| <b>TOTAL</b>        | <b>98.93</b> |

**Shri Sujit K Mandal, Whole Time Director**

| Particulars         | (₹ lakh)     |
|---------------------|--------------|
| Salary & Allowances | 55.89        |
| Contribution to PF  | 4.32         |
| Perquisites         | 8.82         |
| <b>TOTAL</b>        | <b>69.03</b> |

(C) The Company also paid sitting fee of ₹ 12,000/- per meeting for the Board and ₹ 6,000/- per meeting of Committee thereof, to the Non-Executive Independent Directors except Government Nominee/Institutional Representatives.

(D) As per the disclosure made by the Non-Executive Directors of the Company, none of the Independent Directors hold any share or any other convertible instruments of IFCI Ltd as on March 31, 2011.

**5. INVESTORS' GRIEVANCE COMMITTEE:**

(A) Investors' Grievance Committee of IFCI consists of 4 (four) Non-Executive Directors. During the Financial Year 2010-11, the Committee met 2 (two) times on April 30 and October 27, 2010. The position of attendance of Directors at the Meetings is as under:

| Sl. No.                         | Name of Director             | Category | No. of Meetings during FY 2010-11 |          |
|---------------------------------|------------------------------|----------|-----------------------------------|----------|
|                                 |                              |          | Held                              | Attended |
| <b>MEMBERS OF THE COMMITTEE</b> |                              |          |                                   |          |
| 1.                              | Shri P G Muralidharan        | Member   | 2                                 | 2        |
| 2.                              | Shri K Raghuraman            | Member   | 2                                 | 2        |
| 3.                              | Shri Shilabhadra Banerjee(*) | Member   | -                                 | -        |
| 4.                              | Shri S Shabbeer Pasha(*)     | Member   | -                                 | -        |

(\*) S/Shri Shilabhadra Banerjee and S Shabbeer Pasha were appointed Members of the Committee w.e.f. October 27, 2010.

**Note:** Number of Meetings represents Meetings held during the period in which the Director was Member of the Committee.

(B) **Name & Designation of Compliance Officer:**  
Smt Rupa Sarkar, Senior Associate Vice President & Company Secretary  
Email: complianceofficer@ifcilt.com

(C) The number of complaints received from the shareholders and bondholders during Financial Year 2010-11 and the number of pending complaints are shown below:

| Details   | No. of Complaints |
|---|-------------------|
| Complaints received during the Financial Year 2010-11 | 4055(*)           |
| Pending as on March 31, 2011                          | 23                |

(\*) 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 and payment of redemption amount has been made to the bondholders who have surrendered their bond certificates for redemption. Since despite repeated advertisements and letters, claims were not received from some of the bondholders, the redemption warrants were issued to all such bondholders at their registered address after publishing an advertisement in various newspapers all over India requesting them to provide change in address, bank account and Permanent Account Number for necessary incorporation in the warrants.

IFCI has made payment of cumulative dividend on the preference shares amounting to ₹ 26.38 lakh during 2010-11.

(D) The Company has constituted a Committee of its executives for approval of the share transfers, transmissions and transpositions, etc. Generally, the Committee meets twice in a month. All the requests for share transfers etc. were processed and the related share certificates were dispatched within 30 days from the date of receipt. Except for certain cases under litigation, there is no share transfer pending for more than 30 days.

(E) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of Directors of the Company adopted code of conduct for prohibition and prevention of insider trading and the Code of Corporate Disclosure Practice to be followed by Directors, Officers and other employees. The Company also adopts the concept of Trading Window Closure to prevent its Directors, Officers and other employees from trading in the securities of IFCI at the time when there is unpublished price sensitive information.

(F) The Board of Directors has laid down a Code of Conduct for all Board Members and senior management of the Company, which has been posted on the website of the Company.

#### 6. GENERAL BODY MEETING:

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

| Sl. No. | AGM Date   | Location  | Time       |
|---------|------------|---|------------|
| 1.      | 17.09.2010 | Air Force Auditorium<br>Subroto Park<br>New Delhi - 110 010 | 10:30 A.M. |
| 2.      | 18.09.2009 | Air Force Auditorium<br>Subroto Park<br>New Delhi - 110 010 | 10:30 A.M. |
| 3.      | 12.09.2008 | Air Force Auditorium<br>Subroto Park<br>New Delhi - 110 010 | 10:30 A.M. |

(B) No special resolution for the equity shareholders was put through Postal Ballot in the last year, as there was no such item, which required passing through Postal Ballot.

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

| AGM Date   | As per Companies Act, 1956, U/S | Particulars of Special Resolutions  |
|------------|---------------------------------|---|
| 17.09.2010 | 224A                            | Appointment of Statutory Auditors   |
|            | 163                             | Maintaining Register and Index of Members at premises of Registrar & Transfer Agent |
| 18.09.2009 | 224A                            | Appointment of Statutory Auditors   |
| 12.09.2008 | 224A                            | Appointment of Statutory Auditors   |
|            | 100-104                         | Reduction of Paid up equity share capital of the Company, held by LIC               |

#### 7. DISCLOSURES:

(A) Related party transactions during the year have been disclosed as required under Accounting Standard-18 issued by The Institute of Chartered Accountants of India. The transactions with the companies, where the Directors of the Company were interested, were in the normal course of business and there were no related party transactions that had potential conflict with the interests of the Company at large.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

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

(C) Business Risk Evaluation and Management is an on going process within the Company and there is a Risk Management Committee of Directors consisting of 4 (four) Non-Executive Independent Directors and a Risk Management Committee of Executives, for overseeing the process.

(D) The Company has five subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd, MPCON Ltd and four step subsidiaries viz. IFIN Commodity Ltd, IFIN Credit Ltd, Narayan Sriram Investments Pvt Ltd and Ambitious Realtors Pvt Ltd

The requirements under Clause 49 of the Listing Agreement in respect of the above companies, as and when required, have been duly complied with.

(E) The certification under Clause 49(V) of Listing Agreement by CEO and CFO to the Board is appended to this report.

(F) On the non-mandatory requirements relevant to the Company, the status of compliance is as under:

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

(ii) No Independent Director is on the Board of the Company for more than nine years.

(iii) The half-yearly declaration of financial performance is not sent individually to each household of shareholders but published in the newspapers and also posted on Company's website and electronically filed in the Corporate Filing and Dissemination System (CFDS).

(iv) The employees are free to communicate their concerns/report unethical happenings to the Management/Board through officers and even direct communication of the employee to Audit Committee/Board is entertained.

#### 8. MEANS OF COMMUNICATION:

IFCI's quarterly/half-yearly Financial Results are published in the leading Hindi and English papers. Last year these were published in Rashtriya Sahara (Delhi), The Times of India (Delhi), Navbharat Times (Delhi & Mumbai) and all editions of The Hindu, Business Line, The Financial Express, The Economic Times, Business Standard, Jansatta, Hindustan Times, Hindustan (Hindi), Mint etc. The Financial Results, Official Press Releases are also displayed on Company's website (www.ifcilt.com). All price sensitive information is made public at the earliest through press release and intimation to stock exchanges.

Management Discussion and Analysis forms part of the Directors' Report and is given separately.

#### 9. GENERAL SHAREHOLDER INFORMATION:

(i) **Annual General Meeting:** Date : September 13, 2011  
Time : 10:30 A.M.  
Venue : Air Force Auditorium  
Subroto Park  
New Delhi-110 010

#### (ii) Financial Calendar (tentative):

Results for quarter ending : Third week of July, 2011  
June 30, 2011  
Results for quarter ending : Third week of October, 2011  
September 30, 2011  
Results for quarter ending : Third week of January, 2012  
December 31, 2011  
Results for quarter ending : Third week of April, 2012  
March 31, 2012

(iii) **Dates of Book Closure** : September 3, 2011 to September 13, 2011 (both days inclusive)

(iv) **Dividend Payment Date** : A final dividend of Re.1/- per equity share will be paid for the Financial Year 2010-11 on/after September 13, 2011, subject to approval by the shareholders at the Annual General Meeting

(v) **Listing on Stock Exchange:**  
- Equity Shares Delhi, Mumbai, Calcutta, Chennai, Ahmedabad and National Stock Exchange

**Note:** i) During the Financial Year 2003-04, IFCI has redeemed all the Family Bonds and advised the Stock Exchanges to discontinue the listing of the bonds.

ii) Company has made request to Stock Exchanges at Delhi, Kolkata, Chennai and Ahmedabad for de-listing of securities, approval from Stock Exchanges awaited.

(vi) **Stock Code** : 500106 (BSE)  
IFCI (NSE)  
00563 (ASE)  
9099 (DSE)  
67 (CSE)

#### Demat ISIN Number:

Equity Shares : INE039A01010

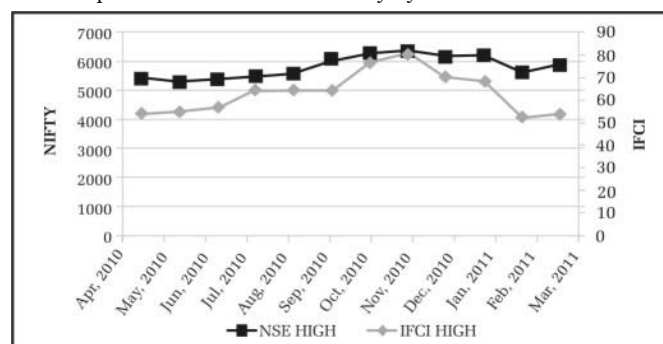
#### (vii) Market Price Data: (Price in ₹)

| Month & Year    | National Stock Exchange |       | Bombay Stock Exchange |       |
|-----------------|-------------------------|-------|-----------------------|-------|
|                 | High                    | Low   | High                  | Low   |
| April, 2010     | 54.00                   | 49.10 | 54.30                 | 49.15 |
| May, 2010       | 54.80                   | 48.70 | 54.80                 | 48.80 |
| June, 2010      | 57.20                   | 51.60 | 57.15                 | 51.60 |
| July, 2010      | 64.50                   | 55.85 | 64.40                 | 50.00 |
| August, 2010    | 64.25                   | 57.10 | 64.25                 | 57.10 |
| September, 2010 | 64.00                   | 58.40 | 63.90                 | 58.50 |
| October, 2010   | 76.85                   | 55.00 | 76.80                 | 61.30 |
| November, 2010  | 80.50                   | 51.45 | 80.55                 | 51.55 |
| December, 2010  | 70.00                   | 54.00 | 67.65                 | 54.10 |
| January, 2011   | 68.50                   | 47.45 | 68.50                 | 52.25 |
| February, 2011  | 54.75                   | 47.00 | 54.70                 | 46.90 |
| March, 2011     | 56.00                   | 50.25 | 55.95                 | 50.25 |

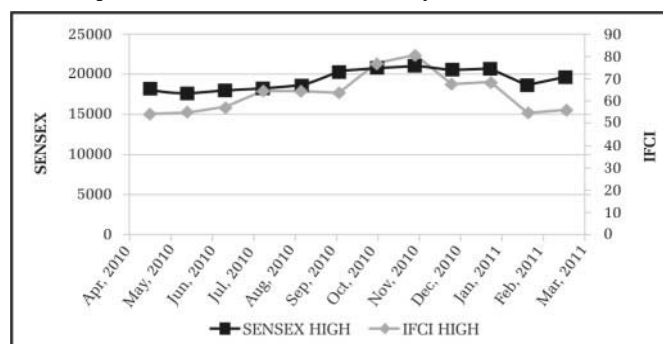
Source: NSE/BSE

#### (viii) Performance in comparison to broad based indices:

IFCI Share price increased during the year 2010-11 by 18.05% as compared to increase in NSE Nifty by 18.67%.



IFCI Share price increased during the year 2010-11 by 18.10% as compared to increase in BSE SENSEX by 18.03%.



#### (ix) Registrar and Transfer Agent:

(Both for Equity Shares and Family Bonds)

MCS Ltd  
F-65, Okhla Industrial Area  
Phase-I, New Delhi-110020

(For Infrastructure Bonds)

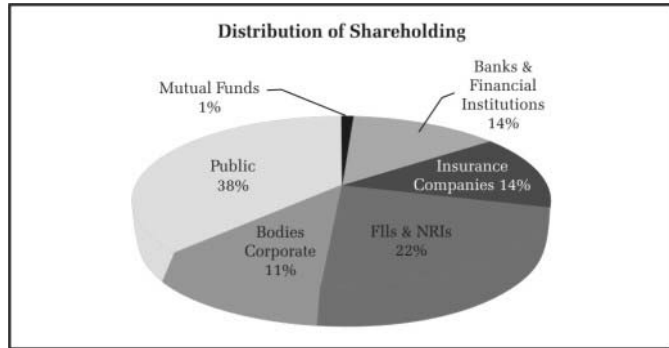
Beetal Financial & Computer  
Services (P) Ltd  
Beetal House, 3rd Floor  
99 Madangir, Behind LSC  
New Delhi-110 062

**(x) Share Transfer System:**

At present, shares for transfer, which are received in physical form, are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to documents being valid and complete in all respects.

**(xi) Distribution of Shareholding (as on 31.03.2011):**

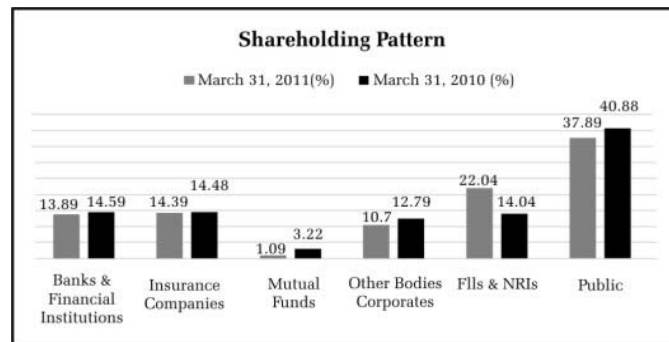
The Shareholding in IFCI by major categories of Shareholders as on March 31, 2011 is as under:



**(a) Shareholding Pattern**

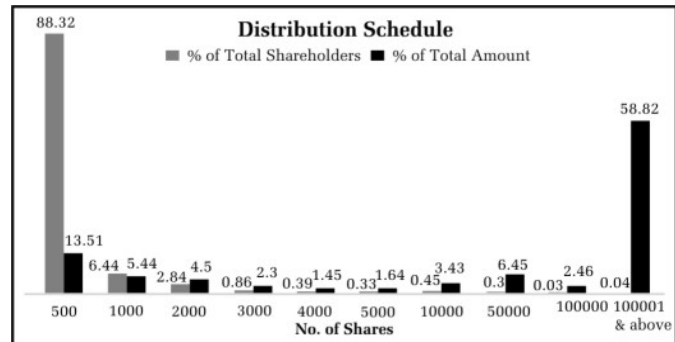
Shareholding pattern of IFCI as on March 31, 2011 and March 31, 2010 for the purpose of reporting in the Annual Report of the Company for the year 2010-11 is given as under:

| Shareholding Pattern           | As on 31.03.2011    |               | As on 31.03.2010    |               |
|--------------------------------|---------------------|---------------|---------------------|---------------|
|                                | No.                 | %             | No.                 | %             |
| Banks & Financial Institutions | 10,24,74,190        | 13.89         | 10,76,16,834        | 14.59         |
| Insurance Companies            | 10,61,98,758        | 14.39         | 10,68,40,639        | 14.48         |
| Mutual Funds                   | 80,73,340           | 1.09          | 2,37,42,034         | 3.22          |
| Other Bodies Corporates        | 7,89,28,933         | 10.70         | 9,44,04,762         | 12.79         |
| FIs & NRIs                     | 16,26,28,805        | 22.04         | 10,35,83,928        | 14.04         |
| Public                         | 27,95,33,305        | 37.89         | 30,16,49,134        | 40.88         |
| <b>TOTAL</b>                   | <b>73,78,37,331</b> | <b>100.00</b> | <b>73,78,37,331</b> | <b>100.00</b> |



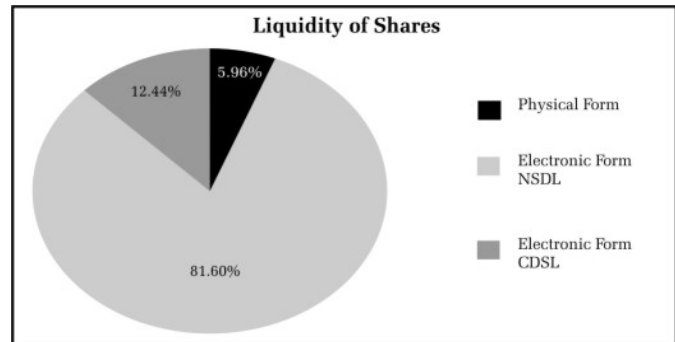
**(b) Distribution Schedule:**

| Sl. No.      | Category |           | No. of Shareholders | % of total Shareholders | Amount (₹)          | % of Total Amount |
|--------------|----------|-----------|---------------------|-------------------------|---------------------|-------------------|
|              | From     | To        |                     |                         |                     |                   |
| 1.           | 1        | 500       | 6,71,554            | 88.32                   | 9,97,03,445         | 13.51             |
| 2.           | 501      | 1000      | 48,951              | 6.44                    | 4,01,36,459         | 5.44              |
| 3.           | 1001     | 2000      | 21,554              | 2.84                    | 3,32,07,217         | 4.50              |
| 4.           | 2001     | 3000      | 6,541               | 0.86                    | 1,69,48,773         | 2.30              |
| 5.           | 3001     | 4000      | 2,943               | 0.39                    | 1,07,19,409         | 1.45              |
| 6.           | 4001     | 5000      | 2,541               | 0.33                    | 1,21,23,912         | 1.64              |
| 7.           | 5001     | 10000     | 3,403               | 0.45                    | 2,52,88,877         | 3.43              |
| 8.           | 10001    | 50000     | 2,291               | 0.30                    | 4,75,62,949         | 6.45              |
| 9.           | 50001    | 100000    | 252                 | 0.03                    | 1,81,61,676         | 2.46              |
| 10.          | 100001   | and above | 308                 | 0.04                    | 43,39,84,614        | 58.82             |
| <b>Total</b> |          |           | <b>7,60,337</b>     | <b>100.00</b>           | <b>73,78,37,331</b> | <b>100.00</b>     |



**(xii) Dematerialization of Shares and liquidity:**

About 94.04% of the Equity Shares of the Company have already been dematerialized up to March 31, 2011. 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 were pending for conversion into equity shares during the Financial Year.

**(xiv) Plant Location** : IFCI is a Financial Institution having its Registered and Corporate Office at New Delhi

**Regional Offices at** : Ahmedabad, Bangalore, Bhopal, Kolkata, Chandigarh, Chennai, Hyderabad, Jaipur, Lucknow and Mumbai

**Other offices at** : Guwahati, Kochi, Panaji, Patna and Pune

**(xv) Address for Correspondence:**

- (a) Investor Correspondence
- For Equity Shares and Family Bonds: MCS Ltd, F-65, Okhla Industrial Area Phase I, New Delhi-110020
  - For Infrastructure Bonds: Beetal Financial & Computer Services (P) Ltd, Beetal House 3rd Floor, 99 Madangir Behind LSC, New Delhi-110 062
- (b) Any other Query: IFCI Ltd, IFCI Tower 61 Nehru Place New Delhi-110019 Website: www.ifcilt.com Email: complianceofficer@ifcilt.com

**Declaration of Compliance with the Code of Conduct as provided in Clause 49 of the Listing Agreement with the Stock Exchanges**

The Board Members and Senior Management of IFCI Ltd have confirmed compliance with the Code of Conduct, as laid down by the Board of Directors of the Company, during the Financial Year 2010-11.

**Atul Kumar Rai**  
Chief Executive Officer & Managing Director

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**CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

In terms of Clause 49 of the Listing Agreement, it is certified as under that:

- (a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company.
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

**S SETHEE**  
Chief Financial Officer

**SUJIT K MANDAL**  
Whole Time Director

**ATUL KUMAR RAI**  
Chief Executive Officer & Managing Director

Place : New Delhi  
Date : April 18, 2011

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**AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF IFCI LIMITED**

We have examined the compliance of conditions of Corporate Governance by IFCI Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **CHOKSHI & CHOKSHI**  
Chartered Accountants  
Firm Registration No.101872W

Camp : New Delhi  
Date : July 28, 2011

**Kanu S Chokshi**  
Partner  
Membership No.17085

## AUDITORS' REPORT

### TO THE MEMBERS OF IFCI LIMITED

We have audited the attached Balance Sheet of IFCI Limited ("Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report as under:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - (v) As per information and explanation given to us, the Central Government has, till date, not prescribed any cess payable under Section 441A of the Companies Act, 1956;
  - (vi) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2011 from being appointed as Director under Section 274(1) (g) of the Companies Act, 1956;
  - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

Camp : New Delhi  
Date : April 18, 2011

Firm Registration No.101872W

**Kanu S Chokshi**  
Partner  
Membership No.17085

### ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of fixed assets.
  - (b) The fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The Company did not dispose off a substantial part of fixed assets during the year. However, the Company did dispose off certain land and buildings during the year. This has not affected the going concern.
- (ii) The nature of the Company's business/activities/transactions does not require it to hold inventories and as such Clause 4(ii) of the Companies (Auditors' Report) Order, 2003 ('Order') is not applicable.
  - (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to parties listed in the Registers maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) & (d) of the Order are not applicable.
    - (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Registers maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (e), (f) and (g) of the Order are not applicable.
  - (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control

procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the sale of goods and services. Further, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct any major weakness in such internal controls.

- (v) (a) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanations given to us, as there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956, paragraph (v) (b) of the Order is not applicable.
- (vi) In our opinion, and according to the information and explanations given to us, the Company has, not accepted any public deposits and hence, directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. As per the information and explanations given to us, 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 in this respect.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with its size of the Company and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as at March 31, 2011 for a period of more than 6 months from the date they became payable.
- (b) As at March 31, 2011, according to the records of the Company and the information and explanations given to us, the following are the particulars of dues on account of Income Tax/Sales Tax/Wealth Tax/Service Tax/Custom Duty/Excise Duty/Cess that have not been deposited on account of disputes:

| Name of the Statute          | Nature of the Dues              | Amount     | Period to which Amount relates | Forum where dispute pending   |
|------------------------------|---------------------------------|------------|--------------------------------|---|
| M P Commercial Tax Act, 1994 | Sales Tax on Lease Transactions | ₹ 60,000/- | –                              | Board of Revenue (Commercial transactions Tax Tribunal) M.P., Gwalior |

However, according to the information and explanations given to us, the demand against Income Tax is fully covered by way of Advance Tax, deposited with Income Tax Authorities.

- (x) The Company did not have any accumulated losses as at the end of the financial year and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders.
- (xii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. In our opinion, the Company has maintained adequate documents and records in this respect.
- (xiii) The Company is not a chit fund, nidhi, mutual benefit or a society. Accordingly, Clause 4(xiii) of the Order is not applicable.
- (xiv) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has maintained proper records of the transactions and contracts and timely entries have been made therein in respect of the shares, securities, debentures and other investments dealt with or traded by the Company.
- (b) The shares, securities, debentures and other securities have been held by the Company, in its own name except to the extent of the exemption, if any, granted under Section 49 of the Companies Act, 1956.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not *prima-facie* prejudicial to the interests of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, term loans availed by the Company were *prima-facie* applied by the Company during the year for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and based on the overall examination of the Balance Sheet of the Company, funds raised on short term basis have *prima-facie* not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) As all debentures and bonds issued are unsecured, creation of security or charge does not arise.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **CHOKSHI & CHOKSHI**  
Chartered Accountants  
Firm Registration No.101872W

**Kanu S Chokshi**  
Partner

Camp : New Delhi  
Date : April 18, 2011

Membership No.17085

## BALANCE SHEET AS AT MARCH 31, 2011

|   | Schedule<br>No. | As at<br><u>March 31, 2011</u> | (₹ crore)<br>As at<br><u>March 31, 2010</u> |
|---|-----------------|--------------------------------|---|
| <b>I. SOURCES OF FUNDS</b>                            |                 |                                |   |
| (1) Shareholders' Funds                               |                 |                                |   |
| Share Capital   | I               | 1,001.68                       | 1,001.68                                    |
| Reserves and Surplus                                  | II              | 4,001.72                       | 3,608.12                                    |
| (2) Loan Funds (Unsecured)                            |                 |                                |   |
| Rupee Loans   | III             | 18,737.72                      | 13,028.27                                   |
| Foreign Currency Loans                                | IV              | 526.85                         | 534.19                                      |
| <b>TOTAL</b>  |                 | <b>24,267.97</b>               | <b>18,172.26</b>                            |
| <b>II. APPLICATION OF FUNDS</b>                       |                 |                                |   |
| (1) Fixed Assets                                      | V               |                                |   |
| Gross Block   |                 | 1,513.61                       | 1,738.55                                    |
| Less: Depreciation                                    |                 | 313.57                         | 307.38                                      |
| Net Block   |                 | 1,200.04                       | 1,431.17                                    |
| Capital work-in-progress (including advances)         |                 | 12.57                          | 18.93                                       |
| (2) Investments                                       | VI              | 8,005.56                       | 5,882.43                                    |
| (3) Deferred Tax Asset (Net)                          |                 | 1,020.91                       | 1,387.44                                    |
| (4) Current Assets, Loans and Advances                |                 |                                |   |
| Sundry Debtors  | VII             | 75.67                          | 59.95                                       |
| Cash and Bank Balances                                | VIII            | 527.86                         | 38.53                                       |
| Other Current Assets                                  | IX              | 242.49                         | 187.60                                      |
| Loans to Assisted Concerns                            | X               | 14,399.85                      | 10,171.81                                   |
| Other Loans and Advances                              | XI              | 430.00                         | 411.35                                      |
|   |                 | 15,675.87                      | 10,869.24                                   |
| Less: Current Liabilities and Provisions              |                 |                                |   |
| Current Liabilities                                   | XII             | 1,036.85                       | 811.53                                      |
| Provisions  | XIII            | 610.13                         | 605.42                                      |
|   |                 | 1,646.98                       | 1,416.95                                    |
| Net Current Assets                                    |                 | 14,028.89                      | 9,452.29                                    |
| Significant Accounting Policies and Notes on Accounts | XIX             |                                |   |
| <b>TOTAL</b>  |                 | <b>24,267.97</b>               | <b>18,172.26</b>                            |

In terms of our report of even date

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

For and on behalf of Board

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

**RAKESH BHARTI MITTAL**  
Director

**USHA SANGWAN**  
Director

**SHOBHIT MAHAJAN**  
Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated: April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

|   | Schedule<br>No. | For the year ended<br>March 31, 2011 | For the year ended<br>March 31, 2010 |
|---|-----------------|--------------------------------------|--------------------------------------|
| <b>(₹ crore)</b>  |                 |                                      |                                      |
| <b>I. INCOME</b>  |                 |                                      |                                      |
| Income from Operations  | XIV             | 2,421.64                             | 1,657.05                             |
| Other Income  | XV              | 64.73                                | 22.28                                |
| <b>TOTAL INCOME (A)</b>   |                 | <b>2,486.37</b>                      | <b>1,679.33</b>                      |
| <b>II. EXPENDITURE</b>  |                 |                                      |                                      |
| Cost of Borrowings  | XVI             | 1,318.97                             | 891.18                               |
| Payments to and provisions for employees                          | XVII            | 64.92                                | 57.28                                |
| Establishment and Other Expenses                                  | XVIII           | 76.27                                | 54.44                                |
| Depreciation (Net of transfer from Revaluation Reserve)           |                 | 10.28                                | 8.98                                 |
| <b>TOTAL EXPENDITURE (B)</b>                                      |                 | <b>1,470.44</b>                      | <b>1,011.88</b>                      |
| <b>III. PROFIT BEFORE PROVISIONS/WRITE OFF (A-B)</b>              |                 | <b>1,015.93</b>                      | <b>667.45</b>                        |
| <b>IV. BAD AND DOUBTFUL LOANS &amp; ADVANCES AND OTHER ASSETS</b> |                 |                                      |                                      |
| Write-off   |                 | 513.81                               | 284.66                               |
| Provision u/s 36(1)(vii)(c)                                       |                 | 21.00                                | 15.00                                |
| Provision Reversal (Net)  |                 | (685.13)                             | (747.47)                             |
| <b>V. PROFIT BEFORE TAX</b>                                       |                 | <b>1,166.25</b>                      | <b>1,115.26</b>                      |
| Provision for Taxation  |                 |                                      |                                      |
| – Income Tax  |                 | 93.47                                | 105.45                               |
| – Deferred Tax Charge (Net)                                       |                 | 366.53                               | 338.87                               |
| <b>VI. PROFIT AFTER TAX</b>                                       |                 | <b>706.25</b>                        | <b>670.94</b>                        |
| Surplus brought forward from Previous Year                        |                 | <b>607.79</b>                        | <b>312.11</b>                        |
| Profit available for appropriation                                |                 | <b>1,314.04</b>                      | <b>983.05</b>                        |
| <b>VII. APPROPRIATIONS</b>  |                 |                                      |                                      |
| Reserve u/s 45IC of RBI Act                                       |                 | 141.25                               | 134.19                               |
| Capital Redemption Reserve  |                 | –                                    | 82.03                                |
| General Reserve   |                 | –                                    | 65.00                                |
| Special Reserve u/s 36(1)(viii)                                   |                 | 10.00                                | 10.00                                |
| Staff Welfare Fund  |                 | 0.27                                 | –                                    |
| Corporate Social Responsibility Fund                              |                 | 10.00                                | –                                    |
| Proposed Dividend   |                 |                                      |                                      |
| – Equity  |                 | 73.78                                | 71.81                                |
| – Preference  |                 | 0.26                                 | 0.26                                 |
| Tax on Distributed Profits  |                 |                                      |                                      |
| – Equity  |                 | 11.97                                | 11.92                                |
| – Preference  |                 | 0.05                                 | 0.05                                 |
| Balance carried over to Balance Sheet                             |                 | <b>1,066.46</b>                      | <b>607.79</b>                        |
|   |                 | <b>1,314.04</b>                      | <b>983.05</b>                        |
| Basic Earnings per share of ₹ 10.00 each (₹)                      |                 | <b>9.57</b>                          | <b>9.08</b>                          |
| Diluted Earnings per share of ₹ 10.00 each (₹)                    |                 | <b>8.30</b>                          | <b>5.68</b>                          |
| Significant Accounting Policies and Notes on Accounts             | XIX             |                                      |                                      |

In terms of our report of even date

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

**RAKESH BHARTI MITTAL**  
Director

**USHA SANGWAN**  
Director

**SHOBHIT MAHAJAN**  
Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

|   | <b>For the year ended<br/>March 31, 2011</b> | <b>(₹ crore)<br/>For the year ended<br/>March 31, 2010</b> |
|---|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                   |  |  |
| Net Profit before Tax   | 1,166.25                                     | 1,115.26   |
| Adjustments for:  |  |  |
| Depreciation  | 10.28  | 8.98   |
| Provision/write offs  | (150.32)                                     | (447.81)   |
| Profit/(Loss) on Sale of Assets                                 | (34.09)                                      | 3.92   |
| Lease Equalisation  | 21.65  | 17.47  |
|   | <u>(152.48)</u>                              | <u>(417.44)</u>  |
| <b>Operating Profit before Working Capital Changes</b>          | <u>1,013.77</u>                              | <u>697.82</u>  |
| Adjustments for:  |  |  |
| (Increase)/Decrease in Current Assets                           | (76.98)                                      | 63.14  |
| Increase/(Decrease) in Current Liabilities                      | 230.36                                       | (67.57)  |
|   | <u>153.38</u>                                | <u>(4.43)</u>  |
| <b>Cash Flow before taxation</b>                                | <u>1,167.15</u>                              | <u>693.39</u>  |
| Income Tax paid   | (105.75)                                     | (102.59)   |
| Dividend paid   | (86.39)                                      | (70.06)  |
| Appropriation for CSR & SWF                                     | (10.27)                                      | -  |
| Net cash from Operating Activities                              | <u>964.74</u>                                | <u>520.74</u>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                   |  |  |
| Sale of/(Addition) to Investments (including Application Money) | (2,189.78)                                   | (2,031.90)   |
| Purchase of/Advance for Fixed Assets (including Leased Assets)  | (15.95)                                      | 32.54  |
| Sale proceed of Fixed Assets                                    | 39.28  | 3.23   |
| Net cash used in/raised from Investing Activities               | <u>(2,166.45)</u>                            | <u>(1,996.13)</u>  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                   |  |  |
| Loans borrowed (net of repayments)                              | 5,702.11                                     | 3,891.19   |
| Loans lent (net of repayments)                                  | (4,011.07)                                   | (2,515.87)   |
| Redemption of Preference Shares                                 | -  | (82.03)  |
| Issue of Equity Shares*   | -  | (24.57)  |
| Share Premium (net of expenses)*                                | -  | (238.39)   |
| Net Cash from Financing Activities                              | <u>1,691.04</u>                              | <u>1,030.33</u>  |
| <b>Net Change in Cash and Cash Equivalent (A+B+C)</b>           | <u>489.33</u>                                | <u>(445.06)</u>  |
| Opening Cash and Cash Equivalent                                | 38.53  | 483.59   |
| Closing Cash and Cash Equivalent                                | <u>527.86</u>                                | <u>38.53</u>   |
| <b>Increase/(Decrease) in Cash and Cash Equivalent</b>          | <u>489.33</u>                                | <u>(445.06)</u>  |

\* re-converted into loans

**Note:** Figures for previous year have been regrouped, wherever considered necessary

In terms of our report of even date

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

For and on behalf of Board

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

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Director

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Director

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Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated: April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary

## SCHEDULES FORMING PART OF THE ACCOUNTS

|  | As at<br>March 31, 2011 | As at<br>March 31, 2010 |
|--|-------------------------|-------------------------|
| (₹ crore)  |                         |                         |
| <b>SCHEDULE - I</b>  |                         |                         |
| <b>SHARE CAPITAL</b>   |                         |                         |
| <b>AUTHORISED</b>  |                         |                         |
| 150,00,00,000 (Previous Year - 150,00,00,000) Equity Shares of ₹ 10/- each   | 1,500.00                | 1,500.00                |
| 150,00,00,000 (Previous Year - 150,00,00,000) Cumulative Redeemable Preference Shares of ₹ 10/- each   | 1,500.00                | 1,500.00                |
|  | <b>3,000.00</b>         | <b>3,000.00</b>         |
| <b>ISSUED</b>  |                         |                         |
| 80,50,84,785 (Previous Year - 80,50,84,785) Equity Shares of ₹ 10/- each   | 805.08                  | 805.08                  |
| 26,38,43,100 (Previous Year - 26,38,43,100) Cumulative Redeemable Preference Shares of ₹ 10/- each   | 263.84                  | 263.84                  |
| <b>SUBSCRIBED</b>  |                         |                         |
| 73,91,54,031 (Previous Year - 73,91,54,031) Equity Shares of ₹ 10/- each   | 739.15                  | 739.15                  |
| 26,38,43,100 (Previous Year - 26,38,43,100) Cumulative Redeemable Preference Shares of ₹ 10/- each   | 263.84                  | 263.84                  |
| <b>PAID UP</b>   |                         |                         |
| <b>(A) EQUITY</b>  |                         |                         |
| 73,78,37,331 (Previous Year - 73,78,37,331) Equity Shares of ₹ 10/- each @   | 737.84                  | 737.84                  |
| <b>TOTAL (A)</b>   | <b>737.84</b>           | <b>737.84</b>           |
| <b>(B) PREFERENCE</b>  |                         |                         |
| 26,38,43,100 (Previous Year - 26,38,43,100) 0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each (Redeemable at par on 02.08.2017 - ₹ 38.84 crore, on 15.09.2018 - ₹ 93.00 crore, on 17.09.2018 - ₹ 50.00 crore, on 31.03.2019 - ₹ 30.00 crore, on 31.10.2020 - ₹ 2.00 crore, on 01.03.2021 - ₹ 10.00 crore, on 02.03.2021 - ₹ 30.00 crore, on 03.03.2021 - ₹ 8.00 crore and on 31.03.2021 - ₹ 2.00 crore) | 263.84                  | 263.84                  |
| <b>TOTAL (B)</b>   | <b>263.84</b>           | <b>263.84</b>           |
| <b>TOTAL (A + B)</b>   | <b>1,001.68</b>         | <b>1,001.68</b>         |

@ Of the above 20,25,00,000 (Previous Year - 20,25,00,000) Equity Shares of ₹ 10/- each have been allotted as fully paid up, without payment being received in cash, in exchange for shares of the erstwhile Industrial Finance Corporation of India.

|   | As at<br>April 1,<br>2010 | Additions/<br>Transfers<br>during the year | Deduction/<br>Transfers<br>during the year | As at<br>March 31,<br>2011 |
|---|---------------------------|--|--|----------------------------|
| (₹ crore)   |                           |  |  |                            |
| <b>SCHEDULE - II</b>  |                           |  |  |                            |
| <b>RESERVES AND SURPLUS</b>   |                           |  |  |                            |
| (A) Capital Reserve   | 0.85                      | -  | -  | 0.85                       |
| (B) Capital Redemption Reserve  | 193.08                    | -  | -  | 193.08                     |
| (C) Debenture Redemption Reserve  | 5.00                      | -  | -  | 5.00                       |
| (D) Grant received from Government of India under KfW Loans               | 184.48                    | -  | -  | 184.48                     |
| (E) Securities Premium Account  | 971.84                    | -  | -  | 971.84                     |
| (F) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 |                           |  |  |                            |
| - For the period upto 31.03.1997  | 1.69                      | -  | -  | 1.69                       |
| - After 01.04.1997  | 10.00                     | 10.00                                      | -  | 20.00                      |
| (G) Reserve u/s 45IC of RBI Act   | 304.96                    | 141.25                                     | -  | 446.21                     |
| (H) Revaluation Reserve   | 1,194.32                  | -  | 216.32                                     | 978.00                     |
| (I) Benevolent Reserve  | 4.11                      | -  | -  | 4.11                       |
| (J) General Reserve   | 130.00                    | -  | -  | 130.00                     |
| (K) Profit and Loss Account   | 607.79                    | 706.25                                     | 247.58                                     | 1,066.46                   |
| <b>TOTAL</b>  | <b>3,608.12</b>           | <b>857.50</b>                              | <b>463.90</b>                              | <b>4,001.72</b>            |
| Previous Year   | 2,632.47                  | 1,599.60                                   | 623.95                                     | 3,608.12                   |

|  |  | (₹ crore)        |                  |
|--|--|------------------|------------------|
|  |  | As at            | As at            |
|  |  | March 31, 2011   | March 31, 2010   |
| <b>SCHEDULE - III</b>                        |  |                  |                  |
| <b>UNSECURED LOANS - RUPEE</b>               |  |                  |                  |
| <b>(A) OPTIONALLY CONVERTIBLE DEBENTURES</b> |  |                  |                  |
| (i)  | 9.75% Government of India - Redeemable on 30.10.2021   | 400.00           | 400.00           |
|  | SUB-TOTAL 'A'  | 400.00           | 400.00           |
| <b>(B) NON-CONVERTIBLE DEBENTURES (NCDs)</b> |  |                  |                  |
| (i)  | 6.00% LIC - Redeemable on 28.12.2021   | 200.00           | 200.00           |
| (ii)   | 6.00% SBI - Redeemable on 25.01.2022   | 200.00           | 200.00           |
| (iii)  | 0.00% LIC - Redeemable on 01.04.2022   | 418.19           | 418.19           |
|  | SUB-TOTAL 'B'  | 818.19           | 818.19           |
| <b>(C) BONDS</b>                             |  |                  |                  |
| (a)  | <b>Guaranteed by Government of India and redeemable at par</b>   |                  |                  |
|  | 11.50% Bonds: Redemption - 19.08.2011  | 180.00           | 580.00           |
|  | 12.00% Bonds: Redemption - ₹ 200 crore on 13.01.2012 and ₹ 60 crore on 03.03.2012  | 260.00           | 260.00           |
|  | 7.23% Bonds: Redemption - 01.04.2012   | 25.87            | 25.87            |
|  | 7.79% Bonds: Redemption - 27.05.2012   | 102.21           | 102.21           |
|  | 6.46% Bonds: Redemption - 24.11.2012   | 179.77           | 179.77           |
|  | 6.29% Bonds: Redemption - 17.02.2013   | 15.43            | 15.43            |
|  | 5.30% Bonds: Redemption - 24.09.2013   | 195.50           | 195.50           |
|  | 7.89% Bonds: Redemption - 14.09.2017   | 176.86           | 176.86           |
|  | 7.96% Bonds: Redemption - 08.10.2017   | 176.43           | 176.43           |
|  | 7.50% Bonds: Redemption - 28.01.2018   | 9.40             | 9.40             |
|  | 8.41% Bonds: Redemption - 14.06.2018   | 133.85           | 133.85           |
|  | 6.07% Bonds: Redemption - 13.12.2018   | 146.20           | 146.20           |
|  | 6.02% Bonds: Redemption - 28.02.2019   | 26.12            | 26.12            |
|  | 6.70% Bonds: Redemption - 30.05.2019   | 153.40           | 153.40           |
|  | 7.07% Bonds: Redemption - 19.09.2019   | 99.42            | 99.41            |
|  | 7.69% Bonds: Redemption - 26.12.2019   | 58.38            | 58.39            |
|  | 7.65% Bonds: Redemption - 26.06.2020   | 163.82           | -                |
|  | 7.87% Bonds: Redemption - 24.09.2020   | 110.70           | -                |
|  | 7.90% Bonds: Redemption - 26.12.2020   | 56.85            | -                |
|  | SUB-TOTAL 'C' (a)  | 2,270.21         | 2,338.84         |
| (b)  | <b>Other Bonds</b>   |                  |                  |
| (i)  | Privately Placed Bonds carrying maturity of One to Twenty years from date of placement (Put option applicable on ₹ 1,096.55 crore)                                       | 6,189.01         | 4,706.37         |
| (ii)   | Privately Placed Bonds issued to Subsidiaries  | 75.00            | -                |
| (iii)  | Privately Placed Zero Coupon Bonds carrying maturity of 10 years to 30 years from the date of issue Unamortised Discount - ₹ 929.63 crore (Previous Year - ₹ 0.11 crore) | 107.88           | 0.67             |
|  | SUB-TOTAL 'C' (b)  | 6,371.89         | 4,707.04         |
| <b>(D) OTHER BORROWINGS</b>                  |  |                  |                  |
| (a)  | <b>Long Term</b>   |                  |                  |
| (i)  | Government of India under restructuring (to be issued in the form of 0.1% Optionally Convertible Debentures @  | 523.00           | 523.00           |
| (ii)   | Banks and Financial Institution (Put/Call Option applicable on ₹ 1,741.66 crore)   | 8,166.67         | 3,975.00         |
| (iii)  | Subsidiaries   | 10.00            | 35.00            |
| (iv)   | Under Interest Differential Fund   | 23.13            | 23.13            |
| (v)  | Interest accrued and due on (iv) above   | 26.19            | 23.20            |
| (vi)   | Others   | 75.57            | 113.42           |
| (b)  | <b>Short Term</b>  |                  |                  |
|  | Bank Overdraft   | -                | 35.79            |
|  | SUB-TOTAL 'D'  | 8,824.56         | 4,728.54         |
|  | @ Refer Note 6 (a) & (b)   |                  |                  |
| <b>(E) FUNDS PLACED WITH THE CORPORATION</b> |  |                  |                  |
| (a)  | Jute Development Fund (placed by Government of India)  | 3.95             | 3.87             |
| (b)  | Employees' Provident Fund  | 34.70            | 27.58            |
| (c)  | Staff Welfare Fund   | 4.16             | 4.21             |
| (d)  | Corporate Social Responsibility Fund   | 10.06            | -                |
|  | SUB-TOTAL 'E'  | 52.87            | 35.66            |
|  | <b>TOTAL {(A+B+C(a)+C(b)+D+E)}</b>   | <b>18,737.72</b> | <b>13,028.27</b> |
|  | Bonds, Debentures and Borrowings repayable within one year   | 1,748.88         | 1,511.28         |

**SCHEDULE - IV**
**UNSECURED LOANS - FOREIGN CURRENCIES**
**BORROWINGS (Long Term)**

(A) Loans Guaranteed by Government of India  
– Lines of Credit (Kreditanstalt-fur-Wiederaufbau)

(B) Other Unsecured Loans  
– Lines of Credit

**TOTAL**

Loans repayable within one year

|  |  | (₹ crore)      |                |
|--|--|----------------|----------------|
|  |  | As at          | As at          |
|  |  | March 31, 2011 | March 31, 2010 |
|  |  | 526.85         | 523.82         |
|  |  | –              | 10.37          |
|  |  | <b>526.85</b>  | <b>534.19</b>  |
|  |  | 22.35          | 31.69          |

**SCHEDULE - V**
**FIXED ASSETS**

(₹ crore)

| PARTICULARS                                | GROSS BLOCK         |           |                          |                     | DEPRECIATION        |                 |                          |                     | NET BLOCK           |                     |
|--|---------------------|-----------|--------------------------|---------------------|---------------------|-----------------|--------------------------|---------------------|---------------------|---------------------|
|  | As at<br>01.04.2010 | Additions | Deductions/<br>Transfers | As at<br>31.03.2011 | As at<br>01.04.2010 | For the<br>year | Deductions/<br>Transfers | As at<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
| Freehold Land @                            | 105.38              | –         | 34.98                    | 70.40               | –                   | –               | –                        | –                   | 70.40               | 105.38              |
| Leasehold Land @                           | 460.45              | –         | 161.48                   | 298.97              | 15.31               | 8.17            | 3.23                     | 20.25               | 278.72              | 445.14              |
| Plant & Machinery                          | 6.29                | –         | –                        | 6.29                | 3.73                | 0.30            | –                        | 4.03                | 2.26                | 2.56                |
| Buildings @                                | 863.17              | 8.22      | 5.36                     | 866.03              | 70.92               | 17.47           | 1.91                     | 86.48               | 779.55              | 792.25              |
| Furniture & Fixtures \$                    | 15.52               | 3.71      | 4.17                     | 15.06               | 6.85                | 2.20            | 3.49                     | 5.56                | 9.50                | 8.67                |
| Office Equipments                          | 13.88               | 1.13      | 2.93                     | 12.08               | 9.81                | 1.51            | 2.68                     | 8.64                | 3.44                | 4.07                |
| Electrical Installations<br>and Equipments | 20.34               | 8.59      | 4.44                     | 24.49               | 6.64                | 2.37            | 2.94                     | 6.07                | 18.42               | 13.70               |
| Vehicles                                   | 2.52                | 0.66      | 0.21                     | 2.97                | 0.91                | 0.55            | 0.09                     | 1.37                | 1.60                | 1.61                |
| Leased Assets - Plant<br>& Machinery       | 251.00              | –         | 33.68                    | 217.32              | 251.00              | –               | 33.68                    | 181.17*             | 36.15               | 57.79               |
| <b>TOTAL</b>                               | 1,738.55            | 22.31     | 247.25                   | 1,513.61            | 365.17              | 32.57           | 48.02                    | 313.57              | 1,200.04            | 1,431.17            |
| Capital work-in-progress<br>incl. advances | 18.93               | –         | 6.36                     | 12.57               |                     |                 |                          |                     | 12.57               | 18.93               |
| <b>GRAND TOTAL</b>                         | 1,757.48            | 22.31     | 253.61                   | 1,526.18            | 365.17              | 32.57           | 48.02                    | 313.57              | 1,212.61            | 1,450.10            |
| Previous Year                              | 1,174.29            | 665.80    | 82.61                    | 1,757.48            | 360.45              | 18.40           | 13.68                    | 307.38              | 1,450.10            |                     |

\$ Gross Block includes Art Works - ₹ 1.75 crore

\* Leased Assets (Accumulated Depreciation) is net of ₹ 36.15 crore on account of Lease Adjustment (Previous Year - ₹ 57.79 crore)

@ includes on account of revaluation:

- Freehold Land - Gross Block as on 01.04.2010 - ₹ 104.05 crore; Additions - ₹ Nil; Deductions - ₹ 34.14 crore; as on 31.03.2011 - ₹ 69.91 crore
- Leasehold Land - Gross Block as on 01.04.2010 - ₹ 438.84 crore; Additions - ₹ Nil; Deductions/Adjustments - ₹ 161.48 crore; as on 31.03.2011 - ₹ 277.36 crore; Depreciation for the year - ₹ 7.91 crore (Previous Year - ₹ 3.01 crore)
- Building - Gross Block as on 01.04.2010 - ₹ 689.07 crore; Additions - ₹ Nil; Deductions - ₹ 1.66 crore; as on 31.03.2011 - ₹ 687.41 crore; Depreciation for the year - ₹ 14.38 crore (Previous Year - ₹ 6.41 crore)

**SCHEDULE - VI**
**INVESTMENTS (TRADE)**

(₹ crore)

|  | As at March 31, 2011   |          | As at March 31, 2010   |        |
|--|------------------------|----------|------------------------|--------|
|  | No. of<br>Shares/Units | Amount   | No. of<br>Shares/Units | Amount |
| (1) LONG TERM                              |                        |          |                        |        |
| (A) QUOTED                                 |                        |          |                        |        |
| 1. Equity Shares                           |                        |          |                        |        |
| (a) Associates                             |                        |          |                        |        |
| – Tourism Finance Corporation of India Ltd | 30,558,520             | 75.25    | 26,701,549             | 61.39  |
| (b) Assistance under financing             |                        | 632.60   |                        | 676.12 |
| (c) Others                                 |                        | 338.21   |                        | 177.23 |
|  |                        | 1,046.06 |                        | 914.74 |
| 2. Bonds                                   |                        |          |                        |        |
| (a) LIC Housing Finance Ltd                | 300                    | 30.44    | 300                    | 30.66  |
| (b) HDFC Ltd                               | 1,900                  | 190.00   | 1,900                  | 190.00 |
| (c) Power Finance Corporation Ltd          | 100                    | 10.09    | 100                    | 10.13  |
|  |                        | 230.53   |                        | 230.79 |
| 3. Units                                   |                        |          |                        |        |
| Investment in UTI Balance Fund             | 500,000                | 0.51     | 500,000                | 0.51   |
|  |                        | 0.51     |                        | 0.51   |

SCHEDULE - VI (Contd.)

(₹ crore)

|  | As at March 31, 2011 |                 | As at March 31, 2010 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
|  | No. of Shares/Units  | Amount          | No. of Shares/Units  | Amount          |
| <b>(B) UNQUOTED</b>  |                      |                 |                      |                 |
| <b>1. Equity Shares</b>  |                      |                 |                      |                 |
| <b>(a) Subsidiaries</b>  |                      |                 |                      |                 |
| (i) IFCI Financial Services Ltd                                | 6,903,188            | 6.90            | 6,903,188            | 6.90            |
| (ii) IFCI Venture Capital Funds Ltd                            | 59,521,008           | 107.55          | 59,521,008           | 107.55          |
| (iii) IFCI Infrastructure Development Ltd                      | 494,211,543          | 494.21          | 339,529,543          | 339.53          |
| (iv) IFCI Factors Ltd  | 79,154,700           | 90.19           | 79,154,700           | 90.19           |
| (v) MPCON Ltd  | 7,972                | 0.80            | 7,972                | 0.80            |
| <b>(b) Associates</b>  |                      |                 |                      |                 |
| (i) Assets Care & Reconstruction Enterprise Ltd                | 7,248,334            | 7.25            | 7,248,334            | 7.25            |
| (ii) HIMCON Ltd  | 735                  | 0.07            | 735                  | 0.07            |
| (iii) HARDICON Ltd   | 2,600                | 0.03            | 2,600                | 0.03            |
| (iv) NITCON Ltd  | 9,750                | 0.13            | 9,750                | 0.13            |
| <b>(c) Assistance under Financing</b>                          |                      | 1,716.01        |                      | 1,014.65        |
| <b>(d) Others</b>  |                      | 307.08          |                      | 486.02          |
| <b>2. Preference Shares</b>                                    |                      | 489.93          |                      | 480.30          |
| <b>3. Debentures/Bonds</b>                                     |                      | 1,658.10        |                      | 861.93          |
| <b>4. Security Receipts</b>                                    |                      | 96.78           |                      | 133.93          |
| <b>5. Warrants</b>   |                      | 0.06            |                      | -               |
| <b>6. Government Securities</b>                                |                      |                 |                      |                 |
| (a) Investment in 9.75% GoI (IFCI Ltd) Special Security, 2021  |                      | 400.00          |                      | 400.00          |
| (b) Investments in Government Securities and Treasury Bills    |                      | 0.01            |                      | 0.01            |
| <b>7. Units</b>  |                      |                 |                      |                 |
| (a) Units of UTI VECAUS - III (Fund)                           | 525,000              | 5.25            | 525,000              | 5.25            |
| (b) Units of IACM-1-D (Fund promoted by IVCF)                  | 168,553,000          | 168.55          | 93,100,000           | 93.10           |
| (c) Units of CANBANK Venture Capital Fund                      | 6,31,000             | 6.31            | -                    | -               |
| <b>TOTAL - LONG TERM</b>                                       |                      | <b>6,832.31</b> |                      | <b>5,173.68</b> |
| <b>(2) CURRENT</b>   |                      |                 |                      |                 |
| <b>(A) QUOTED</b>  |                      |                 |                      |                 |
| <b>1. Equity Shares</b>  |                      |                 |                      |                 |
| (a) ARSS Infrastructure Ltd                                    | -                    | -               | 6,021                | 0.27            |
| (b) Balrampur Chini Mills Ltd                                  | -                    | -               | 100,000              | 0.96            |
| (c) Bharat Heavy Electricals Ltd                               | -                    | -               | 20,000               | 4.85            |
| (d) DQ Entertainment (International) Ltd                       | -                    | -               | 50,000               | 0.40            |
| (e) GAIL (India) Ltd   | -                    | -               | 40,000               | 1.61            |
| (f) ICICI Bank Ltd   | -                    | -               | 10,000               | 0.96            |
| (g) IVRCL Infrastructure Projects Ltd                          | -                    | -               | 39,800               | 0.66            |
| (h) Larsen & Toubro Ltd  | -                    | -               | 6,560                | 1.07            |
| (i) Persistent Systems Ltd                                     | -                    | -               | 33,650               | 1.04            |
| (j) Ranbaxy Laboratories Ltd                                   | -                    | -               | 35,000               | 1.69            |
| (k) Reliance Capital Ltd                                       | -                    | -               | 47,000               | 3.69            |
| (l) Reliance Infrastructure Ltd                                | -                    | -               | 60,000               | 6.03            |
| (m) State Bank of India  | -                    | -               | 50,000               | 10.36           |
| (n) Tata Motors Ltd  | -                    | -               | 80,000               | 6.12            |
|  |                      |                 |                      | 39.71           |
| <b>2. Government Securities</b>                                |                      |                 |                      |                 |
| (a) 6.49% Government Security (Maturity Date - 08.06.2015)     |                      | -               |                      | 9.71            |
| (b) 7.56% Government Security (Maturity Date - 03.11.2014)     |                      | -               |                      | 57.24           |
|  |                      |                 |                      | 66.95           |
| <b>3. Units of Mutual Funds</b>                                |                      |                 |                      |                 |
| (a) Axis Mutual Fund   | -                    | -               | 244,831              | 25.00           |
| (b) HDFC Mutual Fund   | 4,265,553            | 4.27            | 12,420,347           | 12.46           |
| (c) IDBI Ultra Short Term Fund                                 | 625,444              | 0.63            | -                    | -               |
| (d) L&T Mutual Fund  | -                    | -               | 42,321,617           | 62.76           |
| (e) Principal Mutual Fund                                      | -                    | -               | 13,724,136           | 20.00           |
|  |                      | <b>4.90</b>     |                      | <b>120.22</b>   |
| <b>(B) UNQUOTED</b>  |                      |                 |                      |                 |
| <b>1. Bonds</b>  |                      |                 |                      |                 |
| (a) ICICI Bank Ltd   | -                    | -               | 515                  | 53.26           |
| (b) IFCI Infrastructure Development Ltd (a subsidiary company) | 750                  | 75.00           | -                    | -               |
| (c) Infrastructure Development Finance Company Ltd             | -                    | -               | 23                   | 2.30            |

**SCHEDULE - VI (Contd.)**
**(₹ crore)**

|   | As at March 31, 2011 |                 | As at March 31, 2010 |                 |
|---|----------------------|-----------------|----------------------|-----------------|
|   | No. of Shares/Units  | Amount          | No. of Shares/Units  | Amount          |
| (d) Kotak Mahindra Prime Ltd                | 250                  | 24.75           | -                    | -               |
| (e) Power Finance Corporation Ltd           | 11                   | 1.10            | 800                  | 79.95           |
| (f) Reliance Capital Ltd                    | 250                  | 25.00           | -                    | -               |
| (g) Tata Motors Finance Ltd                 | -                    | -               | 114                  | 5.70            |
| (h) Thomson Press (I) Ltd                   | -                    | -               | 150                  | 15.00           |
| (i) UTV News Ltd                            | -                    | -               | 500                  | 50.00           |
| (j) Yes Bank                                | -                    | -               | 110                  | 10.77           |
|   |                      | <b>125.85</b>   |                      | <b>216.98</b>   |
| <b>3. Commercial Paper</b>                  |                      |                 |                      |                 |
| (a) Aircell Ltd                             | 1,300                | 59.46           | -                    | -               |
| (b) Alok Industries Ltd                     | 500                  | 24.29           | -                    | -               |
| (c) Aditya Birla Finance Ltd                | 500                  | 24.42           | -                    | -               |
| (d) DLF Ltd                                 | -                    | -               | 1,000                | 45.78           |
| (e) Ericsson India Pvt Ltd                  | 500                  | 24.42           | -                    | -               |
| (f) Future Capital Holdings Ltd             | -                    | -               | 500                  | 24.08           |
| (g) Gati Infrastructure Ltd                 | -                    | -               | 200                  | 9.81            |
| (h) ICICI Securities Primary Dealership Ltd | 500                  | 24.55           | -                    | -               |
| (i) India Infoline Ltd                      | 500                  | 24.32           | -                    | -               |
| (j) IVRCL Infrastructure Projects Ltd       | -                    | -               | 700                  | 34.59           |
| (k) Reliance Capital Ltd                    | 500                  | 23.80           | -                    | -               |
| (l) Reliance Mediaworks Ltd                 | -                    | -               | 500                  | 24.52           |
|   |                      | <b>205.26</b>   |                      | <b>138.78</b>   |
| <b>4. Certificate of Deposit</b>            |                      |                 |                      |                 |
| (a) Allahabad Bank                          | 2,500                | 24.55           | -                    | -               |
| (b) Bank of India                           | 15,000               | 146.90          | 2,500                | 23.61           |
| (c) Canara Bank                             | 15,000               | 148.86          | 21,500               | 203.45          |
| (d) Central Bank of India                   | 20,000               | 196.40          | -                    | -               |
| (e) Corporation Bank                        | -                    | -               | 1,000                | 9.79            |
| (f) ICICI Bank                              | -                    | -               | 5,000                | 48.33           |
| (g) IDBI Bank                               | 5,000                | 48.97           | -                    | -               |
| (h) Indian Overseas Bank                    | 2,500                | 24.73           | -                    | -               |
| (i) Karnataka Bank                          | -                    | -               | 1,000                | 9.94            |
| (j) Punjab National Bank                    | 25,000               | 246.30          | 24,000               | 225.66          |
| (k) State Bank of Travancore                | 2,500                | 24.60           | -                    | -               |
| (l) Syndicate Bank                          | -                    | -               | 5,000                | 48.75           |
| (m) The South Indian Bank Ltd               | 2,500                | 24.42           | -                    | -               |
| (n) UCO Bank                                | 25,000               | 244.04          | 20,000               | 191.59          |
| (o) Vijaya Bank                             | 10,000               | 97.67           | -                    | -               |
|   |                      | <b>1,227.44</b> |                      | <b>761.12</b>   |
| <b>TOTAL - CURRENT</b>                      |                      | <b>1,563.45</b> |                      | <b>1,343.76</b> |
| <b>(3) APPLICATION MONEY</b>                |                      |                 |                      |                 |
| <b>(a) Equity Shares</b>                    |                      |                 |                      |                 |
| (i) Subsidiaries                            |                      |                 |                      |                 |
| - IFCI Financial Services Ltd               |                      | 76.27           |                      | 0.02            |
| (ii) Others                                 |                      | 159.16          |                      | 57.25           |
| <b>(b) Preference Shares</b>                |                      | 15.61           |                      | 15.61           |
| <b>TOTAL APPLICATION MONEY</b>              |                      | <b>251.04</b>   |                      | <b>72.88</b>    |
| <b>TOTAL</b>                                |                      | <b>8,646.80</b> |                      | <b>6,590.32</b> |
| Less: Provision for Diminution in the value |                      | 641.24          |                      | 707.89          |
| Long Term                                   |                      | 640.54          |                      | 706.34          |
| Current - Mark to Market                    |                      | 0.70            |                      | 1.55            |
| <b>TOTAL</b>                                |                      | <b>8,005.56</b> |                      | <b>5,882.43</b> |
| <b>QUOTED</b>                               |                      |                 |                      |                 |
| (1) Total Book Value                        |                      | 1,282.00        |                      | 1,372.92        |
| - Equity Shares                             |                      | 1,046.06        |                      | 954.45          |
| - Others                                    |                      | 235.94          |                      | 418.47          |
| (2) Total Market Value                      |                      | 1,394.56        |                      | 1,878.71        |
| - Equity Shares                             |                      | 1,161.86        |                      | 1,455.01        |
| - Others                                    |                      | 232.70          |                      | 423.70          |
| <b>UNQUOTED</b>                             |                      |                 |                      |                 |
| Total Book Value                            |                      | 7,364.80        |                      | 5,217.40        |
| - Equity Shares                             |                      | 2,730.22        |                      | 2,053.12        |
| - Preference Shares                         |                      | 489.93          |                      | 480.30          |
| - Others                                    |                      | 4,144.65        |                      | 2,683.98        |

Note: The above balances include:

- Investments include ₹ 99.50 crore (Previous Year - ₹ 33.31 crore) in respect of equity shares which are subject to lock-in period
- Investments include ₹ 5.00 crore (Previous Year - ₹ 6.90 crore) in respect of equity shares which are subject to restrictive covenants
- ₹ 31.02 crore (Previous Year - ₹ 20.19 crore) in equity/mutual funds units under Portfolio Management Scheme of subsidiary

**SCHEDULE - VI (Contd.)**
**Disclosure in respect of Investments where the value (category-wise) exceeds 2% of the total value in each category or ₹ 1 crore, whichever is lower as included under items A(1) & B(1) to B(4) of Schedule - VI**

| NAME OF THE COMPANY<br>Equity Shares - Quoted         | As on March 31, 2011         |            | As on March 31, 2010         |            |
|---|------------------------------|------------|------------------------------|------------|
|   | No. of Shares/<br>Debentures | Book Value | No. of Shares/<br>Debentures | Book Value |
| ABB Ltd   | 46,811                       | 4.28       | 46,811                       | 4.28       |
| Abhishek Industries Ltd                               | -                            | -          | 889,609                      | 1.38       |
| ACC Ltd   | 74,180                       | 6.67       | 69,180                       | 6.17       |
| Adani Power Ltd                                       | 243,985                      | 2.70       | 193,985                      | 2.05       |
| Alok Industries Ltd                                   | 21,440,823                   | 49.00      | 21,440,823                   | 49.00      |
| Bajaj Finserv Ltd                                     | 56,269                       | 2.13       | 47,878                       | 1.76       |
| Bajaj Holdings & Investment Ltd                       | 18,262                       | 2.25       | 18,262                       | 2.25       |
| Bartronics India Ltd                                  | 376,472                      | 7.34       | 378,472                      | 7.79       |
| Bengal & Assam Company Ltd                            | -                            | -          | 63,155                       | 1.60       |
| Bharat Immunologicals and Biologicals Corporation Ltd | -                            | -          | 2,609,500                    | 2.61       |
| Bharat Heavy Electronics Ltd                          | 8,000                        | 1.90       | -                            | -          |
| Bharat Forge Company Ltd                              | 600,000                      | 16.32      | -                            | -          |
| Bharti Airtel Ltd                                     | 230,000                      | 8.50       | 239,000                      | 8.79       |
| Canara Bank   | 49,000                       | 3.15       | -                            | -          |
| Coal India Ltd  | 173,958                      | 4.26       | -                            | -          |
| Dhunseri Petrochem and Tea Ltd                        | 94,577                       | 1.50       | -                            | -          |
| DLF Ltd   | 99,000                       | 5.47       | 49,000                       | 3.92       |
| Educomp Solutions Ltd                                 | 100,000                      | 6.81       | 50,000                       | 3.61       |
| Electrosteel Steels Ltd                               | 100,000,000                  | 99.50      | -                            | -          |
| Essar Oil Ltd   | 160,000                      | 1.34       | 160,000                      | 1.34       |
| Financial Technologies (India) Ltd                    | 22,000                       | 3.11       | 18,000                       | 2.81       |
| Ganesh Benzoplast Ltd                                 | 3,888,889                    | 7.00       | 3,888,889                    | 7.00       |
| Garden Silk Mills Ltd                                 | -                            | -          | 514,285                      | 3.60       |
| Gayatri Sugars Ltd                                    | 4,407,820                    | 4.37       | 4,407,820                    | 4.37       |
| GIC Housing Finance Company Ltd                       | 2,117,744                    | 8.47       | 4,035,489                    | 11.96      |
| Givo Ltd  | 2,705,376                    | 2.71       | 2,705,376                    | 2.71       |
| GMR Infrastructure Ltd                                | 300,000                      | 1.95       | 300,000                      | 1.95       |
| Goenka Diamond and Jewels Ltd                         | 575,800                      | 7.25       | -                            | -          |
| HDFC Bank Ltd   | 6,500                        | 1.40       | -                            | -          |
| Housing Development Finance Corporation Ltd           | 30,500                       | 2.14       | 4,000                        | 1.07       |
| Hindalco Industries Ltd                               | 2,117,318                    | 20.25      | 13,334,859                   | 126.35     |
| Housing Development & Infrastructure Ltd              | 70,000                       | 2.23       | 70,000                       | 2.23       |
| ICICI Bank Ltd  | -                            | -          | 23,821                       | 1.58       |
| Indian Acrylics Ltd                                   | 11,561,150                   | 11.56      | 11,561,150                   | 11.56      |
| Indian Bank   | 100,000                      | 2.23       | -                            | -          |
| Indorama Synthetics Ltd                               | 2,326,579                    | 10.50      | 2,779,750                    | 12.76      |
| Infosys Ltd   | 6,000                        | 1.73       | 5,000                        | 1.34       |
| Industrial Development Bank of India Ltd              | -                            | -          | 2,599,080                    | 18.17      |
| Infrastructure Development Finance Company Ltd        | 6,155,000                    | 6.16       | 11,035,000                   | 11.04      |
| Ispat Industries Ltd                                  | 35,793,316                   | 35.79      | 16,700,000                   | 16.70      |
| Jai Prakash Associates Ltd                            | 1,400,700                    | 1.97       | 1,400,700                    | 1.97       |
| Jayaswals Neco Ltd                                    | 2,476,734                    | 2.48       | 2,476,734                    | 2.48       |
| JCT Ltd   | 11,090,623                   | 2.77       | 18,757,151                   | 4.69       |
| Jhagadia Copper Ltd                                   | 4,900,000                    | 4.90       | 4,900,000                    | 4.90       |
| JSW Steel Ltd   | 1,274,583                    | 71.77      | 1,274,583                    | 71.77      |
| K G Denim Ltd   | 1,155,507                    | 1.83       | 1,271,037                    | 2.01       |
| Kanoria Chemicals & Industries Ltd                    | 1,200,000                    | 5.20       | 1,200,000                    | 5.20       |
| Kiri Industries Ltd                                   | 836,750                      | 46.00      | -                            | -          |
| Kirloskar Ferrous Industries Ltd                      | 3,565,000                    | 3.57       | 3,565,000                    | 3.57       |
| Kothari Petro Chemicals Ltd                           | 2,603,194                    | 2.60       | 3,023,638                    | 3.02       |
| Koutons Retail India Ltd                              | 3,130,000                    | 9.39       | -                            | -          |
| Larsen & Toubro Ltd                                   | 51,622                       | 8.71       | 10,000                       | 1.57       |
| LIC Housing Finance Ltd                               | 110,000                      | 2.69       | -                            | -          |
| Lloyds Steel Industries Ltd                           | 4,632,114                    | 12.65      | 4,632,114                    | 12.65      |
| LML Ltd   | -                            | -          | 213,252                      | 1.05       |
| Mafatlal Industries Ltd                               | -                            | -          | 18,961                       | 1.49       |
| Malwa Cotton Spinning Mills Ltd                       | 634,920                      | 4.00       | 634,920                      | 4.00       |
| Maruti Suzuki Ltd                                     | 11,000                       | 1.57       | -                            | -          |
| Manali Petrochemicals Ltd                             | -                            | -          | 2,840,250                    | 1.89       |
| MOIL Ltd  | 156,253                      | 5.86       | -                            | -          |
| Monnet Sugar Mills Ltd                                | 276,797                      | 1.11       | 276,797                      | 1.11       |
| Mundra Port & Sez Ltd                                 | 106,500                      | 1.23       | 21,300                       | 1.23       |
| Murli Industries Ltd                                  | 16,013,500                   | 56.70      | -                            | -          |
| Mysore Paper Mills Ltd                                | 3,801,086                    | 3.80       | 3,801,086                    | 3.80       |
| National Hydroelectric Power Corporation Ltd          | 600,412                      | 2.14       | 600,412                      | 2.14       |
| National Steel and Agro Industries Ltd                | 644,098                      | 1.91       | 644,098                      | 1.91       |
| Oberoi Realty Ltd                                     | 47,717                       | 1.24       | -                            | -          |
| ONGC Ltd  | 290,011                      | 8.42       | 26,713                       | 2.78       |
| Polar Industries Ltd                                  | 1,411,191                    | 8.65       | 1,475,640                    | 9.29       |



**SCHEDULE - VI (Contd.)**
**(₹ crore)**

|   | As on March 31, 2011         |            | As on March 31, 2010         |            |
|---|------------------------------|------------|------------------------------|------------|
|   | No. of Shares/<br>Debentures | Book Value | No. of Shares/<br>Debentures | Book Value |
| Power Trading Corporation Ltd                     | 1,506,855                    | 1.51       | 1,506,855                    | 1.51       |
| Punj Llyod Ltd                                    | 247,875                      | 7.91       | 147,875                      | 6.70       |
| Punjab & Sind Bank                                | 374,151                      | 4.49       | -                            | -          |
| Ramky Infrastructure Ltd                          | 200,000                      | 7.62       | -                            | -          |
| Reliance Capital Ltd                              | 30,000                       | 2.03       | 30,000                       | 2.03       |
| Reliance Communications Ltd                       | 455,000                      | 17.31      | 355,000                      | 15.59      |
| Reliance Industries Ltd                           | 319,332                      | 33.36      | 196,832                      | 21.20      |
| Reliance Infrastructure Ltd                       | 145,000                      | 11.79      | 30,000                       | 2.93       |
| Ruchi Strips & Alloys Ltd                         | -                            | -          | 5,305,340                    | 5.38       |
| Saurashtra Cements Ltd                            | 455,257                      | 3.32       | 455,257                      | 3.32       |
| Shree Ganesh Jewellery House Ltd                  | 1,398,531                    | 33.08      | -                            | -          |
| Siemens India Ltd                                 | 32,000                       | 2.53       | 32,000                       | 2.53       |
| South Asian Petrochem Ltd                         | -                            | -          | 945,775                      | 1.50       |
| Spel Semi Conductors Ltd                          | -                            | -          | 1,048,207                    | 1.05       |
| Spentex Industries Ltd                            | 692,000                      | 3.46       | 727,000                      | 3.66       |
| Sree Rayalaseema Alkalies & Allied Chemicals Ltd  | 13,769,836                   | 13.77      | 16,106,723                   | 16.11      |
| SRF Ltd   | 584,000                      | 3.82       | 584,000                      | 3.82       |
| Star Paper Mills Ltd                              | 701,600                      | 3.95       | 701,600                      | 3.95       |
| State Bank of India                               | 23,500                       | 6.51       | 183,156                      | 33.63      |
| State Bank of Travancore                          | 122,800                      | 4.02       | 122,800                      | 4.02       |
| Sujana Metal Products Ltd                         | 676,322                      | 1.76       | 976,322                      | 2.54       |
| Sujana Towers Ltd                                 | -                            | -          | 627,453                      | 7.34       |
| Sujana Universal Industries Ltd                   | 8,431,638                    | 10.80      | 9,291,949                    | 11.90      |
| Surat Textiles Mills Ltd                          | 2,000,000                    | 6.00       | -                            | -          |
| Tata Steel Ltd                                    | 28,105                       | 2.11       | 20,105                       | 1.63       |
| Tata Motors-Dvr-A-Ordry                           | -                            | -          | 4,076,238                    | 123.32     |
| Tata Motors Ltd                                   | -                            | -          | 59,676                       | 4.28       |
| The Waterbase Ltd                                 | -                            | -          | 221,574                      | 1.06       |
| Tinplate Company of India Ltd                     | 816,690                      | 3.68       | 1,161,150                    | 5.34       |
| Vardhman Polytex Ltd                              | 150,000                      | 1.00       | 150,000                      | 1.00       |
| Venus Sugar Mills Ltd                             | 1,597,000                    | 1.60       | 1,597,000                    | 1.60       |
| Videocon Industries Ltd                           | 3,186,068                    | 71.69      | -                            | -          |
| Welspun India Ltd                                 | 6,034,069                    | 38.00      | 6,034,069                    | 38.00      |
| Welspun Investments Ltd                           | 301,703                      | 1.90       | -                            | -          |
| Welspun Syntex Ltd                                | 7,741,599                    | 30.78      | 7,950,000                    | 31.60      |
| <b>Equity Shares - Unquoted</b>                   |                              |            |                              |            |
| ABG Cement Ltd                                    | 30,652,467                   | 30.65      | 24,960,000                   | 24.96      |
| ABG Energy (Gujarat) Ltd                          | 22,463,840                   | 21.90      | 13,203,528                   | 12.64      |
| Anrak Aluminium Ltd                               | 150,000,000                  | 150.00     | -                            | -          |
| Bhaval Synthetics India Ltd                       | 1,450,000                    | 1.41       | 1,450,000                    | 1.41       |
| Biotech Consortium India Ltd                      | 1,000,000                    | 1.00       | 1,000,000                    | 1.00       |
| Blue Blends India Ltd                             | -                            | -          | 3,000,000                    | 3.00       |
| BPL Display Devices Ltd                           | 1,415,390                    | 1.42       | 1,415,390                    | 1.42       |
| Clearing Corporation of India Ltd                 | 2,000,000                    | 2.00       | 2,000,000                    | 2.00       |
| Dewan Rubber Industries Ltd                       | 1,200,000                    | 6.60       | 1,200,000                    | 6.60       |
| Electrosteel Integrated Ltd                       | -                            | -          | 100,000,000                  | 99.50      |
| Essar Steel Ltd                                   | 720,000                      | 2.88       | 720,000                      | 2.88       |
| Gati Infrastructure Bhasmey Power Pvt Ltd         | 24,000,000                   | 24.00      | -                            | -          |
| Gati Infrastructure Ltd                           | 57,230,000                   | 57.23      | 53,590,000                   | 53.59      |
| Gayatri Hi-Tech Hotels Ltd                        | 61,100,000                   | 61.10      | -                            | -          |
| GPI Textile Ltd                                   | 3,900,000                    | 1.95       | 3,900,000                    | 1.95       |
| Gujarat State Energy Generation Ltd               | 17,590,000                   | 28.14      | 17,590,000                   | 28.14      |
| Gujarat State Petroleum Corporation Ltd           | 12,345,600                   | 100.00     | 12,345,600                   | 100.00     |
| Hind Agro Industries Ltd                          | 2,700,000                    | 2.70       | 2,700,000                    | 2.70       |
| HPCL Mittal Energy Ltd                            | 56,496,000                   | 59.79      | 30,036,000                   | 33.33      |
| India Paging Services Ltd                         | 15,239,300                   | 15.24      | 15,239,300                   | 15.24      |
| Ispat Profiles India Ltd                          | 13,161,250                   | 13.16      | 13,161,250                   | 13.16      |
| Jaora-Nayagaon Toll Road Company Private Ltd      | 61,750,000                   | 61.75      | 51,750,000                   | 51.75      |
| Konaseema Gas Power Ltd                           | 30,000,000                   | 45.00      | 30,000,000                   | 45.00      |
| Krishna Hydro Energy Ltd                          | 10,730,000                   | 10.67      | -                            | -          |
| KSK Mahanadi Power Company Ltd                    | 238,000,000                  | 236.75     | -                            | -          |
| Malvika Steel Products Ltd                        | 3,188,300                    | 12.26      | 3,188,300                    | 12.26      |
| MCX Stock Exchange Ltd                            | 71,875,000                   | 71.88      | 71,875,000                   | 251.56     |
| Meenakshi Energy Private Ltd                      | 136,539,028                  | 135.78     | -                            | -          |
| Meta Copper and Alloys Ltd                        | 28,171,578                   | 54.25      | 28,171,578                   | 54.25      |
| Modern Syntex (I) Ltd                             | 8,422,798                    | 12.97      | 8,422,798                    | 12.97      |
| Multi Commodity Exchange of India Ltd             | 2,442,212                    | 234.45     | 3,907,540                    | 234.45     |
| MVR Infrastructure & Tollways Pvt Ltd             | 1,800,000                    | 17.73      | 1,800,000                    | 17.73      |
| National Stock Exchange Ltd                       | 2,497,750                    | 255.06     | 2,497,750                    | 255.06     |
| Neelachal Ispat Nigam Ltd                         | 2,245,593                    | 2.95       | 1,544,442                    | 1.54       |
| North Eastern Development Finance Corporation Ltd | 10,000,001                   | 10.00      | 10,000,001                   | 10.00      |
| NSL Tidong Power Generation Private Ltd           | 19,000,000                   | 18.49      | -                            | -          |

**SCHEDULE - VI (Contd.)**
**(₹ crore)**

|   | As on March 31, 2011         |            | As on March 31, 2010         |            |
|---|------------------------------|------------|------------------------------|------------|
|   | No. of Shares/<br>Debentures | Book Value | No. of Shares/<br>Debentures | Book Value |
| Pertech Computers Ltd                   | 500,000                      | 3.00       | 500,000                      | 3.00       |
| Rama Qualitex Ltd                       | -                            | -          | 117,700                      | 1.08       |
| Rajahmundry Godavari Bridge Ltd         | 78,052,644                   | 77.62      | -                            | -          |
| Ritspin Synthetics Ltd                  | 9,500,000                    | 9.50       | 9,500,000                    | 9.50       |
| Samcor Glass Ltd                        | 2,000,000                    | 7.60       | 2,000,000                    | 7.60       |
| SBI DFHI Ltd                            | 46,743                       | 1.10       | 64,700                       | 1.53       |
| Securities Trading Corporation Ltd      | 337,400                      | 4.58       | 337,400                      | 4.58       |
| Sidhartha Super Spinning Mills Ltd      | 4,000,000                    | 4.00       | 4,000,000                    | 4.00       |
| Silver Resort Hotel India Pvt Ltd       | 85,000,000                   | 84.15      | 85,000,000                   | 84.15      |
| Sravanthi Energy Private Ltd            | 44,880,000                   | 44.33      | -                            | -          |
| Stock Holding Corporation Ltd           | 3,570,000                    | 4.46       | 3,570,000                    | 4.46       |
| Sun Granites Ltd                        | 1,748,600                    | 1.75       | 1,748,600                    | 1.75       |
| Surat Textiles Mills Ltd                | -                            | -          | 2,000,000                    | 6.00       |
| Welspun Global Brands Ltd               | 603,406                      | 3.80       | 603,406                      | 3.80       |
| Welspun Investments Ltd                 | -                            | -          | 301,703                      | 1.90       |
| <b>Preference Shares - Unquoted</b>     |                              |            |                              |            |
| Bellary Steel & Alloys Ltd              | 567,260                      | 5.67       | 567,260                      | 5.67       |
| Bhaval Synthetics India Ltd             | 400,000                      | 3.80       | 400,000                      | 3.80       |
| Blue Blends India Ltd                   | -                            | -          | 1,000,000                    | 9.90       |
| Dhampur Sugar Mills Ltd                 | 1,198,530                    | 11.99      | 1,198,530                    | 11.99      |
| Essar Steel Ltd                         | 22,116,599                   | 22.12      | 22,116,599                   | 22.12      |
| Gangadharan Appliances Ltd              | -                            | -          | 306,250                      | 3.06       |
| Gayatri Sugars Ltd                      | 2,452,245                    | 2.45       | 2,452,245                    | 2.45       |
| GPI Textile Ltd                         | 106,386,496                  | 53.19      | 106,386,496                  | 53.19      |
| Gujarat Poly AVX Electronics Ltd        | 209,000                      | 2.09       | 209,000                      | 2.09       |
| I C Textiles Ltd                        | 952,394                      | 9.52       | 952,394                      | 9.52       |
| Ispat Industries Ltd                    | 57,155,107                   | 63.32      | 57,155,107                   | 63.32      |
| Jai Parabolic Springs Ltd               | 350,000                      | 3.50       | 350,000                      | 3.50       |
| JCT Ltd                                 | -                            | -          | 500,315                      | 2.50       |
| Jhagadia Copper Ltd                     | 6,448,070                    | 64.48      | 6,448,070                    | 64.48      |
| JSW Steel Ltd                           | 21,262,362                   | 20.17      | 21,262,362                   | 20.17      |
| Kalyanpur Cements Ltd                   | 584,040                      | 5.80       | 584,040                      | 5.80       |
| LML Ltd                                 | 2,150,912                    | 21.51      | 2,150,912                    | 21.51      |
| Malwa Cotton Spinning Mills Ltd         | 1,724,610                    | 17.25      | 1,724,610                    | 17.25      |
| Mangalore Refinery & Petrochemicals Ltd | 7,148,949                    | 7.15       | 7,148,949                    | 7.15       |
| Nagarjuna Fertilisers Ltd               | 1,026,880                    | 10.27      | 1,026,880                    | 10.27      |
| Neesa Leisure Ltd                       | 260,000                      | 26.00      | -                            | -          |
| Oswal Spinning & Weaving Mills Ltd      | 99,730,160                   | 9.97       | 99,730,160                   | 9.97       |
| Polar Latex Ltd                         | 125,000                      | 1.25       | 125,000                      | 1.25       |
| Polygenta Technologies Ltd              | 2,500,000                    | 2.50       | 2,500,000                    | 2.50       |
| Prag Bosmi Synthetics Ltd               | 2,614,577                    | 26.15      | 2,614,577                    | 26.15      |
| Saurashtra Chemicals Ltd                | 1,046,700                    | 10.47      | 1,046,700                    | 10.47      |
| Shree Satpuda Tapi Parisar SSK Ltd      | 9,178                        | 4.59       | 9,178                        | 4.59       |
| Shree Shakti Resorts & Hotels Ltd       | 1,500,000                    | 1.46       | 1,500,000                    | 1.46       |
| Spectrum Power Generation Ltd           | 11,820,000                   | 11.82      | 11,820,000                   | 11.82      |
| Suryalakshmi Cotton Mills Ltd           | 271,600                      | 2.72       | 271,600                      | 2.72       |
| Vegepro Foods & Feeds Ltd               | 1,000,000                    | 1.00       | 1,000,000                    | 1.00       |
| West Coast Paper Mills Ltd              | 6,500,000                    | 65.00      | 6,500,000                    | 65.00      |
| Western India Plywoods Ltd              | 200,000                      | 1.00       | 200,000                      | 1.00       |
| <b>Debentures - Unquoted</b>            |                              |            |                              |            |
| ACE-NPA Acquired-Bharat Steel Tubes Ltd | 231,705                      | 2.32       | -                            | -          |
| Adhunik Alloys & Power Ltd              | 11,000,000                   | 110.00     | -                            | -          |
| Alok Industries Ltd                     | 1,100                        | 110.00     | -                            | -          |
| CT Cotton Yarn Ltd                      | 480,000                      | 2.89       | 480,000                      | 2.89       |
| DCM Shriram Industries Ltd              | -                            | -          | 898,000                      | 2.07       |
| Coastal Projects Ltd                    | 100,000,000                  | 100.00     | -                            | -          |
| DSL Enterprises Pvt Ltd                 | 2,962                        | 29.58      | 2,962                        | 29.58      |
| Essar Oil Ltd                           | 2,631,500                    | 26.88      | 2,631,500                    | 26.88      |
| Future Value Retail Ltd                 | 2,500                        | 250.00     | -                            | -          |
| Ganesh Benzoplast Ltd                   | 74,663                       | 7.47       | 74,663                       | 7.47       |
| Ginni Filaments Ltd                     | 649,169                      | 5.95       | 649,169                      | 6.32       |
| Global Rural Netco Ltd                  | 25,000,000                   | 250.00     | 25,000,000                   | 250.00     |
| GTC Industries Ltd                      | -                            | -          | 1,000,000                    | 2.90       |
| Hind Agro Industries Ltd                | 1,175,000                    | 1.18       | 1,175,000                    | 3.53       |
| Ispat Profiles India Ltd                | 3,301,954                    | 22.02      | 3,301,954                    | 22.02      |
| JCT Ltd                                 | -                            | -          | 1,751,104                    | 8.16       |
| JK Tyre & Industries Ltd                | -                            | -          | 2,656                        | 1.22       |
| Kajaria Ceramics Ltd                    | -                            | -          | 1,000,000                    | 4.60       |
| Jindal ITF Ltd                          | 20                           | 200.00     | -                            | -          |
| Kitply Industries Ltd                   | 1,714                        | 1.71       | 1,714                        | 1.71       |
| Krishna Lifestyle Technologies Ltd      | -                            | -          | 626,000                      | 2.09       |

**SCHEDULE - VI (Contd.)**
**(₹ crore)**

|  | As on March 31, 2011         |            | As on March 31, 2010         |            |
|--|------------------------------|------------|------------------------------|------------|
|  | No. of Shares/<br>Debentures | Book Value | No. of Shares/<br>Debentures | Book Value |
| Lloyds Steel Industries Ltd                      | -                            | -          | 5,000                        | 15.60      |
| Madhucon Infra Ltd                               | 200,000,000                  | 200.00     | -                            | -          |
| Majestic Hotels Ltd                              | 522,040                      | 3.92       | 522,040                      | 5.22       |
| Malanpur Steel Ltd                               | 2,000,000                    | 19.49      | 2,000,000                    | 20.00      |
| Mesco Pharmaceuticals Ltd                        | -                            | -          | 1,000,000                    | 4.17       |
| Mukand Ltd                                       | 2,500,000                    | 21.15      | 2,500,000                    | 21.88      |
| Mysore Paper Mills Ltd                           | 67,702                       | 4.51       | 67,702                       | 4.51       |
| Nagarjuna Fertilisers Ltd                        | 10,500,000                   | 34.23      | 10,500,000                   | 42.38      |
| Navin Fluorine International Ltd                 | 423,000                      | 1.40       | 423,000                      | 2.80       |
| Pentafour Products Ltd                           | 28,000,000                   | 2.80       | 28,000,000                   | 2.80       |
| Polygenta Technologies Ltd                       | -                            | -          | 300                          | 3.00       |
| Prag Bosmi Synthetics Ltd                        | 1,654,704                    | 13.98      | 3,585,978                    | 41.76      |
| Quipo Telecom Infrastructure Ltd                 | -                            | -          | 10,000,000                   | 1,00.00    |
| Rama Industries Ltd                              | 400,000                      | 4.00       | 400,000                      | 4.00       |
| Reliance Industries Ltd                          | 1,636,306                    | 16.36      | 1,636,306                    | 16.36      |
| Sew Energy Ltd                                   | 150,000,000                  | 50.00      | -                            | -          |
| Shamken Spinners Ltd                             | 500,000                      | 5.00       | 500,000                      | 5.00       |
| Shree Maheswar Hydel Power Company Ltd           | 5                            | 71.51      | 5                            | 71.51      |
| Sree Rayalaseema Alkalies & Allied Chemicals Ltd | 3,547,949                    | 22.17      | 3,547,949                    | 26.61      |
| Sujana Towers Ltd                                | -                            | -          | 800,000                      | 2.37       |
| Sun Polytron Industries Ltd                      | 1,300                        | 13.00      | 1,300                        | 13.00      |
| Synthetics & Chemicals Ltd                       | 17,620                       | 1.23       | 17,620                       | 1.23       |
| Tikaula Sugar Mills Ltd                          | -                            | -          | 200,000                      | 1.00       |
| Uflex Ltd  | -                            | -          | 3,279,117                    | 32.79      |
| Usha India Ltd                                   | 5,000,000                    | 50.00      | 5,000,000                    | 50.00      |
| <b>Security Receipts - Unquoted</b>              |                              |            |                              |            |
| ARCIL - Akar Laminates Ltd                       | 1,958                        | 16.18      | 1,958                        | 19.53      |
| ARCIL - GSL India Ltd                            | 192                          | 1.82       | 192                          | 1.83       |
| ARCIL - Kalyanpur Cements Ltd                    | 1,814                        | 9.98       | 1,814                        | 11.89      |
| ARCIL - Titagarh Industries Ltd                  | 343,292                      | 25.10      | 343,292                      | 25.10      |
| ARCIL - Global Board Ltd                         | 335                          | 2.18       | 335                          | 2.75       |
| ARCIL - Vishnu Vijay Packaging Ltd               | 89,019                       | 8.90       | 89,019                       | 8.90       |
| ARCIL - Spectrum Power Generation Ltd-IX Trust   | 642,869                      | 13.30      | 642,869                      | 41.46      |
| ARCIL - Birla VXL Scheme- C - BVX                | 1,212                        | 4.38       | 1,212                        | 7.51       |
| ARCIL - Uniworth Textiles Ltd                    | 64,030                       | 6.40       | 64,030                       | 6.40       |
| ARCIL - Consolidated Fibres & Chemicals Ltd      | 85,500                       | 8.55       | 85,500                       | 8.55       |

Disclosure in respect of Investments where the value (category-wise) is less than 2% of the total value in each category or ₹ 1 crore, whichever is lower as included under items A(1) & B(1) to B(4) of Schedule - VI

|                              | As on March 31, 2011 | As on March 31, 2010 |
|------------------------------|----------------------|----------------------|
| <b>PARTICULARS</b>           |                      |                      |
| No of concerns               | 431                  | 451                  |
| Book Value (₹ crore)         | 36.99                | 38.88                |
| Market/Break Value (₹ crore) | 111.57               | 55.83                |

**SCHEDULE - VII**
**SUNDRY DEBTORS**

|                                    | As at<br>March 31, 2011 | As at<br>March 31, 2010 |
|------------------------------------|-------------------------|-------------------------|
| (a) <b>LEASE RENTAL RECEIVABLE</b> |                         |                         |
| - Less than 6 months               | -                       | -                       |
| - More than 6 months               | 8.28                    | 8.25                    |
| Less: Provision                    | (8.28)                  | (8.25)                  |
| (b) <b>OTHERS</b>                  |                         |                         |
| - Less than 6 months               | 74.67                   | 60.82                   |
| - More than 6 months               | 3.00                    | 1.13                    |
| Less: Provision                    | (2.00)                  | (2.00)                  |
| <b>TOTAL</b>                       | <b>75.67</b>            | <b>59.95</b>            |
| Note : Out of the above            |                         |                         |
| (i) Considered good                | 65.39                   | 49.70                   |
| (ii) Considered doubtful           | 10.28                   | 10.25                   |
|                                    | <b>75.67</b>            | <b>59.95</b>            |

**SCHEDULE - VIII**
**CASH & BANK BALANCES**

|   |               |              |
|---|---------------|--------------|
| (a) Cash in hand (including postage stamps)                       | 0.02          | 0.02         |
| (b) Cheques in hand & under collection and remittances in transit | 2.15          | 2.22         |
| (c) Balances with Reserve Bank of India                           |               |              |
| - Current Account   | 0.04          | 0.04         |
| (d) Balances with Scheduled Banks                                 |               |              |
| - Current Account in India  | 11.74         | 10.18        |
| - Unclaimed Dividend Account (Contra)                             | 3.79          | -            |
| - Deposit Account in India  | 491.35        | 17.94        |
| - Current Account outside India                                   | 18.77         | 8.13         |
| <b>TOTAL</b>  | <b>527.86</b> | <b>38.53</b> |

|  | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|--|-------------------------|--------------------------------------|
| <b>SCHEDULE - IX</b>   |                         |                                      |
| <b>OTHER CURRENT ASSETS</b>  |                         |                                      |
| (a) Accrued Income   |                         |                                      |
| (i) Interest and commitment charges on Loans   | 87.67                   | 56.71                                |
| (ii) Interest on Investments   | 119.76                  | 101.11                               |
| (iii) Other Income   | 34.99                   | 29.71                                |
| (b) Assets acquired in settlement of dues and held for sale  | 0.07                    | 0.07                                 |
| <b>TOTAL</b>   | <b>242.49</b>           | <b>187.60</b>                        |
| <b>SCHEDULE - X</b>  |                         |                                      |
| <b>LOANS</b>   |                         |                                      |
| (a) <b>ASSISTED CONCERNS</b>   |                         |                                      |
| (i) In Rupees and Foreign Currencies   | 15,672.88               | 12,311.79                            |
| (ii) Advance for Assets  | 134.30                  | 83.89                                |
| (b) <b>LOAN TO SUBSIDIARIES/ASSOCIATES</b>   | 372.57                  | 152.75                               |
| (c) <b>OTHER INSTITUTIONS</b>  | 0.06                    | 0.06                                 |
|  | <b>16,179.81</b>        | <b>12,548.49</b>                     |
| Less: Provision for bad and doubtful loans   | 1,779.96                | 2,376.68                             |
| <b>TOTAL</b>   | <b>14,399.85</b>        | <b>10,171.81</b>                     |
| <b>Notes:</b> (1) The above amounts include interest and other charges accrued and due                       |                         |                                      |
| (2) Classification of Loans  |                         |                                      |
| (i) Secured by Assets  | 8,843.54                | 9,140.47                             |
| (ii) Guaranteed by Central/State Governments   | 1.77                    | 1.77                                 |
| (iii) Against Promissory Notes and Usance Bills accepted/Guaranteed by Banks                                 | 197.04                  | 47.04                                |
| (iv) Against pledge of shares  | 7,040.37                | 3,262.12                             |
| (v) Unsecured  | 97.09                   | 97.09                                |
|  | <b>16,179.81</b>        | <b>12,548.49</b>                     |
| <b>Note:</b> Out of the above  |                         |                                      |
| (i) Considered good  | 14,399.85               | 10,171.81                            |
| (ii) Considered doubtful   | 1,779.96                | 2,376.68                             |
|  | <b>16,179.81</b>        | <b>12,548.49</b>                     |
| <b>SCHEDULE - XI</b>   |                         |                                      |
| <b>OTHER LOANS &amp; ADVANCES</b>  |                         |                                      |
| (a) Advance Tax paid (net of provisions)   |                         |                                      |
| (i) Income Tax   | 185.61                  | 173.33                               |
| (ii) Interest Tax  | 6.30                    | 6.30                                 |
| (b) MAT Credit Entitlement   | 186.97                  | 186.97                               |
| (c) Other Loans and Advances   |                         |                                      |
| (i) Secured  | 15.70                   | 10.80                                |
| (ii) Unsecured   |                         |                                      |
| – Considered good  | 15.38                   | 30.12                                |
| – Considered doubtful  | 1.00                    | 1.00                                 |
| Less: Provision for doubtful debts   | (1.00)                  | (1.00)                               |
| (d) Sundry Deposits  | 5.66                    | 2.59                                 |
| (e) Forward Deal Suspense  | 13.40                   | –                                    |
| (f) Pre-paid Expenses  | 0.98                    | 1.24                                 |
| <b>TOTAL</b>   | <b>430.00</b>           | <b>411.35</b>                        |
| <b>SCHEDULE - XII</b>  |                         |                                      |
| <b>CURRENT LIABILITIES</b>   |                         |                                      |
| (a) Interest accrued but not due on bonds and borrowings   | 444.57                  | 383.81                               |
| (b) Sundry Creditors   |                         |                                      |
| (i) Total outstanding dues to Micro and Small Enterprises  | –                       | –                                    |
| (ii) Total outstanding dues of creditors other than Micro and Small Enterprises                              | 93.68                   | 44.55                                |
| (c) Advance Receipts   | 0.18                    | 0.75                                 |
| (d) Other Liabilities  | 489.38                  | 287.27                               |
| (e) Items covered by Investor Education and Protection Fund* (to be credited by the following amounts)       |                         |                                      |
| (i) Unclaimed Dividend - (contra)  | 3.79                    | –                                    |
| (ii) Unpaid Matured Debentures   | 4.56                    | 92.24                                |
| (iii) Interest accrued on above  | 0.69                    | 2.91                                 |
| <b>TOTAL</b>   | <b>1,036.85</b>         | <b>811.53</b>                        |
| * As at 31.03.2011, no amount was due and outstanding for transfer to Investor Education and Protection Fund |                         |                                      |
| <b>SCHEDULE - XIII</b>   |                         |                                      |
| <b>PROVISIONS</b>  |                         |                                      |
| (a) Assets   | 505.95                  | 506.73                               |
| (b) Employee Benefits  | 18.43                   | 12.61                                |
| (c) Proposed Dividend  | 73.78                   | 73.78                                |
| (d) Corporate Dividend Tax   | 11.97                   | 12.30                                |
| <b>TOTAL</b>   | <b>610.13</b>           | <b>605.42</b>                        |

|   | For the year ended<br>March 31, 2011 | (₹ crore)<br>For the year ended<br>March 31, 2010 |
|---|--------------------------------------|---|
| <b>SCHEDULE - XIV</b>   |                                      |   |
| <b>INCOME FROM OPERATIONS</b>   |                                      |   |
| (a) On Lending Operations (including funded interest)                     | 1,691.44                             | 1,029.58  |
| (b) On Investment Operations  |                                      |   |
| (i) Dividend (Gross)  |                                      |   |
| – Long Term   | 32.92                                | 63.61   |
| – Current   | 0.62                                 | 0.21  |
| (ii) Interest (Gross)   | 191.20                               | 119.41  |
| (iii) Profit on sale of Shares/Units/Debentures (Net)                     |                                      |   |
| – Assistance under financing - Long Term                                  | 304.23                               | 307.83  |
| – Investments - Long Term   | 27.53                                | 27.57   |
| – Investments - Current   | 24.97                                | 18.56   |
| (c) Leasing Operations  |                                      |   |
| (i) Lease Rentals etc.  | 27.58                                | 8.62  |
| (ii) Lease Equalisation Account   | (21.65)                              | (17.47)   |
| (d) Business Services Fee and Commission (including Guarantee Commission) | 31.52                                | 27.66   |
| (e) Income from Deployment of Funds                                       | 64.60                                | 70.08   |
| (f) Exchange Fluctuation Gains/(Loss)                                     | (1.31)                               | 1.39  |
| (g) Provision/Write off/Liability, no longer required written back        | 47.99                                | –   |
| <b>TOTAL</b>  | <b>2,421.64</b>                      | <b>1,657.05</b>                                   |
| <b>Note:</b> (i) Income Tax deducted at source from Interest etc.         | 30.52                                | 24.22   |
| (ii) Dividend from subsidiaries   | –                                    | 0.01  |
| (iii) Interest from subsidiaries  | 29.92                                | 10.47   |
| <b>SCHEDULE - XV</b>  |                                      |   |
| <b>OTHER INCOME</b>   |                                      |   |
| (a) Interest on staff advances  | 0.79                                 | 0.58  |
| (b) Profit on sale of fixed assets (Net)                                  | 34.09                                | (3.92)  |
| (c) Rental Income   | 28.30                                | 23.62   |
| (d) Miscellaneous Income  | 1.55                                 | 2.00  |
| <b>TOTAL</b>  | <b>64.73</b>                         | <b>22.28</b>                                      |
| <b>SCHEDULE - XVI</b>   |                                      |   |
| <b>COST OF BORROWINGS</b>   |                                      |   |
| (a) Fixed   |                                      |   |
| (i) Interest on SLR Bonds   | 191.26                               | 213.89  |
| (ii) Interest on Other Bonds and Borrowings                               | 1,099.84                             | 658.19  |
| (iii) Interest on Foreign Currency Borrowings                             | 10.72                                | 12.87   |
| (b) Others  |                                      |   |
| (i) Interest on Bank Overdraft  | 0.89                                 | 0.59  |
| (ii) Interest on funds placed with the Company                            | 3.87                                 | 2.08  |
| (iii) Commitment Charges, Brokerage, Commission and Other Costs           | 12.39                                | 3.56  |
| <b>TOTAL</b>  | <b>1,318.97</b>                      | <b>891.18</b>                                     |
| <b>SCHEDULE - XVII</b>  |                                      |   |
| <b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>                           |                                      |   |
| (a) Salaries and Allowances*  | 44.33                                | 33.34   |
| (b) Contribution to Retirement Funds #                                    | 17.63                                | 21.52   |
| (c) Staff Welfare Expenses  | 2.96                                 | 2.42  |
| <b>TOTAL</b>  | <b>64.92</b>                         | <b>57.28</b>                                      |
| * includes Leave Encashment   | 6.66                                 | 5.64  |
| # includes:   |                                      |   |
| – Gratuity  | 0.95                                 | 1.31  |
| – Annuity for DA relief/restoration of commuted pension to retirees       | 12.10                                | 16.02   |
| <b>SCHEDULE - XVIII</b>   |                                      |   |
| <b>ESTABLISHMENT AND OTHER EXPENSES</b>                                   |                                      |   |
| (a) Rent  | 2.02                                 | 0.36  |
| (b) Rates and Taxes   | 2.97                                 | 3.05  |
| (c) Insurance   | 0.46                                 | 0.14  |
| (d) Repairs and Maintenance   |                                      |   |
| – Buildings   | 17.82                                | 14.91   |
| – Others  | 0.70                                 | 0.58  |
| (e) Electricity   | 3.36                                 | 3.71  |
| (f) Auditors' Remuneration  | 0.24                                 | 0.23  |
| (g) Directors' Fee  | 0.04                                 | 0.03  |
| (h) Advertisement   | 9.36                                 | 4.57  |
| (i) Consultation and Law Charges  | 6.99                                 | 3.97  |
| (j) Brokerage/Commission/STT  | 6.26                                 | 3.64  |
| (k) Travelling & Conveyance   | 4.22                                 | 2.71  |
| (l) Training & Development  | 3.16                                 | 2.99  |
| (m) Postage & Telephone   | 2.11                                 | 1.64  |
| (n) Other Miscellaneous Expenses  | 16.56                                | 11.91   |
| <b>TOTAL</b>  | <b>76.27</b>                         | <b>54.44</b>                                      |

**SCHEDULE - XIX**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The accompanying financial statements have been prepared on historical basis and conform in all material aspects to Generally Accepted Accounting Principles in India which encompasses applicable statutory provisions, regulatory framework and Accounting Standards. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**2. REVENUE RECOGNITION**

- 2(a) Income on Non-Performing Assets (NPAs) is recognized, as and when received.
- 2(b) Front-end fee, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on realization basis.
- 2(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.
- 2(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/or before 31.03.2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.
- 2(e) The front-end fee/underwriting commission/commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.
- 2(f) Surplus on sale of investments is net of losses thereon.

**3. INVESTMENTS**

- 3(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard-13 on 'Accounting for Investments' issued by The Institute of Chartered Accountants of India (ICAI).
  - (i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
  - (ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.
- 3(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/ Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.

**4. DERIVATIVES**

- 4(a) Equity Index/Stock Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index Stock Futures till the Balance Sheet date. Equity Index/Stock Options are recognized in the books to the extent of premium paid.
- 4(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
  - The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
  - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.
  - Equity Index/Stock Options are carried at cost where they are used as an instrument for hedging.
- 4(c) On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/ squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.
- 4(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/ squaring-up of underlying contracts, are disclosed under Current Assets.

**5. FOREIGN EXCHANGE TRANSACTIONS**

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

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

**6. FIXED ASSETS AND DEPRECIATION**

- 6(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31.03.2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.
- 6(b) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.
- 6(c) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than ₹ 5000/- are charged to the Profit & Loss Account in the year of purchase.
- 6(d) Leasehold land is amortized over the lease period.
- 6(e) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.
- 6(f) Mobile phones are fully depreciated in the year of acquisition itself.
- 6(g) Art works capitalized under Furniture and Fixtures are not being depreciated.

**7. IMPAIRMENT OF ASSETS**

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation), had no impairment loss been recognized.

**8. PROVISIONS/WRITE OFF AGAINST LOANS AND OTHER CREDIT FACILITIES**

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

**9. GRANTS RECEIVED FROM GOVERNMENT OF INDIA UNDER INTEREST DIFFERENTIAL FUND (IDF)**

Grants received from Government of India under Interest Differential Fund (IDF) is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development. Accordingly, the money so received, net of expenditure for the approved purposes is shown under 'Reserves and Surplus' in the Balance Sheet. The amounts invested and loans made out of the fund for approved purposes are shown under 'Investments' and 'Loans' respectively.

**10. BORROWING COST**

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

**11. MISCELLANEOUS EXPENDITURE**

- 11(a) Expenses on issue of Shares and Bonds are charged as per guidelines contained in Accounting Standard 26 - "Intangible Assets".
- 11(b) Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.

**12. EMPLOYEE BENEFITS**

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

administrators. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the 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 Accounts as and when due.

12(b) The Company has a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

12(c) 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 same is charged against revenue as and when incurred.

### 13. TAXATION

Tax Expense comprises of current & deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable income and accounting income/ expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

### 14. PROVISIONS AND CONTINGENCIES

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

### (B) NOTES ON ACCOUNTS

#### 1. Contingent Liabilities not provided for in respect of:

|   | (₹ crore)  |            |
|---|------------|------------|
| Year ended  | 31.03.2011 | 31.03.2010 |
| (i) Guarantees issued in Indian Currency  | 26.96      | 50.00      |
| (ii) Bank Guarantees  | 8.87       | 6.87       |
| (iii) Performance Guarantees issued   | 0.60       | 0.67       |
| (iv) Claims not acknowledged as debts   | 92.35      | 50.14      |
| (v) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances) | 3.78       | 4.36       |
| (vi) Tax Matters:   |            |            |
| – Income Tax  | 27.07      | 314.64     |
| – Service Tax   | 4.54       | 3.08       |

In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.

- In exercise of the powers conferred by Section 211(3) of the Companies Act, 1956, the Central Government vide notification dated February 8, 2011, has exempted Public Financial Institutions as specified under Section 4A of the Companies Act, 1956 from disclosing company-wise details of Investments subject to fulfilment of certain conditions. The accounts for the year have been prepared in accordance therewith.
- The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/liabilities, inter-alia, providing for release of ₹ 5,220 crore (comprising ₹ 3,604 crore towards principal and ₹ 1,616 crore towards interest over future years on liabilities taken over/to be serviced by Government of India) as Grant. Government of India (GoI) released ₹ 2,932.31 crore, comprising ₹ 523 crore as loan (FY 2002-03) and ₹ 2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹ 2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of ₹ 1,606.31 crore towards principal and ₹ 803 crore towards interest. Out of ₹ 1,606.31 crore received towards principal, ₹ 1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹ 247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserves & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹ 803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.
- The bonds guaranteed by GoI of ₹ 2,270.21 crore include bonds of ₹ 1,830.21 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26 and December 2, 2002 and communication to GoI.
- Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of ₹ 20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.

5(a) GoI has the option of converting the debentures, as shown at 'A' of Schedule III, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. IFCI also has the right to redeem the convertible debentures issued to GoI, fully or partly, at par, at any time after expiry of five years from the date of the issue with prior approval of RBI.

5(b) Loan from GoI as shown at 'D(a)(i)' of Schedule III, to be issued in the form of 0.1% Optionally Convertible Debentures and redeemable on 28.03.2023 has a right of recompense on par with other stakeholders.

6. Borrowings from Banks & FIs shown at 'D(a)(ii)' of Schedule III include loans of ₹ 300 crore (Previous Year - ₹ 300 crore), against security of cash flow/negative lien against certain identified loan assets.

7. In respect of Investments in shares and debentures in certain cases, scrips are yet to be received.

8. Other Loans and Advances include ₹ 0.34 crore (Previous Year – ₹ 0.25 crore) due from Directors. Maximum balance during the period ₹ 0.39 crore (Previous Year – ₹ 0.25 crore).

|                                       | (₹ crore)   |             |
|---------------------------------------|-------------|-------------|
| Year ended                            | 31.03.2011  | 31.03.2010  |
| 9. Expenditure in Foreign Currencies: |             |             |
| – Interest on Borrowings              | 4.04        | 5.56        |
| – Other Matters                       | 0.80        | 0.71        |
|                                       | <b>4.84</b> | <b>6.27</b> |
| 10. Earnings in Foreign Currency:     |             |             |
| Earnings                              | –           | –           |
| 11. Auditors' Remuneration:           |             |             |
| – Fee (including Service Tax)         | 0.23        | 0.22        |
| – Out of Pocket Expenses              | 0.01        | 0.01        |
|                                       | <b>0.24</b> | <b>0.23</b> |
| 12. Managerial Remuneration:          |             |             |
| – Salary and allowances               | 1.41        | 1.16        |
| – Contribution to retirement funds*   | 0.17        | 0.13        |
| – Perquisites                         | 0.10        | 0.07        |
|                                       | <b>1.68</b> | <b>1.36</b> |

\*Excluding contribution to gratuity and leave encashment, as not determinable individually.

| Computation of Net Profit and Managerial Remuneration:   |             |             |
|--|-------------|-------------|
|  | (₹ crore)   |             |
| Year ended   | 31.03.2011  | 31.03.2010  |
| Profit before Taxation   | 1,166.25    | 1,115.26    |
| Add: Directors' Remuneration   | 1.68        | 1.36        |
| Add: Wealth Tax  | 0.06        | 0.12        |
| Add/(Less): (Profit)/Loss on sale of fixed assets  | (34.09)     | 3.92        |
| Net Profit as per Section 198 of the Companies Act, 1956   | 1,133.90    | 1,120.66    |
| Maximum permissible remuneration to CEO & MD/WTD u/s 198 of the Companies Act, 1956 @ 10% of the profits computed as above | 113.39      | 112.07      |
| Payable for the year   | <b>1.68</b> | <b>1.36</b> |

13. The Gross Block of Fixed Assets includes ₹ 1,034.69 crore (Previous Year – ₹ 1,194.32 crore) on account of revaluation of Land & Buildings carried out in the previous year. The additional charge of depreciation of ₹ 22.29 crore (Previous Year – ₹ 9.42 crore) on revaluation carried out in earlier years has been charged to Profit & Loss Account and an equivalent amount withdrawn from Revaluation Reserve and credited to Profit and Loss Account.

14. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation in certain cases.

15. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

16. Details of investments purchased and sold/redeemed during the period ended March 31, 2011 are enclosed as Annexure.

17. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 issued by the ICAI read with RBI guidelines.

18. Defined Benefit Plans/Long Term Compensated Absences–As per Actuarial Valuations as on March 31, 2011 and recognized in the financial statements in respect of Employee Benefit Schemes:

| Year Ended  | (₹ crore)   |                  |             |                  |
|---|-------------|------------------|-------------|------------------|
|   | 31.03.2011  |                  | 31.03.2010  |                  |
|   | Gratuity    | Leave Encashment | Gratuity    | Leave Encashment |
|   | Funded      | Un-funded        | Funded      | Un-funded        |
| <b>I. Components of Employer Expense</b>                                  |             |                  |             |                  |
| 1. Current Service Cost   | 0.30        | 0.33             | 0.31        | 0.84             |
| 2. Interest Cost  | 0.64        | 1.01             | 0.50        | 0.60             |
| 3. Expected Return on Plan Asset  | 0.70        | -                | 0.58        | -                |
| 4. Curtailment Cost/(Credit)  | -           | -                | -           | -                |
| 5. Settlement Cost/(Credit)   | -           | -                | -           | -                |
| 6. Past Service Cost  | -           | -                | -           | -                |
| 7. Actuarial (gain)/loss recognized                                       | 1.07        | 3.46             | 1.12        | 3.66             |
| 8. Expense Recognized in Statement of Profit/Loss                         | 1.32        | 4.80             | 1.36        | -                |
| <b>II. Actual Returns for the year</b>                                    | 0.70        | -                | 0.65        | 0.58             |
| <b>III. Net (Asset)/Liability recognized in Balance Sheet</b>             |             |                  |             |                  |
| 1. Present Value of Defined Benefit Obligation                            | 8.10        | -                | 8.10        | -                |
| 2. Fair Value on Plan Assets  | 7.01        | -                | 7.59        | -                |
| 3. Status (Surplus/Deficit)   | (1.09)      | (0.50)           | -           | -                |
| 4. Unrecognised Past Service Cost   | -           | -                | -           | -                |
| 5. Net (Asset)/Liability recognized in Balance Sheet                      | (1.09)      | (0.50)           | -           | -                |
| <b>IV. Change in Defined Benefit Obligations (DBOs)</b>                   |             |                  |             |                  |
| 1. Present Value of Obligation at the beginning of the year               | 8.10        | 12.61            | 6.24        | 7.51             |
| 2. Current Service Cost   | 0.30        | 0.33             | 0.31        | 0.84             |
| 3. Interest Cost  | 0.64        | 1.01             | 0.50        | 0.60             |
| 4. Curtailment cost   | -           | -                | -           | -                |
| 5. Settlement Cost  | -           | -                | -           | -                |
| 6. Plan Amendments  | -           | -                | -           | -                |
| 7. Acquisitions   | -           | -                | -           | -                |
| 8. Actuarial (gain)/loss on Obligations                                   | 1.07        | 3.46             | 1.12        | 3.66             |
| 9. Benefits Paid  | 1.66        | -                | 0.08        | -                |
| 10. Present Value of Obligation at the end of the year                    | 9.37        | 17.42            | 8.10        | 12.61            |
| <b>V. Change in Fair Value of Assets during the year</b>                  |             |                  |             |                  |
| 1. Fair Value of Plan Asset at the beginning of the year                  | 8.35        | -                | 7.32        | -                |
| 2. Acquisition Adjustment   | -           | -                | -           | -                |
| 3. Expected Return on Plan Asset  | 0.70        | -                | 0.58        | -                |
| 4. Actuarial (gain)/loss on Plan Asset                                    | -           | -                | -           | -                |
| 5. Contributions  | 1.66        | -                | 0.53        | -                |
| 6. Benefits Paid  | 0.75        | -                | 0.08        | -                |
| 7. Fair Value of Plan Asset at the end of the year                        | 9.38        | -                | 8.35        | -                |
| <b>VI. Actuarial Assumptions</b>  |             |                  |             |                  |
| 1. Mortality Table  | LIC 1994-96 |                  | LIC 1994-96 |                  |
| 2. Early Retirement & Disablement   | Age Related |                  | Age Related |                  |
| 3. Discount Rate  | 8.00%       | 8.00%            | 8.00%       | 8.00%            |
| 4. Inflation Rate   | 8.50%       | 8.50%            | 7.00%       | 7.00%            |
| 5. Return on Asset  | 8.00%       | -                | 8.00%       | -                |
| <b>VII. Major Category of Plan Assets as a % of the Total Plan Assets</b> |             |                  |             |                  |
| 1. Government Securities  | 8.11%       | -                | 9.10%       | -                |
| 2. Special Deposit Scheme   | -           | -                | -           | -                |
| 3. High Quality Corporate Bonds   | -           | -                | -           | -                |
| 4. Insurance Companies  | 91.89%      | -                | 90.90%      | -                |
| 5. Cash & Cash Equivalents  | -           | -                | -           | -                |

19. The Company operates in India and hence it is considered to operate only in domestic segment. More than 90% of revenue for the Company comes from a single segment of Financing. Accordingly, segment reporting as required under Accounting Standard-17, issued by the ICAI is not applicable.

20. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the ICAI - "Related Party Disclosures" are as under:

(i) Name of the related party and nature of relationship:

| Nature of Relationship | Name of the Related Party   |
|------------------------|---|
| <b>Subsidiary</b>      | IFCI Financial Services Ltd (IFIN)<br>IFCI Venture Capital Funds Ltd (IVCF)<br>IFCI Infrastructure Development Ltd (IIDL)<br>IFCI Factors Ltd (IFL)<br>MPCON Ltd<br>IFIN Commodities Ltd (indirect control through IFIN)<br>IFIN Credit Ltd (indirect control through IFIN)<br>Narayan Sriram Investment Pvt Ltd (indirect control through IFIN)<br>Ambitious Realtors Pvt Ltd (ARPL) (indirect control through IIDL) |
| <b>Associates</b>      | Assets Care & Reconstruction Enterprise Ltd (ACRE)<br>Tourism Finance Corporation of India Ltd (TFCI)<br>HIMCON Ltd<br>NITCON Ltd<br>HARDICON Ltd   |

Key Managerial Personnel - Mr Atul Kumar Rai (CEO & Managing Director)  
- Mr Sujit K Mandal (Whole-Time Director)

(ii) Transaction with the related party during the year:

| Nature of Transaction (Year ended 31.03.2011)*   | (₹ crore) |         |         |         |        |      |
|--|-----------|---------|---------|---------|--------|------|
|  | IFIN      | IVCF    | IIDL    | IFL     | MPCON  | ARPL |
| Infusion of Equity - Cash  | -         | -       | 118.00  | -       | -      | -    |
|  | (-)       | (50.00) | (50.00) | (-)     | (0.45) | (-)  |
| Infusion of Equity - Other than Cash   | -         | -       | 36.68   | -       | -      | -    |
|  | (-)       | (-)     | (60.90) | (-)     | (-)    | (-)  |
| Application money pending allotment (through loan conversion)  | 76.25     | -       | -       | -       | -      | -    |
|  | (-)       | (-)     | (-)     | (-)     | (-)    | (-)  |
| Rent & Maintenance received by IFCI  | 0.97      | 1.40    | 1.45    | 1.76    | -      | 1.54 |
|  | (1.03)    | (1.40)  | (1.19)  | (1.45)  | (-)    | (-)  |
| Fee on renting of premises   | -         | -       | -       | -       | -      | -    |
|  | (-)       | (-)     | (0.26)  | (-)     | (-)    | (-)  |
| Brokerage/Professional Fee paid  | 1.30      | -       | -       | -       | -      | -    |
|  | (0.55)    | (0.07)  | (0.10)  | (-)     | (0.02) | (-)  |
| Brokerage/Professional Fee received  | -         | 0.05    | -       | -       | -      | -    |
|  | (-)       | (-)     | (-)     | (-)     | (-)    | (-)  |
| Fee for depository services  | 1.65      | -       | -       | -       | -      | -    |
|  | (2.29)    | (-)     | (-)     | (-)     | (-)    | (-)  |
| Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them | -         | 0.40    | 0.78    | 0.33    | -      | -    |
|  | (-)       | (0.16)  | (0.54)  | (0.22)  | (-)    | (-)  |
| Consideration for assets sold by IFCI  | -         | -       | 36.68   | -       | -      | -    |
|  | (-)       | (-)     | (60.90) | (-)     | (-)    | (-)  |
| Loans given/bonds subscribed (outstanding) #   | -         | -       | 135.00  | 250.00  | -      | -    |
|  | (55.00)   | (-)     | (-)     | (95.00) | (-)    | (-)  |
| Maximum amount outstanding (receivable) during the period  | 76.25     | -       | 60.00   | 275.00  | -      | -    |
|  | (55.00)   | (-)     | (-)     | (95.00) | (-)    | (-)  |
| Assignment of Debts by Subsidiaries  | -         | -       | -       | 45.99   | -      | -    |
|  | (-)       | (-)     | (-)     | (-)     | (-)    | (-)  |
| Interest received/receivable on Loan/Bonds   | 6.81      | -       | 5.67    | 19.24   | -      | -    |
|  | (3.91)    | (-)     | (-)     | (6.55)  | (-)    | (-)  |
| Bonds issued by IFCI (outstanding)   | -         | -       | 75.00   | -       | -      | -    |
|  | (-)       | (-)     | (-)     | (-)     | (-)    | (-)  |
| Maximum amount outstanding during the period   | -         | -       | 75.00   | -       | -      | -    |
|  | (-)       | (-)     | (-)     | (-)     | (-)    | (-)  |
| Deposit Received - (Outstanding)   | -         | -       | 10.00   | -       | -      | 0.93 |
|  | (-)       | (-)     | (35.00) | (-)     | (-)    | (-)  |



(₹ crore)

| Nature of Transaction<br>(Year ended 31.03.2011)*                   | IFIN    | IVCF | IIDL    | IFL | MPCON | ARPL |
|---|---------|------|---------|-----|-------|------|
| Maximum amount outstanding during the period                        | -       | -    | 35.00   | -   | -     | -    |
|   | (-)     | (-)  | (65.00) | (-) | (-)   | (-)  |
| Interest paid/payable by IFCI                                       | -       | -    | 7.88    | -   | -     | -    |
|   | (-)     | (-)  | (4.77)  | (-) | (-)   | (-)  |
| Investment by IFCI in Portfolio Management Scheme (during the year) | 10.00   | -    | -       | -   | -     | -    |
|   | (20.00) | (-)  | (-)     | (-) | (-)   | (-)  |
| Employees deputed/posted by IFCI as at 31.03.2011 (Nos.)            | -       | 2    | 4       | 4   | -     | -    |
|   | (-)     | (2)  | (3)     | (4) | -     | (-)  |
| Employees deputed in IFCI as at 31.03.2011 (No.)                    | -       | -    | 1       | -   | -     | -    |
|   | (-)     | (-)  | (1)     | (-) | (-)   | (-)  |

\* figures in brackets represents previous year figures

# In case of IFCI Factors Ltd, Loan outstanding includes ₹ 50.00 crore subordinate debt (Previous Year - ₹ Nil)

**With Associates**

(₹ crore)

| Type of Transaction<br>(Year ended 31.03.2011)*   | ACRE   | TFCI      | HIM-CON | HARDI-CON | NIT-CON |
|---|--------|-----------|---------|-----------|---------|
| Infusion of Equity  | -      | -         | -       | -         | -       |
|   | (-)    | (-)       | (-)     | (-)       | (0.07)  |
| Acquisition from market   | -      | 13.86     | -       | -         | -       |
|   | (-)    | (3.59)    | (-)     | (-)       | (-)     |
| Debt assigned to IFCI   | 20.31  | -         | -       | -         | -       |
|   | (-)    | (-)       | (-)     | (-)       | (-)     |
| Debt/NPA assigned by IFCI   | 7.00   | -         | -       | -         | -       |
|   | (-)    | (-)       | (-)     | (-)       | (-)     |
| Rent & Maintenance received by IFCI   | -      | 0.01      | -       | -         | -       |
|   | (0.12) | (0.04)    | (-)     | (-)       | (-)     |
| Loan (Outstanding)  | 62.57  | -         | -       | -         | -       |
|   | (2.75) | (-)       | (-)     | (-)       | (-)     |
| Interest received/receivable on loan  | 1.02   | -         | -       | -         | -       |
|   | (0.02) | (-)       | (-)     | (-)       | (-)     |
| Dividend Received   | -      | 3.28      | -       | -         | -       |
|   | (-)    | (2.54)    | (-)     | (-)       | (-)     |
| Dividend Paid on Preference Shares  | -      | ₹20,000   | -       | -         | -       |
|   | (-)    | (₹20,000) | (-)     | (-)       | (-)     |
| Salaries/Other Estt. Exp. paid by IFCI for employees deputed by IFCI, recovered/recoverable from them | 0.18   | -         | -       | -         | -       |
|   | (0.08) | (-)       | (-)     | (-)       | (-)     |
| Professional fee paid   | -      | -         | 0.02    | 0.04      | 0.20    |
|   | (-)    | (-)       | (0.05)  | (0.14)    | (0.01)  |
| Employees deputed/posted by IFCI as at 31.03.2011 (No.)   | 1      | -         | 1       | 1         | 1       |
|   | (1)    | (-)       | (-)     | (-)       | (-)     |
| Employees deputed in IFCI as at 31.03.2011 (No.)  | -      | -         | -       | -         | -       |
|   | (-)    | (-)       | (-)     | (1)       | (-)     |

\*figures in brackets represent previous year's figures

**With Key Management Personnel**

| Type of Transaction (Year ended 31.03.2011)* | CEO & MD   | WTD |
|--|------------|-----|
| Dividend Payment                             | ₹ 20,000   | -   |
|  | (₹ 12,000) | (-) |

\*figures in brackets represent previous year's figures

21. (a) Provisions of Accounting Standard-19, issued by the ICAI-"Leases" are not applicable as the Company has not entered into leasing transaction on or after April 01, 2001.
- (b) The Company has entered into lease agreement at four centers. Some of the significant terms and conditions of the arrangements are:
- Agreement may generally be terminated by either party on serving a notice period.

- The lease arrangements are generally renewed on expiry of lease period subject to mutual agreement.

- The Company shall not sublet, assign or part with the possession of the premises without prior written consent of lessor.

(c) Rent in respect of above is charged to Profit & Loss Account.

(d) The year wise break up of future minimum lease payments in respect of leased premises are as under:

(₹ crore)

| Particulars   | 31.03.2011 | 31.03.2010 |
|---|------------|------------|
| Minimum Lease payments:                               |            |            |
| (a) Not later than one year                           | 5.72       | 0.23       |
| (b) Later than one year but not later than five years | 21.17      | 0.14       |
| (c) Later than five years                             | -          | -          |

**22. Earnings per share:**

(₹ crore)

For the Year ended

31.03.2011

31.03.2010

**I. Computation for Basic Earnings per Share**

(a) Profit Computation for Equity shareholders

|   |        |        |
|---|--------|--------|
| Net profit as per Profit & Loss Account | 706.25 | 670.94 |
| Less: Preference Dividend               | (0.31) | (0.31) |
| Net profit for Equity Shareholders      | 705.94 | 670.63 |

(b) Weighted Average Number of Equity Shares outstanding during the year

73,78,37,331

73,87,79,978

**II. Computation for Diluted Earnings per Share**

(a) Profit Computation for Equity shareholders

|   |        |        |
|---|--------|--------|
| Net profit as per Profit & Loss Account                               | 706.25 | 670.94 |
| Less: Preference Dividend   | (0.31) | (0.31) |
| Add: Interest on Convertible Debentures (net of MAT)                  | 31.65  | 32.81  |
| Net profit for equity shareholders (including potential shareholders) | 737.59 | 703.44 |

(b) Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/GoI assuming conversion price as per SEBI Guidelines

88,86,05,054

1,23,89,14,001

**III. Earnings Per Share**

(Weighted Average)

|             |      |      |
|-------------|------|------|
| Basic (₹)   | 9.57 | 9.08 |
| Diluted (₹) | 8.30 | 5.68 |

23. In terms of Accounting Standard-22, issued by the ICAI - "Accounting for Taxes on Income", Deferred Tax Asset (Net) on account of timing differences is as under:

(₹ crore)

| As at   | 31.03.2011 | 31.03.2010 |
|---|------------|------------|
| Unabsorbed Business Loss*                       | 30.57      | 187.51     |
| Unabsorbed Depreciation*                        | 55.43      | 56.75      |
| Provision against Loans/Advances & Other Assets | 953.29     | 1,196.77   |
| Timing difference in Depreciable Assets         | (47.56)    | (63.22)    |
| Other Timing Differences                        | 29.18      | 9.63       |
| Deferred Tax Assets (Net)                       | 1,020.91   | 1,387.44   |

\* as evidenced from the income tax return filed by the Company

During the year, deferred tax charge of ₹ 366.53 crore (Previous Year - ₹ 338.59 crore) has been charged in the accounts.

24. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2011, there were no events or changes in circumstances which indicate any impairment in the assets.

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

| (₹ crore)          |                 |                    |                     |                 |
|--------------------|-----------------|--------------------|---------------------|-----------------|
| Particulars        | Opening Balance | Addition/ Transfer | Deduction/ Transfer | Closing Balance |
| Leave Encashment   | 12.61           | 4.81               | -                   | 17.42           |
| Income Tax         | 350.74          | 93.47              | -                   | 444.21          |
| Fringe Benefit Tax | 6.34            | -                  | -                   | 6.34            |
| Assets             | 3,558.62        | 0.03               | 695.15              | 2,863.50        |

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

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

| (₹ crore)                              |                  |         |                  |         |
|--|------------------|---------|------------------|---------|
| Particulars                            | As on 31.03.2011 |         | As on 31.03.2010 |         |
|  | Outstanding      | Overdue | Outstanding      | Overdue |
| (a) Debentures:                        |                  |         |                  |         |
| (i) Secured                            | -                | -       | -                | -       |
| (ii) Unsecured                         | 1,218.19         | -       | 1,218.19         | -       |
| (b) Deferred Credits                   | -                | -       | -                | -       |
| (c) Term Loans                         | 8,166.67         | -       | 4,614.98         | -       |
| (d) Inter Corporate Loans & Borrowings | 134.89           | -       | 113.42           | -       |
| (e) Commercial Paper                   | -                | -       | -                | -       |
| (f) Other Loans:                       |                  |         |                  |         |
| (i) Funds placed with IFCI             | 52.87            | -       | 35.52            | -       |
| (ii) Bonds                             | 9,165.10         | -       | 7,045.88         | -       |

The Company has not defaulted in repayment of dues to any financial institution or bank or bond/debenture holders.

(B) Break-up of Leased Assets and stock on hire and other assets counting towards loan activities:

| (₹ crore)   |            |            |
|---|------------|------------|
| Particulars   | 31.03.2011 | 31.03.2010 |
| (i) Lease assets including lease rentals:                       |            |            |
| (a) Financial Lease   | 36.15      | 66.04      |
| (b) Operating Lease   | -          | -          |
| (ii) Stock on hire including hire charges under sundry debtors: |            |            |
| (a) Assets on hire  | -          | -          |
| (b) Repossessed Assets  | -          | -          |
| (iii) Other loans counting towards AFC activities:              |            |            |
| (a) Loans where assets have been repossessed                    | -          | -          |
| (b) Loans other than (a) above                                  | -          | -          |

(C) Borrower group-wise classification of assets financed:

| (₹ crore)                     |                  |                  |
|-------------------------------|------------------|------------------|
| Category                      | 31.03.2011       | 31.03.2010       |
| 1. Related Parties:           |                  |                  |
| (a) Subsidiaries              | 310.06           | 150.00           |
| (b) Companies in same Group   | 62.57            | 2.75             |
| (c) Other Related Parties     | -                | -                |
| 2. Other than Related Parties | 15,719.95        | 10,920.83        |
| <b>TOTAL</b>                  | <b>16,092.58</b> | <b>11,073.58</b> |

Amount is net of provision and excludes Provision against Standard Assets.

(D) Investor group-wise classification of all investments (Current & Long Term) in shares and securities (both Quoted & Unquoted):

| (₹ crore)                     |                                   |                |                                   |                 |
|-------------------------------|-----------------------------------|----------------|-----------------------------------|-----------------|
| Category                      | 31.03.2011                        |                | 31.03.2010                        |                 |
|                               | Market/ Break-up/ Fair Value/ NAV | Book Value     | Market/ Break-up/ Fair Value/ NAV | Book Value      |
| 1. Related Parties:           |                                   |                |                                   |                 |
| (a) Subsidiaries              | 1090.38                           | 1019.45        | 685.63                            | 638.07          |
| (b) Companies in same group   | 91.88                             | 82.70          | 9.90                              | 7.45            |
| (c) Other Related Parties     | 0.24                              | 0.03           | 74.10                             | 61.42           |
| 2. Other than Related Parties | 6989.76                           | 7544.62        | 5,085.56                          | 5,883.18        |
| <b>TOTAL</b>                  | <b>8172.26</b>                    | <b>8646.80</b> | <b>5,855.19</b>                   | <b>6,590.12</b> |

(E) Other Information:

| (₹ crore)                                  |            |            |
|--|------------|------------|
| Particulars                                | 31.03.2011 | 31.03.2010 |
| 1. Gross Non-Performing Assets:            |            |            |
| (a) Related Parties                        | -          | -          |
| (b) Other than Related Parties             | 2,643.63   | 3,809.53   |
| 2. Net Non-Performing Assets:              |            |            |
| (a) Related Parties                        | -          | -          |
| (b) Other than Related Parties             | 156.35     | 55.55      |
| 3. Assets acquired in satisfaction of debt | 0.07       | 0.07       |

(F) Capital to Risk Assets Ratio (CRAR):

| (₹ crore)  |            |            |
|--|------------|------------|
| As on  | 31.03.2011 | 31.03.2010 |
| <b>Capital:</b>  |            |            |
| (a) Capital to Risk Assets Ratio (CRAR)                                | 16.4%      | 17.9%      |
| (i) Core CRAR  | 12.4%      | 12.5%      |
| (ii) Supplementary CRAR  | 4.0%       | 5.4%       |
| (b) Subordinated debt raised, outstanding as Tier II Capital (₹ crore) | -          | -          |
| (c) Risk-weighted Assets (₹ crore):                                    |            |            |
| (i) On-Balance Sheet Items   | 21,186.56  | 16,876.16  |
| (ii) Off-Balance Sheet Items   | 415.86     | 326.59     |

(G) Exposure to Real Estate Sector:

| (₹ crore)  |            |            |
|--|------------|------------|
| Category   | 31.03.2011 | 31.03.2010 |
| (a) Direct Exposure  |            |            |
| (i) Residential Mortgages:<br>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:<br>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 | 564.78     | 241.46     |

|   |            | (₹ crore)  |  |
|---|------------|------------|--|
| Category  | 31.03.2011 | 31.03.2010 |  |
| (iii) Investments in Mortgage Backed Securities (MBS) and other Securitised Exposures:                      |            |            |  |
| (a) Residential   | -          | -          |  |
| (b) Commercial Real Estate  | -          | -          |  |
| (b) Indirect Exposure   |            |            |  |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | -          | -          |  |

| (H) Maturity Pattern of Assets and Liabilities: (₹ crore) |                  |                 |                  |                  |                  |                   |                    |                 |                  |
|---|------------------|-----------------|------------------|------------------|------------------|-------------------|--------------------|-----------------|------------------|
| Particulars   | 1 Day to 30 Days | 1 Mth to 2 Mths | 2 Mths to 3 Mths | 3 Mths to 6 Mths | 6 Mths to 1 Year | 1 Year to 3 Years | 3 Years to 5 Years | Over 5 Years    | Total            |
| <b>Liabilities:</b>                                       |                  |                 |                  |                  |                  |                   |                    |                 |                  |
| Borrowing from Banks                                      | 25.00            | 1.23            | 132.50           | 166.40           | 1,077.32         | 6,236.12          | 1,628.31           | 2,785.65        | 12,052.52        |
| Market Borrowings   | 17.25            | 38.97           | 58.56            | 54.46            | 177.19           | 1,198.92          | 668.11             | 4,369.08        | 6,852.54         |
| <b>TOTAL</b>  | <b>42.25</b>     | <b>40.20</b>    | <b>191.06</b>    | <b>220.86</b>    | <b>1,254.51</b>  | <b>7,525.04</b>   | <b>2,296.42</b>    | <b>7,154.73</b> | <b>18,905.06</b> |
| <b>Assets:</b>  |                  |                 |                  |                  |                  |                   |                    |                 |                  |
| Advances  | 215.61           | 284.73          | 224.99           | 1,235.94         | 1,599.66         | 6,289.37          | 1,512.84           | 2,806.94        | 14,190.08        |
| Investments   | 340.30           | 170.84          | 845.14           | 130.42           | 122.52           | 715.79            | 629.63             | 4,952.38        | 7,907.02         |
| <b>TOTAL</b>  | <b>555.91</b>    | <b>455.57</b>   | <b>1,070.13</b>  | <b>1,366.36</b>  | <b>1,722.18</b>  | <b>7,005.16</b>   | <b>2,142.47</b>    | <b>7,759.32</b> | <b>22,097.10</b> |

(I) Details of Loan Assets subjected to Restructuring:

| Particulars  | As on 31.03.2011 |               | As on 31.03.2010 |               |
|--------------|------------------|---------------|------------------|---------------|
|              | CDR              | Non-CDR       | CDR              | Non-CDR       |
| Standard     | -                | 113.84        | 673.74           | 406.38        |
| Sub-Standard | -                | -             | 449.60           | -             |
| Doubtful     | -                | 10.30         | 7.86             | -             |
| <b>TOTAL</b> | -                | <b>124.14</b> | <b>1,131.20</b>  | <b>406.38</b> |

(J) Assets sold to Securitization Company/Reconstruction Company (SC/RC): (₹ crore)

| Particulars  | 31.03.2011 | 31.03.2010 |
|--|------------|------------|
| 1. Number of Accounts  | 7          | 4          |
| 2. Aggregate outstanding of accounts sold to SC/RC                                       | 145.53     | 18.22      |
| 3. Aggregate consideration   | 46.33      | 6.80       |
| 4. Additional consideration realized in respect of accounts transferred in earlier years | -          | -          |
| 5. Aggregate gain/(loss) over net book value   | -          | -          |

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

| (₹ crore)   |            |            |
|---|------------|------------|
| Particulars   | 31.03.2011 | 31.03.2010 |
| 1. (a) Number of accounts purchased during the year                 | 6          | 5          |
| (b) Aggregate Outstanding (₹ crore)                                 | 99.86      | 39.62      |
| 2. (a) Of the above number of accounts restructured during the year | -          | -          |
| (b) Aggregate Outstanding (₹ crore)                                 | -          | -          |

(L) Details of Non-performing financial assets sold:

| (₹ crore)                                  |            |            |
|--|------------|------------|
| Particulars                                | 31.03.2011 | 31.03.2010 |
| Number of accounts sold during the year    | 4          | 18         |
| Aggregate outstanding (₹ crore)            | 27.04      | 302.24     |
| Aggregate consideration received (₹ crore) | 2.83       | 113.90     |

27. Total value of outstanding Currency Swaps was USD 41.90 million against INR and EUR 69 million against USD (Previous Year - USD 23.20 million against INR and EUR 45.80 million against USD respectively) equivalent to ₹ 634.31 crore (Previous Year - ₹ 398.89 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹ 19.29 crore and ₹ 31.84 crore respectively (Previous Year - 8.00 million and EUR 19.40 million respectively).
28. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.25 million (Previous Year - USD 0.70 million) and EUR 0.0172 million (Previous Year - EUR 0.16 million), equivalent to ₹ 1.23 crore (Previous Year - ₹ 3.17 crore)
29. During the year, the company had issued infrastructure bonds as defined u/s 80CCF of the Income Tax Act, 1961 amounting to ₹ 370.75 crore. The entire proceeds have been utilized for the purpose of 'Infrastructure Lending' in terms of the CBDT Notification No.48/2010 dated July 9, 2010.
30. Previous year/period figures have been re-grouped/re-arranged wherever necessary, to conform to current year presentation.
31. Balance Sheet abstract and Company's General Business Profile as per Part IV of Schedule VI of the Companies Act, 1956 are enclosed as Appendix.

**Signatories to all Schedules I to XIX**

In terms of our report of even date

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

**RAKESH BHARTI MITTAL**  
Director

**USHA SANGWAN**  
Director

**SHOBHIT MAHAJAN**  
Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary

**DETAILS OF INVESTMENTS PURCHASED AND SOLD/REDEEMED**

| MUTUAL FUNDS  |                   |                | (₹ crore) |
|---|-------------------|----------------|-----------|
| Name of the Scheme  | No. of Units      | Face Value (₹) | Amount    |
| AIG India Treasury Fund-Super Institutional Plan-Growth Option              | 1,66,33,326.91    | 10             | 20.00     |
| AIG India Liquid Fund-Super Institutional Plan-Growth Option                | 2,49,065.92       | 1,000          | 30.00     |
| Axis Liquid Fund-Institutional Plan-Growth Option                           | 1,73,18,393.53    | 1,000          | 1,822.05  |
| Axis Treasury Advantage Fund-Institutional Plan-Growth Option               | 27,20,891.48      | 1,000          | 279.18    |
| Baroda Pioneer Liquid Fund Institutional Plan Growth Option                 | 1,29,26,33,851.90 | 10             | 1,491.10  |
| Baroda Pioneer Treasury Advantage Fund-Institutional Plan-Growth Option     | 41,21,23,423.07   | 10             | 430.05    |
| Bharti AXA Liquid Fund-Super Institutional Plan-Growth                      | 8,18,410.37       | 1,000          | 91.55     |
| Bharti AXA Treasury Advantage Fund-Institutional Plan-Growth                | 6,05,050.31       | 1,000          | 67.71     |
| Birla Sun Life Cash Plus-Institutional Premium Plan (Growth)                | 1,67,47,88,029.31 | 10             | 2,535.36  |
| Birla Sun Life Savings Fund-Institutional Growth                            | 20,50,53,454.70   | 10             | 360.65    |
| Birla Sun Life Cash Manager-Plan C(Institutional Growth)                    | 6,16,97,444.64    | 10             | 97.52     |
| BNP Paribas Overnight Fund-Institutional Plus-Growth                        | 1,77,74,47,803.55 | 10             | 2,525.76  |
| Canara Robeco Liquid Super Instt Growth Fund                                | 4,19,42,89,224.16 | 10             | 4,767.30  |
| Canara Robeco Treasury Advantage Super Instt Growth Fund                    | 77,92,65,777.27   | 10             | 1,090.89  |
| Daiwa Liquid Fund-Institutional-Growth                                      | 44,06,972.64      | 10             | 472.99    |
| Daiwa Treasury Advantage Fund-Growth  | 6,26,384.33       | 1,000          | 64.41     |
| DSP Black Rock Floating Rate Fund-Institutional Plan-Growth                 | 5,61,970.17       | 1,000          | 75.01     |
| DSP BlackRock Liquidity Fund-Institutional Plan-Growth                      | 25,96,290.07      | 1,000          | 348.00    |
| DWS Insta Cash Plus Fund Super Institutional Plan-Growth                    | 1,42,03,37,852.59 | 100            | 1,744.84  |
| DWS Ultra Short Term Fund-Inst Plan-Growth                                  | 22,30,84,195.29   | 10             | 243.78    |
| Edelweiss Liquid Fund-Super Institutional Plan-Growth Option                | 49,97,850.92      | 10             | 5.00      |
| Fidelity Cash Fund-Super Institutional Plan-Growth Option                   | 44,82,30,412.84   | 10             | 577.28    |
| Fidelity Ultra Short Term Debt Fund-Super Institutional Plan-Growth Option  | 12,53,88,689.40   | 10             | 150.02    |
| Fortis Money Plus-Growth Option   | 17,12,58,902.38   | 10             | 240.09    |
| HDFC Cash Management Fund Treasury Advantage-Wholesale Plan Growth Option   | 14,75,44,984.29   | 10             | 299.04    |
| HDFC Liquid Fund-PREMIUM PLUS-Growth  | 43,91,18,779.94   | 10             | 826.55    |
| HSBC Cash Fund-Inst. Plus-Growth  | 5,94,68,407.19    | 10             | 85.45     |
| HSBC Ultra Short Term Bond Fund-Inst. Plus-Growth                           | 3,94,14,566.84    | 10             | 50.61     |
| ICICI Prudential Flexible Income Plan Premium-Growth                        | 1,74,17,697.12    | 100            | 299.54    |
| ICICI Prudential Liquid Plan-Super Institutional Growth Option              | 9,51,27,391.75    | 100            | 1,323.40  |
| IDBI Liquid Fund-Growth   | 98,32,67,856.08   | 1,000          | 999.15    |
| IDBI Ultra Short Term Fund-Growth   | 3,98,11,852.49    | 10             | 39.81     |
| IDFC Cash Fund-Super Institutional Plan C-Growth                            | 1,01,48,23,416.23 | 10             | 1,168.85  |
| IDFC Money Manager Fund-Treasury Plan-Super Inst Plan C-Growth              | 13,19,83,318.13   | 10             | 145.07    |
| ING Liquid Fund-Super Institutional Growth Option                           | 34,82,500.44      | 10             | 5.00      |
| JM High Liquidity Fund-Super Institutional Plan-Growth                      | 1,28,84,79,009.74 | 10             | 1,907.55  |
| JM Money Manager Fund-Super Plus Plan-Growth option                         | 18,62,74,879.25   | 10             | 243.33    |
| JPMorgan India Liquid Fund-Super Institutional-Growth                       | 2,90,59,99,759.51 | 10             | 3,562.65  |
| JPMorgan India Treasury Fund-Super Institutional-Growth                     | 32,76,81,163.61   | 10             | 396.72    |
| L&T Freedom Income-Short Term Fund-Cum-Institutional Plan                   | 16,73,83,357.47   | 10             | 248.78    |
| L&T Liquid Fund-Cum-Super Institutional                                     | 1,02,80,94,589.05 | 10             | 1,345.25  |
| LICMF Income Plus Fund-Growth Option  | 39,22,71,434.42   | 10             | 487.96    |
| LICMF Liquid Fund-Growth  | 1,65,29,20,110.19 | 10             | 2,841.35  |
| Principal Cash Management Fund-Growth Option                                | 83,41,05,352.39   | 10             | 1,221.43  |
| Principal Floating Rate Fund-SMP-Insti. Growth                              | 19,20,67,290.03   | 10             | 281.47    |
| Pramerica Liquid Fund-Growth Option   | 21,22,28,874.28   | 1,000          | 1,562.37  |
| Reliance Liquidity Fund-Growth Plan-Growth Option                           | 1,18,24,31,493.57 | 10             | 1,686.76  |
| Reliance Money Manager Fund-Institutional Plan Growth Option                | 29,64,561.24      | 1,000          | 374.65    |
| Religare Liquid Fund-Super Institutional Growth                             | 1,68,04,92,644.36 | 10             | 2,173.99  |
| Religare Ultra Short Term Fund-Institutional Growth                         | 21,20,09,635.82   | 10             | 270.03    |
| SBI-Magnum Insta Cash Fund-Cash Option                                      | 13,69,91,146.70   | 10             | 286.35    |
| SBI Short Horizon Debt Fund-Ultra Short Term Fund-Institutional Plan-Growth | 40,86,44,716.11   | 10             | 493.10    |
| SBI Magnum Insta Cash Fund-Growth   | 19,28,06,654.92   | 10             | 405.00    |
| SBI Premier Liquid Fund-Super Institutional Plan-Growth                     | 1,53,41,21,225.24 | 10             | 2,298.85  |
| Sundaram Money Fund Super Institutional Growth                              | 45,17,79,815.42   | 10             | 908.60    |
| Sundaram Ultra Short Term Inst Growth                                       | 10,81,95,751.40   | 10             | 135.02    |
| Tata Floater Fund Growth  | 22,76,16,563.39   | 10             | 313.64    |
| Tata Liquid Super High Investment Plan-Appreciation                         | 71,81,303.60      | 1,000          | 1,249.10  |
| Taurus Ultra Short Term Bond Fund-SI Growth                                 | 13,33,906.61      | 10             | 145.12    |
| Taurus Liquid Fund S I Growth Plan  | 1,60,44,825.78    | 10             | 1,638.94  |
| Templeton Floating Rate Income Fund-Super Institutional Plan-Growth         | 11,85,00,128.76   | 10             | 149.92    |
| Templeton India Treasury Management Account-Super Institutional Plan-Growth | 87,48,261.88      | 1,000          | 1,236.75  |
| Templeton India Ultra-short Bond Fund-Super Institutional-Growth            | 9,38,31,572.84    | 10             | 112.87    |
| UTI Liquid Cash Plan Institutional-Growth Option                            | 97,69,646.80      | 1,000          | 1,522.75  |
| UTI Money Market Fund-Growth Plan   | 16,04,444.32      | 10             | 174.05    |
| UTI Money Market Fund-Institutional growth plan                             | 67,62,931.43      | 10             | 701.03    |
| UTI-Treasury Advantage Fund-Institutional-Growth                            | 28,21,268.95      | 10             | 350.59    |

|   |                      |                       |             | (₹ crore) |
|---|----------------------|-----------------------|-------------|-----------|
| <b>Equity Shares</b>                        | <b>No. of Shares</b> | <b>Face Value (₹)</b> | <b>Cost</b> |           |
| ABB Ltd                                     | 2,76,500             | 2                     | 23.18       |           |
| ACC Ltd                                     | 4,29,000             | 10                    | 43.30       |           |
| Ambuja Cements Ltd                          | 2,75,000             | 2                     | 3.83        |           |
| Axis Bank Ltd                               | 55,000               | 10                    | 7.75        |           |
| Bajaj Auto Ltd                              | 46,000               | 10                    | 6.86        |           |
| Balrampur Chini Mills Ltd                   | 25,000               | 1                     | 0.24        |           |
| Bharat Heavy Electricals Ltd                | 3,97,761             | 10                    | 88.90       |           |
| Bharat Petroleum Corporation Ltd            | 1,00,000             | 10                    | 6.78        |           |
| Bharti Airtel Ltd                           | 5,43,000             | 5                     | 18.12       |           |
| Cairn India Ltd                             | 2,00,000             | 10                    | 6.34        |           |
| Career Point Infosystems Ltd                | 27,803               | 10                    | 0.86        |           |
| Chambal Fertilisers and Chmeicals Ltd       | 5,50,000             | 10                    | 4.21        |           |
| Cipla Ltd                                   | 1,05,000             | 2                     | 3.31        |           |
| DLF Ltd                                     | 7,68,000             | 2                     | 21.46       |           |
| Dr Reddy's Laboratories Ltd                 | 50,000               | 5                     | 7.49        |           |
| Educomp Solutions Ltd                       | 3,52,000             | 2                     | 21.59       |           |
| Engineers India Ltd                         | 14,396               | 5                     | 0.42        |           |
| Eros International Media Ltd                | 91,743               | 10                    | 1.61        |           |
| Gail (India) Ltd                            | 50,000               | 10                    | 2.26        |           |
| HCL Technologies Ltd                        | 94,628               | 2                     | 3.59        |           |
| Housing Development Finance Corporation Ltd | 61,000               | 10                    | 4.12        |           |
| Hero Honda Motors Ltd                       | 5,000                | 2                     | 1.00        |           |
| Hindalco Industries Ltd                     | 10,62,311            | 1                     | 21.95       |           |
| Hindustan Petroleum Corporation Ltd         | 50,000               | 10                    | 1.57        |           |
| Hindustan Unilever Ltd                      | 3,10,845             | 1                     | 8.93        |           |
| ICICI Bank Ltd                              | 1,74,178             | 10                    | 17.33       |           |
| Idea Cellular Ltd                           | 4,87,016             | 10                    | 3.24        |           |
| Infosys Technologies Ltd                    | 30,000               | 5                     | 9.04        |           |
| IVRCL Ltd                                   | 4,52,954             | 2                     | 5.57        |           |
| Jaiprakash Associates Ltd                   | 18,30,000            | 2                     | 23.06       |           |
| Jindal Steel and Power Ltd                  | 1,70,000             | 1                     | 11.20       |           |
| Kotak Mahindra Bank Ltd                     | 3,03,028             | 5                     | 17.86       |           |
| Larsen & Toubro Ltd                         | 1,55,000             | 2                     | 26.79       |           |
| Mahindra & Mahindra Ltd                     | 1,12,473             | 5                     | 7.21        |           |
| Maruti Suzuki India Ltd                     | 1,66,086             | 5                     | 22.36       |           |
| NTPC Ltd                                    | 6,95,694             | 10                    | 13.87       |           |
| Oil and Natural Gas Corporation Ltd         | 3,24,581             | 5                     | 28.25       |           |
| Persistent Systems Ltd                      | 33,650               | 10                    | 1.04        |           |
| Power Grid Corporation of India Ltd         | 2,00,000             | 10                    | 2.15        |           |
| Punj Lloyd Ltd                              | 1,25,000             | 2                     | 1.62        |           |
| Punjab & Sind Bank                          | 1,03,344             | 10                    | 1.24        |           |
| Punjab National Bank                        | 15,000               | 10                    | 1.85        |           |
| Ramky Infrastructure Ltd                    | 82,381               | 10                    | 3.14        |           |
| Ranbaxy Laboratories Ltd                    | 85,000               | 5                     | 4.15        |           |
| Reliance Capital Ltd                        | 2,41,669             | 10                    | 18.36       |           |
| Reliance Communications Ltd                 | 9,90,000             | 5                     | 15.05       |           |
| Reliance Industries Ltd                     | 3,33,954             | 10                    | 34.29       |           |
| Reliance Infrastructure Ltd                 | 1,35,255             | 10                    | 13.69       |           |
| Reliance Power Ltd                          | 1,00,000             | 10                    | 1.58        |           |
| Sesa Goa Ltd                                | 4,91,265             | 1                     | 15.50       |           |
| Shipping Corporation of India Ltd           | 1,93,329             | 10                    | 2.71        |           |
| Siemens Ltd                                 | 40,000               | 2                     | 3.33        |           |
| State Bank of India                         | 2,15,024             | 10                    | 55.70       |           |
| Steel Authority of India Ltd                | 1,00,500             | 10                    | 1.88        |           |
| Sterlite Industries (India) Ltd             | 5,81,155             | 1                     | 17.39       |           |
| Suzlon Energy Ltd                           | 1,00,000             | 2                     | 0.59        |           |
| Tata Consultancy Services Ltd               | 1,66,180             | 1                     | 15.80       |           |
| Tata Steel Ltd                              | 6,62,500             | 10                    | 38.75       |           |
| Tata Motors Ltd                             | 2,24,000             | 10                    | 18.31       |           |
| Tata Power Company Ltd                      | 55,000               | 10                    | 7.27        |           |
| Unitech Ltd                                 | 4,23,554             | 2                     | 3.32        |           |
| VA Tech Wabag Ltd                           | 20,668               | 5                     | 2.71        |           |
| Videcon Industries Ltd                      | 9,02,000             | 10                    | 19.17       |           |
| Wipro Ltd                                   | 3,40,630             | 2                     | 14.79       |           |
|   |                      |                       |             | (₹ crore) |
| <b>Warrants</b>                             | <b>No. of Units</b>  | <b>Face Value (₹)</b> | <b>Cost</b> |           |
| Gujarat Nre Mineral Resources Ltd           | 1,04,00,000          | 5                     | 5.20        |           |
| Indiabulls Financial Services Ltd           | 95,00,000            | 5                     | 4.75        |           |
|   |                      |                       |             | (₹ crore) |
| <b>Corporate Bonds</b>                      | <b>No. of Units</b>  | <b>Face Value (₹)</b> | <b>Cost</b> |           |
| 9.20% Bank of Baroda                        | 134                  | 10,00,000             | 13.52       |           |
| 7.10% Bank of India                         | 150                  | 10,00,000             | 14.22       |           |
| 7.50% Bank of India                         | 50                   | 10,00,000             | 4.82        |           |
| 10.75% Bharat Forge Ltd                     | 150                  | 10,00,000             | 15.00       |           |
| 8.57% Central Bank of India                 | 550                  | 10,00,000             | 55.01       |           |

|  |                     |                       | (₹ crore)   |
|--|---------------------|-----------------------|-------------|
| <b>Corporate Bonds</b>                                     | <b>No. of Units</b> | <b>Face Value (₹)</b> | <b>Cost</b> |
| 8.80% Central Bank of India                                | 50                  | 10,00,000             | 5.08        |
| ETHL Communication Holding Ltd                             | 500                 | 10,00,000             | 47.42       |
| 9.60% Great Eastern Shipping Company Ltd                   | 115                 | 10,00,000             | 11.70       |
| 9.15% IDBI Bank  | 37                  | 10,00,000             | 3.66        |
| 9.65% IDBI Bank  | 550                 | 10,00,000             | 56.21       |
| 6.85% India Infrastructure Finance Company Ltd             | 1,000               | 1,00,000              | 10.02       |
| 6.00% Indian Overseas Bank                                 | 100                 | 10,00,000             | 9.10        |
| 7.70% Indian Overseas Bank                                 | 43                  | 10,00,000             | 4.18        |
| 9.30% Indian Overseas Bank                                 | 390                 | 10,00,000             | 39.38       |
| 8.72% Indan Railway Finance Corporation Ltd                | 50                  | 10,00,000             | 5.00        |
| 8.79% Indan Railway Finance Corporation Ltd                | 150                 | 10,00,000             | 15.06       |
| 8.83% Indan Railway Finance Corporation Ltd                | 2,200               | 10,00,000             | 220.23      |
| 8.95% Infotel Broadband Services Ltd                       | 1,900               | 10,00,000             | 188.49      |
| 7.50% Infrastructure Development Finance Company Ltd       | 150                 | 10,00,000             | 15.07       |
| 8.72% Infrastructure Development Finance Company Ltd       | 250                 | 10,00,000             | 25.00       |
| 8.80% Infrastructure Development Finance Company Ltd       | 700                 | 10,00,000             | 70.01       |
| 8.82% Infrastructure Development Finance Company Ltd       | 500                 | 10,00,000             | 50.00       |
| 8.84% Infrastructure Development Finance Company Ltd       | 1000                | 10,00,000             | 100.00      |
| 8.95% Infrastructure Development Finance Company Ltd       | 1,100               | 10,00,000             | 110.00      |
| 8.87% Ireda Ltd  | 100                 | 10,00,000             | 10.05       |
| 8.39% Karnataka State Financial Corporation Ltd            | 210                 | 10,00,000             | 21.00       |
| 8.60% Karnataka State Financial Corporation Ltd            | 250                 | 10,00,000             | 25.00       |
| 8.91% L&T Infrastructure Ltd                               | 100                 | 10,00,000             | 9.79        |
| 6.50% National Bank for Rural and Agricultural Development | 250                 | 10,00,000             | 25.00       |
| 7.10% Power Finance Corporation Ltd                        | 40                  | 10,00,000             | 4.00        |
| 8.50% Power Finance Corporation Ltd                        | 65                  | 10,00,000             | 6.51        |
| 8.70% Power Finance Corporation Ltd                        | 1,600               | 10,00,000             | 160.00      |
| 8.75% Power Finance Corporation Ltd                        | 1850                | 10,00,000             | 185.00      |
| 8.78% Power Finance Corporation Ltd                        | 100                 | 10,00,000             | 10.00       |
| 8.85% Power Finance Corporation Ltd                        | 689                 | 10,00,000             | 68.88       |
| 8.95% Power Finance Corporation Ltd                        | 105                 | 10,00,000             | 10.54       |
| 8.65% Power Grid Corporation Ltd                           | 480                 | 12,50,000             | 60.00       |
| 8.25% Reliance Capital Ltd                                 | 100                 | 10,00,000             | 10.00       |
| 8.90% Reliance Capital Ltd                                 | 500                 | 10,00,000             | 50.00       |
| 0% Rural Electrification Corporation Ltd                   | 1,800               | 30,000                | 2.44        |
| 8.75% Rural Electrification Corporation Ltd                | 2,700               | 10,00,000             | 269.54      |
| 8.80% Rural Electrification Corporation Ltd                | 1,100               | 10,00,000             | 109.94      |
| 10.50% Shriram City Union Finance Ltd                      | 50.00               | 10,00,000             | 4.96        |
| 10.60% Shriram Transport Finance Ltd                       | 100                 | 10,00,000             | 10.00       |
| 10.75% Shriram Transport Finance Ltd                       | 1000                | 1,00,000              | 10.00       |
| 7.60% Syndicate Bank                                       | 100                 | 10,00,000             | 9.61        |
| 10.70% Tata Motors Finance Ltd                             | 700                 | 5,00,000              | 35.53       |

|   |                     |                       | (₹ crore)   |
|---|---------------------|-----------------------|-------------|
| <b>Commercial Papers</b>                          | <b>No. of Units</b> | <b>Face Value (₹)</b> | <b>Cost</b> |
| Alok Industries Ltd 28.03.11                      | 500                 | 5,00,000              | 24.30       |
| Alok Industries Ltd 31.12.10                      | 500                 | 5,00,000              | 24.49       |
| Aditya Birla Finance Ltd 28.06.10                 | 400                 | 5,00,000              | 19.95       |
| Coromandel International Ltd 28.09.10             | 1,000               | 5,00,000              | 49.26       |
| DLF Ltd 03.12.10                                  | 500                 | 5,00,000              | 24.69       |
| Edelweiss Capital Ltd 03.02.11                    | 2,000               | 5,00,000              | 99.83       |
| Edelweiss Capital Ltd 08.11.10                    | 2,000               | 5,00,000              | 99.67       |
| Edelweiss Capital Ltd 23.11.10                    | 2,000               | 5,00,000              | 99.76       |
| Edelweiss Capital Ltd 31.01.11                    | 500                 | 5,00,000              | 24.77       |
| Elder Pharmaceutical Ltd 14.10.10                 | 500                 | 5,00,000              | 24.25       |
| Future Capital Holdings Ltd 24.09.10              | 500                 | 5,00,000              | 24.53       |
| Future Capital Holdings Ltd 14.01.11              | 500                 | 5,00,000              | 24.45       |
| Garden Silk Mills Ltd 28.03.11                    | 500                 | 5,00,000              | 24.50       |
| Hindustan Construction Ltd 03.09.10               | 300                 | 5,00,000              | 14.77       |
| India Infoline Ltd 19.11.10                       | 1,000               | 5,00,000              | 49.68       |
| India Infoline Ltd 29.11.10                       | 2,000               | 5,00,000              | 99.49       |
| India Infoline Investment Services Ltd 10.11.10   | 4,000               | 5,00,000              | 198.82      |
| India Infoline Investment Services Ltd 18.11.10   | 2,000               | 5,00,000              | 99.54       |
| JM Financial Services Ltd 28.01.11                | 400                 | 5,00,000              | 19.83       |
| JM Financial Products Ltd 03.11.10                | 2,000               | 5,00,000              | 99.81       |
| JM Financial Products Ltd 03.12.10                | 300                 | 5,00,000              | 14.97       |
| JM Financial Products Ltd 11.10.10                | 700                 | 5,00,000              | 34.94       |
| JM Financial Products Ltd 13.10.10                | 200                 | 5,00,000              | 9.98        |
| JM Financial Products Ltd 14.10.10                | 800                 | 5,00,000              | 39.93       |
| JM Financial Products Ltd 16.11.10                | 1,000               | 5,00,000              | 49.92       |
| Kotak Mahindra Investment Ltd 07.01.11            | 500                 | 5,00,000              | 24.14       |
| Mannapuram General Finance & Leasing Ltd 22.03.11 | 500                 | 5,00,000              | 24.49       |
| Mannapuram General Finance & Leasing Ltd 01.11.10 | 300                 | 5,00,000              | 14.71       |
| Motilal Oswal Financial Services Ltd 25.11.10     | 200                 | 5,00,000              | 9.97        |
| Muthoot Fincorp Ltd 15.12.10                      | 500                 | 5,00,000              | 24.60       |
| Muthoot Fincorp Ltd 16.11.10                      | 500                 | 5,00,000              | 24.77       |
| Muthoot Fincorp Ltd 15.03.11                      | 500                 | 5,00,000              | 24.51       |
| Reliance Mediaworks Ltd 14.10.10                  | 500                 | 5,00,000              | 24.51       |
| Reliance Mediaworks Ltd 25.03.11                  | 600                 | 5,00,000              | 29.24       |
| Reliance Securities Ltd 04.11.10                  | 500                 | 5,00,000              | 24.85       |

| (₹ crore)                                     |              |                |        |
|---|--------------|----------------|--------|
| Commercial Papers                             | No. of Units | Face Value (₹) | Cost   |
| Religare Finvest Ltd 13.12.10                 | 500          | 5,00,000       | 24.49  |
| Religare Finvest Ltd 15.11.10                 | 1,000        | 5,00,000       | 49.63  |
| Religare Finvest Ltd 17.01.11                 | 500          | 5,00,000       | 24.73  |
| Religare Finvest Ltd 19.10.10                 | 500          | 5,00,000       | 24.55  |
| Sadbhav Engineering Ltd 25.03.11              | 500          | 5,00,000       | 24.61  |
| SBI Cards & Payment Services Pvt Ltd 10.11.10 | 500          | 5,00,000       | 24.45  |
| Sharekhan Ltd 22.12.10                        | 500          | 5,00,000       | 24.90  |
| Shoppers Stop Ltd 22.03.11                    | 500          | 5,00,000       | 24.57  |
| Shree Renuka Sugars Ltd 28.02.11              | 400          | 5,00,000       | 19.85  |
| Shree Renuka Sugars Ltd 23.03.11              | 300          | 5,00,000       | 14.64  |
| Tata Capital Ltd 20.01.11                     | 500          | 5,00,000       | 24.81  |
| Tayo Rolls Ltd 28.03.11                       | 400          | 5,00,000       | 19.63  |
| Television Eighteen India Ltd 28.03.11        | 500          | 5,00,000       | 24.38  |
| (₹ crore)                                     |              |                |        |
| Certificate of Deposits                       | No. of Units | Face Value (₹) | Cost   |
| Allahabad Bank 20.09.10                       | 12,500       | 1,00,000       | 123.19 |
| Andhra Bank 28.12.10                          | 10,000       | 1,00,000       | 98.21  |
| Andhra Bank 28.03.11                          | 10,000       | 1,00,000       | 97.81  |
| Axis Bank 31.01.12                            | 2,500        | 1,00,000       | 22.74  |
| Bank of Baroda 23.09.10                       | 2,500        | 1,00,000       | 24.64  |
| Bank of Baroda 24.09.10                       | 20,000       | 1,00,000       | 196.98 |
| Bank of Baroda 27.12.10                       | 30,000       | 1,00,000       | 294.85 |
| Bank of India 18.03.11                        | 2,500        | 1,00,000       | 24.46  |
| Bank of India 19.12.11                        | 2,500        | 1,00,000       | 22.94  |
| Bank of Maharashtra 15.12.10                  | 10,000       | 1,00,000       | 98.49  |
| Canara Bank 05.04.11                          | 10,000       | 1,00,000       | 97.62  |
| Canara Bank 08.03.11                          | 5,000        | 1,00,000       | 48.52  |
| Canara Bank 11.10.10                          | 5,000        | 1,00,000       | 49.15  |
| Canara Bank 14.12.10                          | 20,000       | 1,00,000       | 198.34 |
| Canara Bank 23.11.11                          | 2,500        | 1,00,000       | 23.09  |
| Central Bank 03.09.10                         | 2,500        | 1,00,000       | 24.73  |
| Central Bank 03.12.10                         | 20,000       | 1,00,000       | 198.59 |
| Central Bank 04.03.11                         | 15,000       | 1,00,000       | 146.29 |
| Central Bank 07.02.11                         | 20,000       | 1,00,000       | 196.12 |
| Central Bank 05.08.10                         | 5,000        | 1,00,000       | 49.58  |
| Central Bank 24.09.10                         | 10,000       | 1,00,000       | 98.51  |
| Central Bank 25.03.11                         | 5,000        | 1,00,000       | 48.99  |
| Central Bank 28.03.11                         | 20,000       | 1,00,000       | 195.70 |
| Corporation Bank 06.01.11                     | 10,000       | 1,00,000       | 97.50  |
| Corporation Bank 16.02.11                     | 15,000       | 1,00,000       | 143.82 |
| HDFC Bank 08.03.11                            | 22,500       | 1,00,000       | 215.23 |
| ICICI Bank Ltd 08.12.10                       | 7,500        | 1,00,000       | 74.97  |
| IDBI Bank 16.08.10                            | 2,500        | 1,00,000       | 24.77  |
| IDBI Bank 17.06.11                            | 7,500        | 1,00,000       | 70.46  |
| Indian Bank 07.04.11                          | 10,000       | 1,00,000       | 97.49  |
| Indian Bank 12.04.11                          | 10,000       | 1,00,000       | 97.32  |
| Oriental Bank of Commerce 23.12.10            | 10,000       | 1,00,000       | 98.35  |
| P & S Bank 25.02.11                           | 20,000       | 1,00,000       | 193.96 |
| P & S Bank 30.05.11                           | 2,500        | 1,00,000       | 24.24  |
| Punjab National Bank 11.11.11                 | 2,500        | 1,00,000       | 23.16  |
| Punjab National Bank 19.01.11                 | 1,000        | 1,00,000       | 9.95   |
| Punjab National Bank 25.11.10                 | 12,500       | 1,00,000       | 124.36 |
| Punjab National Bank 27.04.11                 | 2,500        | 1,00,000       | 24.37  |
| State Bank of Bikaner & Jaipur 10.07.11       | 5,000        | 1,00,000       | 47.11  |
| State Bank of Bikaner & Jaipur 15.07.11       | 2,500        | 1,00,000       | 23.91  |
| State Bank of Bikaner & Jaipur 16.08.10       | 2,500        | 1,00,000       | 24.77  |
| State Bank of Bikaner & Jaipur 24.06.11       | 2,500        | 1,00,000       | 24.00  |
| State Bank of Hyderabad 11.08.11              | 5,000        | 1,00,000       | 47.57  |
| State Bank of India 28.06.11                  | 5,000        | 1,00,000       | 47.95  |
| State Bank of Patiala 21.09.11                | 2,500        | 1,00,000       | 23.19  |
| State Bank of Patiala 28.09.11                | 2,500        | 1,00,000       | 23.42  |
| State Bank of Travancore 16.08.10             | 2,500        | 1,00,000       | 24.78  |
| State Bank of Travancore 20.09.10             | 5,000        | 1,00,000       | 49.27  |
| State Bank of Travancore 23.08.11             | 5,000        | 1,00,000       | 47.31  |
| UCO Bank 15.09.10                             | 40,000       | 1,00,000       | 394.47 |
| UCO Bank 15.12.10                             | 17,500       | 1,00,000       | 172.44 |
| UCO Bank 31.01.11                             | 2,500        | 1,00,000       | 24.78  |
| Union Bank 18.03.11                           | 15,000       | 1,00,000       | 143.34 |
| Union Bank 20.01.11                           | 2,500        | 1,00,000       | 24.81  |
| Union Bank 23.09.10                           | 2,500        | 1,00,000       | 24.63  |
| (₹ crore)                                     |              |                |        |
| Government Securities                         | No. of Units | Face Value (₹) | Cost   |
| 08.20% Government Security 2022 (15.02.2022)  | 4,500        | 1,00,000       | 45.99  |
| 07.80% Government Security 2022 (03.05.2020)  | 1,500        | 1,00,000       | 15.17  |
| 08.13% Government Security 2022 (21.09.2022)  | 1,500        | 1,00,000       | 15.01  |
| 8.26% Government Security 2027 (02.08.2027)   | 1,000        | 1,00,000       | 9.86   |
| 09.59% UP SDL 2018 (30.06.2018)               | 350          | 1,00,000       | 3.77   |

## APPENDIX

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE as per Part IV of the Schedule VI to the Companies Act, 1956

**I. Registration details**

Registration No. 

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 5 | 5 | - | 5 | 3 | 6 | 7 | 7 |
|---|---|---|---|---|---|---|---|

State Code 

|   |   |
|---|---|
| 5 | 5 |
|---|---|

Balance Sheet Date 

|   |   |  |   |   |  |   |   |
|---|---|--|---|---|--|---|---|
| 3 | 1 |  | 0 | 3 |  | 1 | 1 |
|---|---|--|---|---|--|---|---|

**II. Capital Raised during the Year (Amount in ₹ Crore)**

Public Issue

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Rights Issue

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Bonus Issue

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Private Placement

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Crore)**

**Sources of Funds**

Total Liabilities

|  |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|
|  | 2 | 5 | 9 | 1 | 4 | . | 9 | 5 |
|--|---|---|---|---|---|---|---|---|

Total Assets

|  |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|
|  | 2 | 5 | 9 | 1 | 4 | . | 9 | 5 |
|--|---|---|---|---|---|---|---|---|

Paid-up Capital

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 1 | 0 | 0 | 1 | . | 6 | 8 |
|--|--|---|---|---|---|---|---|---|

Reserves & Surplus

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 4 | 0 | 0 | 1 | . | 4 | 4 |
|--|--|---|---|---|---|---|---|---|

Secured Loans

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Unsecured Loans

|  |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|
|  | 1 | 9 | 2 | 6 | 4 | . | 5 | 7 |
|--|---|---|---|---|---|---|---|---|

**Application of Fund**

Net Fixed Assets

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 1 | 2 | 1 | 2 | . | 6 | 1 |
|--|--|---|---|---|---|---|---|---|

Investments

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 8 | 0 | 0 | 5 | . | 5 | 6 |
|--|--|---|---|---|---|---|---|---|

Net Current Assets \*

|  |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|
|  | 1 | 4 | 0 | 2 | 8 | . | 6 | 1 |
|--|---|---|---|---|---|---|---|---|

Misc. Expenditure

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Accumulated Losses

|  |  |  |  |  |  |   |   |   |
|--|--|--|--|--|--|---|---|---|
|  |  |  |  |  |  | N | I | L |
|--|--|--|--|--|--|---|---|---|

Deferred Tax Assets

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 1 | 0 | 2 | 0 | . | 9 | 1 |
|--|--|---|---|---|---|---|---|---|

\* Includes ₹ 14,399.85 crore by way of Term Loans to Industrial Concerns/Other Institutions

**IV. Performance of the Company (Amount in ₹ Crore)**

Turnover

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 2 | 4 | 8 | 6 | . | 3 | 7 |
|--|--|---|---|---|---|---|---|---|

Total Expenditure

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 1 | 4 | 7 | 0 | . | 4 | 4 |
|--|--|---|---|---|---|---|---|---|

Profit Before Tax

|  |  |   |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|---|
|  |  | 1 | 1 | 6 | 6 | . | 2 | 5 |
|--|--|---|---|---|---|---|---|---|

Profit After Tax

|  |  |   |   |   |   |   |   |
|--|--|---|---|---|---|---|---|
|  |  | 7 | 0 | 6 | . | 2 | 5 |
|--|--|---|---|---|---|---|---|

Earnings Per Share ₹

|  |  |  |  |  |   |   |   |   |
|--|--|--|--|--|---|---|---|---|
|  |  |  |  |  | 9 | . | 5 | 7 |
|--|--|--|--|--|---|---|---|---|

Dividend Rate %

|  |   |   |   |   |   |
|--|---|---|---|---|---|
|  | 1 | 0 | . | 0 | 0 |
|--|---|---|---|---|---|

**V. Generic Names of Three Principal Products/Services of the Company (As per Monetary Terms)**

Item Code No. (ITC Code)

NOT APPLICABLE

Product Description

PROJECT FINANCING

Item Code No. (ITC Code)

NOT APPLICABLE

Product Description

FINANCIAL SERVICES

Item Code No. (ITC Code)

NOT APPLICABLE

Product Description

INVESTMENTS



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

| Name of the Subsidiary Company   | IFCI Venture Capital Funds Ltd                    | IFCI Financial Services Ltd                     | IFCI Infrastructure Development Ltd               | IFCI Factors Ltd                                  | MPCON Ltd                                      | IFIN Commodity Ltd (subsidiary of IFCI Financial Services Ltd) | IFIN Credit Ltd (subsidiary of IFCI Financial Services Ltd) | Narayan Sriram Investments Private Ltd (subsidiary of IFCI Financial Services Ltd) | Ambitious Realtors Private Ltd (subsidiary of IFCI Infrastructure Development Ltd)                     |
|--|---|---|---|---|--|--|---|--|--|
| 1. Financial Year of the Subsidiary Company ended on   | March 31, 2011                                    | March 31, 2011                                  | March 31, 2011                                    | March 31, 2011                                    | March 31, 2011                                 | March 31, 2011   | March 31, 2011  | March 31, 2011   | March 31, 2011   |
| 2. (a) Issued, Subscribed and Paid up Capital of the Subsidiary Company  | 6,03,71,008 Equity Shares of ₹ 10/- each          | 90,73,088 Equity Shares of ₹ 10/- each          | 49,442,11,543 Equity Shares of ₹ 10/- each        | 7,93,57,700 Equity Shares of ₹ 10/- each          | 10,000 Equity Shares of ₹ 1,000/- each         | 20,00,000 Equity Shares of ₹ 10/- each                         | 25,00,000 Equity Shares of ₹ 10/- each                      | 10,000 Equity Shares of ₹ 100/- each   | 10,000 Equity Shares of ₹ 10/- each  |
|  | -   | -   | -   | -   | -  | -  | -   | -  | 73,700<br>1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each         |
| (b) Extent of interest of IFCI in Capital of the Subsidiary  | 5,95,21,008 Equity Shares of ₹ 10/- each (98.59%) | 69,03,188 Equity Shares of ₹ 10/- each (76.08%) | 49,442,11,543 Equity Shares of ₹ 10/- each (100%) | 7,91,54,700 Equity Shares of ₹ 10/- each (99.74%) | 7,972 Equity Shares of ₹ 1,000/- each (79.72%) | 20,00,000 Equity Shares of ₹ 1,000/- each (100%)               | 25,00,000 Equity Shares of ₹ 1,000/- each (100%)            | 1,000 Equity Shares of ₹ 100/- each (100%)   | 10,000 Equity Shares of ₹ 10/- each (100%)   |
|  | -   | -   | -   | -   | -  | -  | -   | -  | 73,700,<br>1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each (100%) |
| 3. Net aggregate amount of Profits/ Losses of the Subsidiary so far as it concerns the Members of IFCI and is not dealt with in the Accounts of IFCI |   |   |   |   |  |  |   |  |  |
| (a) The Financial Year ended March 31, 2011 (₹ crore)  | 12.95   | 0.21  | 4.33  | 20.05   | 0.36   | 0.14   | 0.02  | -  | 0.78   |
| (b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)  | 14.31   | 6.63  | 4.51  | 12.43   | 1.43   | 0.05   | (0.37)  | 0.05   | (0.01)   |
| 4. Net aggregate amount of Profits/ Losses of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of IFCI        |   |   |   |   |  |  |   |  |  |
| (a) The Financial Year ended March 31, 2011 (₹ crore)  | Nil   | Nil   | Nil   | Nil   | Nil  | Nil  | Nil   | Nil  | Nil  |
| (b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)  | 0.90  | 2.72  | Nil   | Nil   | 0.03   | Nil  | Nil   | Nil  | Nil  |

For and on behalf of Board

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**SHILABHADRA BANERJEE**  
Director

**RAKESH BHARTI MITTAL**  
Director

**USHA SANGWAN**  
Director

**SHOBHIT MAHAJAN**  
Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary

**AUDITORS' REPORT**
**TO THE BOARD OF DIRECTORS  
IFCI LIMITED**

- We have examined the attached Consolidated Balance Sheet of IFCI Limited ("Company") and its Subsidiaries and Associates ("IFCI Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding the said components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- In respect of the financial statements and other financial information of all the five subsidiaries, four step-down subsidiaries and of five associates, we did not carry out the audit. The financial statements and other financial information of three subsidiaries and four step-down subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The details of assets, revenue and net cash inflows in respect of the audited subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

**AUDITED BY OTHER AUDITORS:**

|              | (₹ crore)       |                  |                                    |
|--------------|-----------------|------------------|------------------------------------|
|              | Total<br>Assets | Total<br>Revenue | Net Cash<br>Inflows/<br>(Outflows) |
| Subsidiaries | 863.03          | 77.03            | (23.86)                            |

We further report that in respect of two subsidiaries and five associates, for the year ended March 31, 2011 (Which includes for one associate as at December 31, 2010), the un-audited financial statements have been certified by Management and have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the associates and subsidiaries are based solely on these certified financial statements. Since the financial statements for the financial year ended March 31, 2011 (which include for one associate as at 31 December, 2010), which were compiled by Management of the said Company, were not audited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. The details of the net carrying cost of investment and current year share of profit

in respect of the two subsidiaries and five associates, to the extent to which they are reflected in the consolidated financial statements is given below:

**CERTIFIED BY MANAGEMENT:**

|            | (₹ crore)                          |                                 |
|------------|------------------------------------|---------------------------------|
|            | Net carrying cost<br>of investment | Current year<br>share of profit |
| Associates | 143.27                             | 11.38                           |

|              | Total<br>Assets | Total<br>Revenue | Net Cash<br>Inflows |
|--------------|-----------------|------------------|---------------------|
| Subsidiaries | 1,258.90        | 110.75           | 9.08                |

- Without qualifying our opinion, we invite attention to Note No. B(1)(b) of Schedule No. XX Notes to Accounts, in regard to consolidation of financial information of one associate based on Unaudited Statements being the most recent provided to us as at December 31, 2010 has been relied upon for the purpose of Consolidation.
  - We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard-21, "Consolidated Financial Statements" and (AS)-23, "Accounting for Investments in Associates in Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India and on the basis of the separate audited/certified financial statements as available of the IFCI Group is included in the consolidated financial statements.
- Based on our audit as aforesaid, we report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the IFCI Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies in Schedule XX and notes appearing thereon except that *loan of ₹ 0.42 crore given to a relative of the Managing Director, included in Schedule XI without prior approval of Central Government*, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the consolidated Balance Sheet, of the state of affairs of the IFCI Group as at March 31, 2011;
  - in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the IFCI Group for the year ended on that date; and
  - in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the IFCI Group for the year ended on that date.

For **CHOKSHI & CHOKSHI**  
Chartered Accountants  
Firm Registration No.101872W

**Kanu S Chokshi**  
Partner  
Membership No.17085

Camp : New Delhi  
Date : April 18, 2011

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011**

|  | Schedule No. | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|--|--------------|-------------------------|--------------------------------------|
| <b>I. SOURCES OF FUNDS</b>   |              |                         |                                      |
| (1) Shareholders' Funds  |              |                         |                                      |
| Share Capital  | I            | 1,001.68                | 1,001.68                             |
| Share Capital Pending Allotment                                      |              | —                       | —                                    |
| Reserves and Surplus   | II           | 4,199.55                | 3,753.18                             |
| (2) Minority Interest  |              |                         |                                      |
| Share Capital  |              | 3.43                    | 3.43                                 |
| Reserves and Surplus   |              | 4.53                    | 4.09                                 |
| (3) Loan Funds   |              |                         |                                      |
| Rupee Loans  | III          | 19,208.93               | 13,109.63                            |
| Foreign Currency Loans   | IV           | 526.85                  | 534.19                               |
| <b>TOTAL</b>   |              | <b>24,944.97</b>        | <b>18,406.20</b>                     |
| <b>II. APPLICATION OF FUNDS</b>                                      |              |                         |                                      |
| (1) Fixed Assets   | V            |                         |                                      |
| Gross Block  |              | 1,616.49                | 1,823.69                             |
| Less: Depreciation   |              | 322.68                  | 313.22                               |
| Net Block  |              | 1,293.81                | 1,510.47                             |
| Capital work-in-progress (including advances)                        |              | 137.47                  | 54.01                                |
| (2) Investments  | VI           | 7,326.32                | 5,459.87                             |
| (3) Goodwill on consolidation  |              | 83.34                   | 53.25                                |
| (4) Deferred Tax Assets (Net)  |              | 1,022.68                | 1,388.38                             |
| (5) Current Assets, Loans and Advances                               |              |                         |                                      |
| Sundry Debtors   | VII          | 914.83                  | 484.81                               |
| Cash and Bank Balances   | VIII         | 615.11                  | 140.56                               |
| Other Current Assets   | IX           | 481.94                  | 353.80                               |
| Loans to Assisted Concerns   | X            | 14,470.69               | 10,049.98                            |
| Other Loans and Advances   | XI           | 537.73                  | 437.18                               |
|  |              | 17,020.30               | 11,466.33                            |
| Less: Current Liabilities and Provisions                             |              |                         |                                      |
| Current Liabilities  | XII          | 1,313.90                | 918.60                               |
| Provisions   | XIII         | 625.07                  | 607.53                               |
| Net Current Assets   |              | 15,081.33               | 9,940.20                             |
| (6) Miscellaneous Expenditure to the extent not written off/adjusted | XIV          | 0.02                    | 0.02                                 |
| Significant Accounting Policies and Notes on Accounts                | XX           |                         |                                      |
| <b>TOTAL</b>   |              | <b>24,944.97</b>        | <b>18,406.20</b>                     |

In terms of our report of even date

For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**ATUL KUMAR RAI**  
CEO & Managing Director

For and on behalf of Board

**SANJEEV KUMAR JINDAL**  
Director

**PRAKASH P MALLYA**  
Director

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

**RAKESH BHARTI MITTAL**  
Director

**USHA SANGWAN**  
Director

**SHOBHIT MAHAJAN**  
Director

**K RAGHURAMAN**  
Director

**OMPRAKASH MISHRA**  
Director

**S SHABBEER PASHA**  
Director

**SUJIT K MANDAL**  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

**S SETHEE**  
Chief Financial Officer

**N K DUGGAL**  
Chief General Manager

**RUPA SARKAR**  
Company Secretary

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

|   | Schedule No. | For the year ended<br>March 31, 2011 | (₹ crore)<br>For the year ended<br>March 31, 2010 |
|---|--------------|--------------------------------------|---|
| <b>I. INCOME</b>  |              |                                      |   |
| Income from Operations  | XV           | 2,566.83                             | 1,743.45  |
| Other Income  | XVI          | 63.68                                | 17.44   |
| <b>TOTAL INCOME (A)</b>   |              | <b>2,630.51</b>                      | <b>1,760.89</b>                                   |
| <b>II. EXPENDITURE</b>  |              |                                      |   |
| Cost of Borrowings  | XVII         | 1,330.29                             | 889.05  |
| Payments to and provisions for employees                          | XVIII        | 87.94                                | 71.21   |
| Establishment and Other Expenses                                  | XIX          | 97.98                                | 68.66   |
| Cost of Stock in trade sold                                       |              | 15.40                                | 17.32   |
| Depreciation (Net of transfer from Revaluation Reserve)           |              | 14.52                                | 11.27   |
| Preliminary/Preoperative/Misc expenses written off                |              | 0.01                                 | 0.02  |
| <b>TOTAL EXPENDITURE (B)</b>                                      |              | <b>1,546.14</b>                      | <b>1,057.53</b>                                   |
| <b>III. PROFIT BEFORE PROVISIONS/WRITE OFF (A-B)</b>              |              | <b>1,084.37</b>                      | <b>703.36</b>                                     |
| <b>IV. BAD AND DOUBTFUL LOANS &amp; ADVANCES AND OTHER ASSETS</b> |              |                                      |   |
| Write-off   |              | 519.94                               | 284.81  |
| Provision u/s 36(1)(vii)(c)                                       |              | 21.81                                | 15.00   |
| Provision Reversal (net)  |              | (681.79)                             | (745.15)  |
| <b>V. PROFIT BEFORE TAX</b>                                       |              | <b>1,224.41</b>                      | <b>1,148.70</b>                                   |
| Provision for Taxation  |              |                                      |   |
| – Income Tax  |              | 113.19                               | 117.25  |
| – Deferred Tax Charge (Net)                                       |              | 365.69                               | 338.41  |
| <b>VI. PROFIT AFTER TAX</b>                                       |              | <b>745.53</b>                        | <b>693.04</b>                                     |
| Surplus brought forward from Previous Year                        |              | 644.96                               | 329.30  |
| Profit available for appropriation                                |              | 1,390.49                             | 1,022.34  |
| <b>VII. APPROPRIATIONS</b>  |              |                                      |   |
| Reserve u/s 45IC of RBI Act                                       |              | 145.27                               | 136.31  |
| Capital Redemption Reserve  |              | –                                    | 82.03   |
| General Reserve   |              | –                                    | 65.00   |
| Special Reserve u/s 36(1)(viii)                                   |              | 10.00                                | 10.00   |
| Staff Welfare Fund  |              | 0.27                                 | –   |
| Corporate Social Responsibility Fund                              |              | 10.00                                | –   |
| Proposed Dividend   |              |                                      |   |
| – Equity  |              | 73.78                                | 71.81   |
| – Preference  |              | 0.26                                 | 0.26  |
| Tax on Distributed Profits  |              |                                      |   |
| – Equity  |              | 11.97                                | 11.92   |
| – Preference  |              | 0.05                                 | 0.05  |
| Balance carried over to Balance Sheet                             |              | 1,138.89                             | 644.96  |
|   |              | <b>1,390.49</b>                      | <b>1,022.34</b>                                   |
| Basic Earnings per share of ₹ 10.00 each (₹)                      |              | 10.10                                | 9.38  |
| Diluted Earnings per share of ₹ 10.00 each (₹)                    |              | 8.74                                 | 5.86  |
| Significant Accounting Policies and Notes on Accounts             | XX           |                                      |   |

In terms of our report of even date

 For **CHOKSHI & CHOKSHI**  
Chartered Accountants

**P G MURALIDHARAN**  
Chairman

**KANU S CHOKSHI**  
Partner  
M. No.17085

**SHILABHADRA BANERJEE**  
Director

**K RAGHURAMAN**  
Director

 Place : New Delhi  
Dated : April 18, 2011

For and on behalf of Board

**ATUL KUMAR RAI**  
CEO & Managing Director

**RAKESH BHARTI MITTAL**  
Director

**OMPRAKASH MISHRA**  
Director

**S SETHEE**  
Chief Financial Officer

**SANJEEV KUMAR JINDAL**  
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Director

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Director

**SUJIT K MANDAL**  
Whole Time Director

**RUPA SARKAR**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

|  | (₹ crore)                            |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2011 | For the year ended<br>March 31, 2010 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                                      |                                      |
| Net Profit before Tax  | 1,224.41                             | 1,148.70                             |
| Adjustments for:   |                                      |                                      |
| Depreciation   | 14.52                                | 11.27                                |
| Priliminary Expenses written off                               | 0.01                                 | 0.02                                 |
| Provision/write offs   | (140.04)                             | (445.34)                             |
| Profit/(Loss) on Sale of Assets                                | 34.09                                | 3.92                                 |
| Lease Equalisation   | 21.65                                | 17.47                                |
|  | <b>(137.95)</b>                      | <b>(412.66)</b>                      |
| <b>Operating Profit before Working Capital Changes</b>         | <b>1,086.46</b>                      | <b>736.04</b>                        |
| Adjustments for:   |                                      |                                      |
| (Increase)/decrease in Current Assets                          | (646.80)                             | (240.39)                             |
| Increase/(decrease) in Current Liabilities                     | 413.17                               | 14.52                                |
|  | <b>(233.63)</b>                      | <b>(225.87)</b>                      |
| <b>Cash Flow before Taxation</b>                               | <b>852.83</b>                        | <b>510.17</b>                        |
| Income Tax paid  | (125.10)                             | (116.42)                             |
| Dividend paid  | (86.39)                              | (70.06)                              |
| Appropriation to CSR & SWF Fund                                | (10.27)                              | -                                    |
| Net cash from Operating Activities                             | <b>631.07</b>                        | <b>323.69</b>                        |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                                      |                                      |
| Sale of/(Addition) to Investments (incl. Application Money)    | (1,949.27)                           | (1,958.89)                           |
| Purchase of/Advance for Fixed Assets (including Leased Assets) | (125.35)                             | (72.94)                              |
| Sale proceed of Fixed Assets                                   | 40.16                                | 3.23                                 |
| Net cash used in/raised from Investing Activities              | <b>(2,034.46)</b>                    | <b>(2,028.60)</b>                    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                                      |                                      |
| Loans borrowed (net of repayments) *                           | 6,091.96                             | 4,006.14                             |
| Loans lent (net of repayments)                                 | (4,214.02)                           | (2,415.22)                           |
| Redemption of Preference Shares                                | -                                    | (82.03)                              |
| Issue of Equity Shares *                                       | -                                    | (24.57)                              |
| Share Premium (net of expenses) *                              | -                                    | (214.65)                             |
| Net Cash from Financing Activities                             | <b>1,877.94</b>                      | <b>1,269.67</b>                      |
| <b>Net Change in Cash &amp; Cash Equivalent (A+B+C)</b>        | <b>474.55</b>                        | <b>(435.24)</b>                      |
| Opening Cash and Cash Equivalent                               | 140.56                               | 575.80                               |
| Closing Cash and Cash Equivalent                               | <b>615.11</b>                        | <b>140.56</b>                        |
| <b>Increase/(Decrease) in Cash &amp; Cash Equivalent</b>       | <b>474.55</b>                        | <b>(435.24)</b>                      |

\*re-converted into loans

Note: Figures for previous year have been regrouped, wherever considered necessary

In terms of our report of even date

For and on behalf of Board

For CHOKSHI & CHOKSHI  
Chartered Accountants

P G MURALIDHARAN  
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SUJIT K MANDAL  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

S SETHEE  
Chief Financial Officer

N K DUGGAL  
Chief General Manager

RUPA SARKAR  
Company Secretary

**SCHEDULES FORMING PART OF THE ACCOUNTS**

|   | As at<br>March 31, 2011 | As at<br>March 31, 2010 |
|---|-------------------------|-------------------------|
| (₹ crore)   |                         |                         |
| <b>SCHEDULE - I</b>   |                         |                         |
| <b>SHARE CAPITAL</b>  |                         |                         |
| <b>AUTHORISED</b>   |                         |                         |
| 150,00,00,000 (Previous Year - 150,00,00,000) Equity Shares of ₹ 10/- each  | <b>1,500.00</b>         | 1,500.00                |
| 150,00,00,000 (Previous Year - 150,00,00,000) Cumulative Redeemable Preference Shares of ₹ 10/- each  | <b>1,500.00</b>         | 1,500.00                |
|   | <b>3,000.00</b>         | <b>3,000.00</b>         |
| <b>ISSUED</b>   |                         |                         |
| 80,50,84,785 (Previous Year - 80,50,84,785) Equity Shares of ₹ 10/- each  | <b>805.08</b>           | 805.08                  |
| 26,38,43,100 (Previous Year - 26,38,43,100) Cumulative Redeemable Preference Shares of ₹ 10/- each  | <b>263.84</b>           | 263.84                  |
| <b>SUBSCRIBED</b>   |                         |                         |
| 73,91,54,031 (Previous Year - 73,91,54,031) Equity Shares of ₹ 10/- each  | <b>739.15</b>           | 739.15                  |
| 26,38,43,100 (Previous Year - 26,38,43,100) Cumulative Redeemable Preference Shares of ₹ 10/- each  | <b>263.84</b>           | 263.84                  |
| <b>PAID UP</b>  |                         |                         |
| <b>(A) EQUITY</b>   |                         |                         |
| 73,78,37,331 (Previous Year - 73,78,37,331) Equity Shares of ₹ 10/- each @  | <b>737.84</b>           | 737.84                  |
| <b>TOTAL (A)</b>  | <b>737.84</b>           | <b>737.84</b>           |
| <b>(B) PREFERENCE</b>   |                         |                         |
| 1. 26,38,43,100 (Previous Year - 26,38,43,100) 0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each (Redeemable at par on 02.08.2017 - ₹ 38.84 crore, on 15.09.2018 - ₹ 93.00 crore, on 17.09.2018 - ₹ 50.00 crore, on 31.03.2019 - ₹ 30.00 crore, on 31.10.2020 - ₹ 2.00 crore, on 01.03.2021 - ₹ 10.00 crore, on 02.03.2021 - ₹ 30.00 crore, on 03.03.2021 - ₹ 8.00 crore and on 31.03.2021 - ₹ 2.00 crore) | <b>263.84</b>           | 263.84                  |
| <b>TOTAL (B)</b>  | <b>263.84</b>           | 263.84                  |
| <b>TOTAL (A + B)</b>  | <b>1,001.68</b>         | <b>1,001.68</b>         |

@ Of the above 20,25,00,000 (Previous Year - 20,25,00,000) Equity Shares of ₹ 10/- each have been allotted as fully paid up, without payment being received in cash, in exchange for shares of the erstwhile Industrial Finance Corporation of India.

|   | As at<br>April 1,<br>2010 | Additions/<br>Transfers<br>during the year# | Deduction/<br>Transfers<br>during the year | As at<br>March 31,<br>2011 |
|---|---------------------------|---|--|----------------------------|
| (₹ crore)   |                           |   |  |                            |
| <b>SCHEDULE - II</b>  |                           |   |  |                            |
| <b>RESERVES AND SURPLUS</b>   |                           |   |  |                            |
| (A) Capital Reserve   | 0.86                      | 0.03  | -  | <b>0.89</b>                |
| (B) Capital Reserve on consolidation                                      | 1.66                      | 2.54  | -  | <b>4.20</b>                |
| (C) Capital Redemption Reserve  | 193.08                    | 0.06  | -  | <b>193.14</b>              |
| (D) Debenture Redemption Reserve  | 5.00                      | -   | -  | <b>5.00</b>                |
| (E) Grant received from Government of India under KfW Loans               | 184.48                    | -   | -  | <b>184.48</b>              |
| (F) Securities Premium Account  | 1,032.80                  | 8.28  | -  | <b>1,041.08</b>            |
| (G) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 |                           |   |  |                            |
| - For the period upto 31.03.1997  | 1.74                      | -   | -  | 1.74                       |
| - After 01.04.1997  | 10.00                     | 10.00                                       | -  | <b>20.00</b>               |
| (H) Statutory Reserve   | -                         | 0.12  | -  | <b>0.12</b>                |
| (I) Reserve u/s 45IC of RBI Act   | 309.63                    | 145.27                                      | -  | <b>454.90</b>              |
| (J) Revaluation Reserve   | 1,194.32                  | -   | 216.32                                     | <b>978.00</b>              |
| (K) Benevolent Reserve  | 4.11                      | -   | -  | <b>4.11</b>                |
| (L) General Reserve   | 131.29                    | 0.25 @                                      | -  | <b>131.54</b>              |
| (M) Profit & Loss Account   | 694.40                    | 756.97                                      | 251.60                                     | <b>1,199.77</b>            |
| <b>TOTAL</b>  | <b>3,763.37</b>           | <b>923.52</b>                               | <b>467.92</b>                              | <b>4,218.97</b>            |
| Less: Minority Interest   |                           |   |  | <b>4.53</b>                |
| Less: Share of pre-acquisition reserves in Subsidiary Companies           |                           |   |  | <b>14.89</b>               |
|   |                           |   |  | <b>4,199.55</b>            |
| Previous Year   | 2,695.36                  | 1,694.10                                    | 626.09                                     | <b>3,763.37</b>            |
| Less: Minority Interests in Reserves and Surplus                          |                           |   |  | <b>4.09</b>                |
| Less: Share of pre-acquisition reserves in Subsidiary Companies           |                           |   |  | <b>6.10</b>                |
|   |                           |   |  | <b>3,753.18</b>            |

# Includes accumulated reserves as on 01.04. 2010 of entities that became subsidiaries during the year (Ambitious Realtors Pvt Ltd, Narayan Sriram Investment Pvt Ltd)

@ Includes amount on account of consolidation

| SCHEDULE - III<br>UNSECURED LOANS - RUPEE   | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|---|-------------------------|--------------------------------------|
| <b>(A) OPTIONALLY CONVERTIBLE DEBENTURES</b>  |                         |                                      |
| (i) 9.75% Govt. of India - Redeemable on 30.10.2021   | 400.00                  | 400.00                               |
| SUB - TOTAL 'A'   | <u>400.00</u>           | <u>400.00</u>                        |
| <b>(B) NON-CONVERTIBLE DEBENTURES (NCDs)</b>  |                         |                                      |
| (i) 6.00% LIC - Redeemable on 28.12.2021  | 200.00                  | 200.00                               |
| (ii) 6.00% SBI - Redeemable on 25.01.2022   | 200.00                  | 200.00                               |
| (iii) 0.00% LIC - Redeemable on 01.04.2022  | 418.19                  | 418.19                               |
| SUB-TOTAL 'B'   | <u>818.19</u>           | <u>818.19</u>                        |
| <b>(C) BONDS</b>  |                         |                                      |
| (a) <b>Guaranteed by Government of India and redeemable at par</b>  |                         |                                      |
| 11.50% Bonds: ₹ 180 crore on 26.06.2010, ₹ 150 crore on 24.09.2010,<br>₹ 70 crore on 26.12.2010 and ₹ 180 crore on 19.08.2011   | 180.00                  | 580.00                               |
| 12.00% Bonds: Redemption – ₹ 200 crore on 13.01.2012 and ₹ 60 crore on 03.03.2012   | 260.00                  | 260.00                               |
| 7.79% Bonds: Redemption – 27.05.2012  | 102.21                  | 102.21                               |
| 6.46% Bonds: Redemption – 24.11.2012  | 179.77                  | 179.77                               |
| 6.29% Bonds: Redemption – 17.02.2013  | 15.43                   | 15.43                                |
| 7.23% Bonds: Redemption – 01.04.2012  | 25.87                   | 25.87                                |
| 5.30% Bonds: Redemption – 24.09.2013  | 195.50                  | 195.50                               |
| 8.41% Bonds: Redemption – 14.06.2018  | 133.85                  | 133.85                               |
| 7.89% Bonds: Redemption – 14.09.2017  | 176.86                  | 176.86                               |
| 7.96% Bonds: Redemption – 08.10.2017  | 176.43                  | 176.43                               |
| 7.50% Bonds: Redemption – 28.01.2018  | 9.40                    | 9.40                                 |
| 6.07% Bonds: Redemption – 13.12.2018  | 146.20                  | 146.20                               |
| 6.02% Bonds: Redemption – 28.02.2019  | 26.12                   | 26.12                                |
| 6.70% Bonds: Redemption – 30.05.2019  | 153.40                  | 153.40                               |
| 7.07% Bonds: Redemption – 19.09.2019  | 99.41                   | 99.41                                |
| 7.69% Bonds: Redemption – 26.12.2019  | 58.39                   | 58.39                                |
| 7.65% Bonds: Redemption – 26.06.2020  | 163.82                  | –                                    |
| 7.87% Bonds: Redemption – 24.09.2020  | 110.70                  | –                                    |
| 7.90% Bonds: Redemption – 26.12.2020  | 56.85                   | –                                    |
| SUB-TOTAL 'C' (a)   | <u>2,270.21</u>         | <u>2,338.84</u>                      |
| (b) <b>Other Bonds</b>  |                         |                                      |
| (i) Privately Placed Bonds carrying maturity of One to Twenty years from date of placement<br>Put option applicable on ₹ 1,096.55 crore                               | 6,189.01                | 4,706.37                             |
| (ii) Privately Placed Zero Coupon Bonds carrying maturity of 10 years from the date of issue<br>Unamortised discount of ₹ 929.63 crore (Previous Year - ₹ 0.11 crore) | 107.88                  | 0.67                                 |
| SUB-TOTAL 'C' (b)   | <u>6,296.89</u>         | <u>4,707.04</u>                      |
| <b>(D) OTHER BORROWINGS</b>   |                         |                                      |
| (a) <b>Long Term</b>  |                         |                                      |
| (i) Government of India under restructuring (to be issued in the form of 0.1%<br>Optionally Convertible Debentures) @   | 523.00                  | 523.00                               |
| (ii) Banks & Financial Institutions (put/call option applicable on ₹ 1,741.66 crore)  | 8,166.67                | 3,975.00                             |
| (iii) Under Interest Differential Fund  | 23.13                   | 23.13                                |
| (iv) Interest accrued and due on (iii) above  | 26.19                   | 23.24                                |
| (v) Others  | 75.57                   | 114.22                               |
| (b) <b>Short Term</b>   |                         |                                      |
| Bank Overdraft (includes ₹ Nil (Previous Year - ₹ 18.56 crore secured against FDRs)   | 54.35                   | –                                    |
| SUB-TOTAL 'D'   | <u>8,814.56</u>         | <u>4,712.94</u>                      |
| @ Refer Note No. 7(a) & (b)   |                         |                                      |
| <b>(E) FUNDS PLACED WITH THE CORPORATION</b>  |                         |                                      |
| (a) Jute Development Fund (placed by Government of India)   | 3.95                    | 3.87                                 |
| (b) Employees' Provident Fund   | 34.70                   | 27.58                                |
| (c) Staff Welfare Fund  | 4.16                    | 4.21                                 |
| (d) Corporate Social Responsibility Fund  | 10.06                   | –                                    |
| SUB-TOTAL 'E'   | <u>52.87</u>            | <u>35.66</u>                         |
| <b>TOTAL RUPEE LOAN - UNSECURED {(A+B+C(a)+C(b)+D+E)}</b>   | <u>18,652.72</u>        | <u>13,012.67</u>                     |
| Bonds, Debentures and Borrowings repayable within one year  | <u>1,748.88</u>         | <u>1,511.28</u>                      |

**SCHEDULE - IV**

|   | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|---|-------------------------|--------------------------------------|
| <b>SECURED LOANS - RUPEE</b>  |                         |                                      |
| From Banks  |                         |                                      |
| - Term Loan   | 480.13                  | 70.97                                |
| - Cash credit   | 75.22                   | 25.99                                |
| Interest accrued & due  | 0.86                    | -                                    |
| <b>TOTAL RUPEE LOANS - SECURED</b>  | <b>556.21</b>           | <b>96.96</b>                         |
| Bonds, Debentures and Borrowings repayable within one year  | 386.50                  | 70.97                                |
| (i) Loan from Banks includes ₹ 48.50 crore (Previous Year - ₹ Nil) secured by hypothecation of specific book-debts of IFCI Venture Capital Funds Ltd to extent of ₹ 50.00 crore |                         |                                      |
| (ii) Other term loan from Banks and Cash Credit is secured by pari passu charge on receivables of IFCI Factors Ltd by way of hypothecation                                      |                         |                                      |
| <b>TOTAL RUPEE LOAN</b>   | <b>19,208.93</b>        | <b>13,109.63</b>                     |
| <b>UNSECURED LOANS - FOREIGN CURRENCIES<br/>BORROWINGS (Long Term)</b>  |                         |                                      |
| (A) Loans Guaranteed by Government of India   |                         |                                      |
| - Lines of Credit (Kreditanstalt-fur-Wiederaufbau)  | 526.85                  | 523.82                               |
| (B) Other Unsecured Loans   |                         |                                      |
| - Lines of Credit   | -                       | 10.37                                |
| <b>TOTAL</b>  | <b>526.85</b>           | <b>534.19</b>                        |
| Loans repayable within one year   | 22.35                   | 31.69                                |

**SCHEDULE - V**
**FIXED ASSETS**

| PARTICULARS                                    | GROSS BLOCK         |           |                          |                     | DEPRECIATION        |                 |                          |                     | NET BLOCK           |                     |
|--|---------------------|-----------|--------------------------|---------------------|---------------------|-----------------|--------------------------|---------------------|---------------------|---------------------|
|  | As at<br>01.04.2010 | Additions | Deductions/<br>Transfers | As at<br>31.03.2011 | As at<br>01.04.2010 | For the<br>year | Deductions/<br>Transfers | As at<br>31.03.2011 | As at<br>31.03.2011 | As at<br>31.03.2010 |
|  | Freehold Land @     | 166.32    | 0.03                     | 34.98               | 131.37              | -               | -                        | -                   | -                   | -                   |
| Leasehold Land @                               | 460.45              | -         | 161.48                   | 298.97              | 15.31               | 8.17            | 3.23                     | 20.25               | 278.72              | 445.14              |
| Plant & Machinery                              | 6.29                | 4.46      | -                        | 10.75               | 3.73                | 0.93            | -                        | 4.66                | -                   | 2.56                |
| Buildings @                                    | 876.14              | 20.50     | 6.52                     | 890.12              | 71.44               | 18.41           | 2.27                     | 87.58               | -                   | 804.70              |
| Furniture & Fixtures \$                        | 15.89               | 3.91      | 4.18                     | 15.62               | 7.11                | 2.25            | 3.49                     | 5.87                | 9.75                | 8.78                |
| Office Equipments                              | 22.58               | 3.74      | 3.45                     | 22.87               | 14.04               | 3.57            | 3.19                     | 14.42               | 8.45                | 8.54                |
| Electrical Installations<br>and Equipments     | 20.46               | 8.59      | 4.56                     | 24.49               | 6.70                | 2.38            | 3.01                     | 6.07                | 18.42               | 13.76               |
| Vehicles                                       | 3.25                | 0.66      | 0.24                     | 3.67                | 1.24                | 0.66            | 0.12                     | 1.78                | 1.89                | 2.01                |
| Leased Assets - Plant<br>& Machinery           | 251.00              | -         | 33.68                    | 217.32              | 251.00              | -               | 33.68                    | 181.17 *            | 36.15               | 57.79               |
| Intangible Assets                              | 1.31                | -         | -                        | 1.31                | 0.44                | 0.44            | -                        | 0.88                | 0.43                | 0.87                |
| <b>TOTAL</b>                                   | 1,823.69            | 41.89     | 249.09                   | 1,616.49            | 371.01              | 36.81           | 48.99                    | 322.68              | 353.81              | 1,344.15            |
| Capital work-in-progress<br>including advances | 54.01               | 92.43     | 8.97                     | 137.47              |                     |                 |                          |                     | 137.47              | 54.01               |
| <b>GRAND TOTAL</b>                             | 1,877.70            | 134.32    | 258.06                   | 1,753.96            | 371.01              | 36.81           | 48.99                    | 322.68              | 491.28              | 1,398.16            |
| Previous Year                                  | 1,189.05            | 771.81    | 83.16                    | 1,877.70            | 364.02              | 20.69           | 13.70                    | 313.22              | 1,564.48            |                     |

\$ Gross Block includes Art Works - ₹ 1.75 crore

\* Leased Assets (Accumulated Depreciation) is net of ₹ 36.15 crore on account of Lease Adjustment (Previous Year - ₹ 57.79 crore)

@ includes on account of revaluation:

- Freehold Land - Gross Block as on 01.04.2010 - ₹ 104.05 crore; Additions - ₹ Nil.; Deductions - ₹ 34.14 crore; as on 31.03.2011 - ₹ 69.91 crore
- Leasehold Land - Gross Block as on 01.04.2010 - ₹ 438.84 crore; Additions - ₹ Nil.; Deductions/Adjustments - ₹ 161.48 crore; as on 31.03.2011 - ₹ 277.36 crore; Depreciation for the year - ₹ 7.91 crore (Previous Year - ₹ 3.01 crore)
- Building - Gross Block as on 01.04.2010 - ₹ 689.07 crore; Additions - ₹ Nil.; Deductions - ₹ 1.66 crore; as on 31.03.2011 - ₹ 687.41 crore; Depreciation for the year - ₹ 14.38 crore (Previous Year - ₹ 6.41 crore)

**SCHEDULE - VI**
**INVESTMENTS (TRADE)**
**(1) LONG TERM**
**(A) QUOTED**
**1. Equity Shares**
**(a) Associates**

Tourism Finance Corporation of India Ltd

Add : Capital Reserve on new acquisition

Add : Share of accumulated profits

[including share of current year's profit ₹ 8.13 crore (Previous Year - ₹ 10.17 crore)]

**(b) Assistance under financing**
**(c) Others**
**2. Bonds**
**3. UTI Balance Fund**

|          | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|----------|-------------------------|--------------------------------------|
| 75.25    | 75.25                   | 61.39                                |
| 4.00     | 4.00                    | 1.46                                 |
| 50.65    | 50.65                   | 42.52                                |
| 129.90   | 129.90                  | 105.37                               |
| 632.60   | 632.60                  | 676.12                               |
| 371.30   | 371.30                  | 177.70                               |
| 1,133.80 | 1,133.80                | 959.19                               |
| 230.53   | 230.53                  | 230.79                               |
| 0.51     | 0.51                    | 0.51                                 |



## SCHEDULE - VI (Contd.)

(₹crore)

|  | As at<br>March 31, 2011 | As at<br>March 31, 2010 |
|--|-------------------------|-------------------------|
| <b>B. UNQUOTED</b>   |                         |                         |
| (a) <b>Associates</b>  |                         |                         |
| (i) Assts Care & Reconstruction Enterprise Ltd   | 7.33                    | 7.33                    |
| (ii) IFCI Factors Ltd  | -                       | -                       |
| Add : Share of accumulated profits<br>[including share of current year's profit ₹ 3.03 crore (Previous Year - ₹ 0.34 crore)] | 4.51                    | 1.48                    |
|  | <b>11.84</b>            | <b>8.81</b>             |
| (iii) Himachal Consultancy Organisation Ltd  | 0.07                    | 0.07                    |
| Add : Share of accumulated profits<br>[including share in current year's profit ₹ 0.02 crore (Previous Year - ₹ 0.20 crore)] | 0.54                    | 0.52                    |
|  | <b>0.61</b>             | <b>0.59</b>             |
| (iv) HARDICON Ltd  | 0.03                    | 0.03                    |
| Add : Share of accumulated profits<br>[including share in current year's profit ₹ 0.13 crore (Previous Year - ₹ 0.10 crore)] | 0.34                    | 0.21                    |
|  | <b>0.37</b>             | <b>0.24</b>             |
| (v) North India Technical Consultancy Organisation Ltd   | 0.13                    | 0.13                    |
| Add : Capital Reserve on a/c of fresh investment   | 0.20                    | 0.20                    |
| Add : Share of accumulated profits<br>[including share in current year's profit ₹ 0.07 crore (Previous Year - ₹ 0.02 crore)] | 0.22                    | 0.15                    |
|  | <b>0.55</b>             | <b>0.48</b>             |
| (b) <b>Assistance under financing</b>  | <b>1,716.01</b>         | <b>1015.77</b>          |
| (c) <b>Others</b>  | <b>307.78</b>           | <b>486.03</b>           |
| <b>2. Preference Shares</b>  | <b>489.93</b>           | <b>480.30</b>           |
| <b>3. Debentures/Bonds</b>   | <b>1,658.10</b>         | <b>861.93</b>           |
| <b>4. Security Receipts</b>  | <b>96.78</b>            | <b>133.93</b>           |
| <b>5. Warrants</b>   | <b>0.06</b>             | <b>-</b>                |
| <b>6. Government Securities</b>  | <b>400.01</b>           | <b>400.01</b>           |
| <b>7. Mutual Funds/Venture Capital Funds</b>   | <b>234.92</b>           | <b>163.96</b>           |
| <b>TOTAL LONG TERM</b>   | <b>6,281.80</b>         | <b>4,742.54</b>         |
| <b>(2) CURRENT</b>   |                         |                         |
| <b>A. QUOTED</b>   |                         |                         |
| (a) Equity Shares  | 4.72                    | 42.21                   |
| (b) Government Securities  | -                       | 66.95                   |
| (c) Investment in Mutual Funds   | 22.90                   | 126.50                  |
| <b>B. UNQUOTED</b>   |                         |                         |
| (a) Corporate Bonds  | 50.85                   | 216.98                  |
| (b) Commercial Paper   | 205.26                  | 138.78                  |
| (c) Certificate of Deposit   | 1227.44                 | 761.12                  |
| <b>TOTAL CURRENT</b>   | <b>1,511.17</b>         | <b>1,352.54</b>         |
| <b>(3) APPLICATION MONEY</b>   |                         |                         |
| (a) Equity shares  |                         |                         |
| (i) Subsidiaries   |                         |                         |
| - IFCI Financial Services Ltd.   | 0.02                    | 0.02                    |
| (ii) Others  | 159.16                  | 57.25                   |
| (b) Preference shares  | 15.61                   | 15.61                   |
| (c) Debentures   | -                       | -                       |
| <b>TOTAL APPLICATION MONEY</b>   | <b>174.79</b>           | <b>72.88</b>            |
| <b>TOTAL</b>   | <b>7,967.76</b>         | <b>6,167.96</b>         |
| Less: Provision for Diminution in the value of Investments   | <b>641.44</b>           | <b>708.09</b>           |
| Long Term  | <b>640.74</b>           | <b>706.54</b>           |
| Current - Mark to Market   | <b>0.70</b>             | <b>1.55</b>             |
| <b>TOTAL</b>   | <b>7,326.32</b>         | <b>5,459.87</b>         |
| <b>QUOTED</b>  |                         |                         |
| (1) Total Book Value   | <b>1,392.46</b>         | <b>1,426.15</b>         |
| - Equity Shares  | <b>1,138.52</b>         | <b>1,001.40</b>         |
| - Others   | <b>253.94</b>           | <b>424.75</b>           |
| (2) Total Market Value   | <b>1,933.54</b>         | <b>1,469.67</b>         |
| - Equity Shares  | <b>1,491.84</b>         | <b>684.68</b>           |
| - Others   | <b>441.70</b>           | <b>784.99</b>           |
| <b>UNQUOTED</b>  |                         |                         |
| (1) Total Book Value   | <b>6,575.30</b>         | <b>4,741.81</b>         |
| - Equity Shares  | <b>2,037.16</b>         | <b>1,511.92</b>         |
| - Preference Shares  | <b>489.93</b>           | <b>480.30</b>           |
| - Others   | <b>4,048.21</b>         | <b>2,749.59</b>         |

Note: The above balances include:

- Investments include ₹ 99.50 crore (Previous Year - ₹ 33.31 crore) in respect of equity shares which are subject to a lock-in period
- Investments include ₹ 5.00 crore (Previous Year - ₹ 6.90 crore) in respect of equity shares which are subject to restrictive covenants
- ₹ 31.02 crore (Previous Year - ₹ 20.19 crore) in equity/mutual funds units under Portfolio Management Scheme of subsidiary

|  | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|--|-------------------------|--------------------------------------|
| <b>SCHEDULE - VII</b>  |                         |                                      |
| <b>SUNDRY DEBTORS</b>  |                         |                                      |
| (a) <b>LEASE RENTAL RECEIVABLE</b>   |                         |                                      |
| - Less than Six Months   | -                       | -                                    |
| - Over than Six Months   | 8.28                    | 8.25                                 |
| Less: Provision  | (8.28)                  | (8.25)                               |
| (b) <b>OTHERS</b>  |                         |                                      |
| - Less than Six Months   | 850.22                  | 425.09                               |
| - Over than Six Months   | 67.73                   | 62.50                                |
| Less: Provision  | (3.12)                  | (2.78)                               |
| <b>TOTAL</b>   | <b>914.83</b>           | <b>484.81</b>                        |
| <b>Note :</b> Out of the above   |                         |                                      |
| (i) Considered good  | 914.83                  | 484.81                               |
| (ii) Considered doubtful   | 11.40                   | 11.03                                |
| <b>TOTAL</b>   | <b>926.23</b>           | <b>495.84</b>                        |
| <b>SCHEDULE - VIII</b>   |                         |                                      |
| <b>CASH &amp; BANK BALANCES</b>  |                         |                                      |
| (a) Cash in hand (including postage stamps)  | 0.05                    | 0.03                                 |
| (b) Cheques on hand & under collection & remittances in transit                        | 2.15                    | 2.22                                 |
| (c) Balances with Reserve Bank of India  |                         |                                      |
| - Current Account  | 0.04                    | 0.04                                 |
| (d) Balances with Scheduled Banks  |                         |                                      |
| - Current Account in India   | 66.98                   | 29.70                                |
| - Unclaimed Dividend Account (Contra)  | 3.79                    | -                                    |
| - Deposit Account in India   | 523.33                  | 100.44                               |
| - Current Account outside India  | 18.77                   | 8.13                                 |
| <b>TOTAL</b>   | <b>615.11</b>           | <b>140.56</b>                        |
| <b>SCHEDULE - IX</b>   |                         |                                      |
| <b>OTHER CURRENT ASSETS</b>  |                         |                                      |
| (a) Accrued Income   |                         |                                      |
| (i) Interest and commitment charges on loans   | 84.85                   | 53.55                                |
| (ii) Interest on Investments   | 119.76                  | 101.11                               |
| (iii) Other Income   | 42.49                   | 33.68                                |
| (b) Assets acquired in settlement of dues & held for sale                              | 0.07                    | 0.07                                 |
| (c) Stock-in-Trade   | 234.77                  | 165.39                               |
| <b>TOTAL</b>   | <b>481.94</b>           | <b>353.80</b>                        |
| <b>SCHEDULE - X</b>  |                         |                                      |
| <b>LOANS</b>   |                         |                                      |
| (a) <b>ASSISTED CONCERNS</b>   |                         |                                      |
| (i) In Rupees and Foreign Currencies   | 16,053.72               | 12,339.96                            |
| (ii) Advance for Assets  | 134.30                  | 83.89                                |
| (b) <b>LOAN TO ASSOCIATES</b>  | 62.57                   | 2.75                                 |
| (c) <b>OTHER INSTITUTIONS</b>  | 0.06                    | 0.06                                 |
|  | 16,250.65               | 12,426.66                            |
| Less: Provision for bad and doubtful loans   | 1,779.96                | 2,376.68                             |
| <b>TOTAL</b>   | <b>14,470.69</b>        | <b>10,049.98</b>                     |
| <b>Notes:</b> (1) The above amounts include interest and other charges accrued and due |                         |                                      |
| (2) Classification of Loans  |                         |                                      |
| (i) Secured by Assets  | 8,553.66                | 9,015.50                             |
| (ii) Guaranteed by Central/State Governments   | 1.77                    | 1.77                                 |
| (iii) Against Promissory Notes and Usance Bills accepted/Guaranteed by Banks           | 197.04                  | 47.04                                |
| (iv) Against pledge of shares  | 7,401.09                | 3,262.12                             |
| (v) Unsecured  | 97.09                   | 100.23                               |
|  | 16,250.65               | 12,426.66                            |
| <b>Note:</b> Out of the above  |                         |                                      |
| (i) Considered good  | 14,470.69               | 10,049.98                            |
| (ii) Considered doubtful   | 1,779.96                | 2,376.68                             |
|  | 16,250.65               | 12,426.66                            |

|  | As at<br>March 31, 2011 | (₹ crore)<br>As at<br>March 31, 2010 |
|--|-------------------------|--------------------------------------|
| <b>SCHEDULE - XI</b>   |                         |                                      |
| <b>OTHER LOANS &amp; ADVANCES</b>  |                         |                                      |
| (a) Advance Tax paid (net of provisions)   |                         |                                      |
| (i) Income Tax   | 186.14                  | 174.23                               |
| (ii) Interest Tax  | 6.30                    | 6.30                                 |
| (b) MAT Credit Entitlement   | 186.97                  | 186.97                               |
| (c) Other Loans and Advances   |                         |                                      |
| (i) Secured  | 15.72                   | 13.36                                |
| (ii) Unsecured   |                         |                                      |
| - Considered good  | 110.01                  | 39.66                                |
| - Considered doubtful  | 1.00                    | 1.00                                 |
| Less: Provision for doubtful debts   | (1.00)                  | (1.00)                               |
| (d) Sundry Deposits  | 17.69                   | 15.09                                |
| (e) Forward Deal Suspense  | 13.40                   | -                                    |
| (f) Pre-paid Expenses  | 1.50                    | 1.57                                 |
| <b>TOTAL</b>   | <b>537.73</b>           | <b>437.18</b>                        |
| <b>SCHEDULE - XII</b>  |                         |                                      |
| <b>CURRENT LIABILITIES</b>   |                         |                                      |
| (a) Interest accrued but not due on bonds and borrowings   | 450.32                  | 382.35                               |
| (b) Sundry Creditors   |                         |                                      |
| (i) Total outstanding dues to Micro and Small Enterprises  | -                       | -                                    |
| (ii) Total outstanding dues of creditors other than Micro and Small Enterprises                              | 349.53                  | 65.82                                |
| (c) Advance Receipts   | 5.68                    | 2.24                                 |
| (d) Other Liabilities  | 499.33                  | 373.04                               |
| (e) Items covered by Investor Education and Protection Fund* (to be credited by the following amounts)       |                         |                                      |
| (i) Unclaimed Dividend - (contra)  | 3.79                    | -                                    |
| (i) Unpaid Matured Debentures  | 4.56                    | 92.24                                |
| (ii) Interest accrued on above   | 0.69                    | 2.91                                 |
| <b>TOTAL</b>   | <b>1,313.90</b>         | <b>918.60</b>                        |
| * As on 31.03.2011, no amount was due and outstanding for transfer to Investor Education and Protection Fund |                         |                                      |
| <b>SCHEDULE - XIII</b>   |                         |                                      |
| <b>PROVISIONS</b>  |                         |                                      |
| (a) Assets   | 519.91                  | 508.20                               |
| (b) Employee Benefits  | 19.41                   | 13.25                                |
| (c) Proposed Dividend  | 73.78                   | 73.78                                |
| (d) Corporate Dividend Tax   | 11.97                   | 12.30                                |
| <b>TOTAL</b>   | <b>625.07</b>           | <b>607.53</b>                        |
| <b>SCHEDULE - XIV</b>  |                         |                                      |
| <b>MISCELLANEOUS EXPENDITURE</b>   |                         |                                      |
| <b>(to the extent not written off or adjusted)</b>   |                         |                                      |
| Preliminary Expenditure  | 0.02                    | 0.02                                 |
| <b>TOTAL</b>   | <b>0.02</b>             | <b>0.02</b>                          |
| <b>SCHEDULE - XV</b>   |                         |                                      |
| <b>INCOME FROM OPERATIONS</b>  |                         |                                      |
| (a) On Lending Operations (including funded interest)  | 1,755.31                | 1,027.80                             |
| (b) On Investment Operations   |                         |                                      |
| (i) Dividend (Gross)   |                         |                                      |
| - Long Term  | 32.92                   | 63.61                                |
| - Current  | 0.74                    | 0.47                                 |
| (ii) Interest (Gross)  | 195.76                  | 126.50                               |
| (iii) Profit on sale of Shares/Units/Debentures (Net)  |                         |                                      |
| - Assistance Under Financing - Long Term   | 304.23                  | 307.83                               |
| - Investments - Long Term  | 34.73                   | 28.05                                |
| - Investments - Current  | 24.81                   | 20.00                                |
| (c) Leasing Operations   |                         |                                      |
| (i) Lease Rentals etc.   | 27.58                   | 8.62                                 |
| (ii) Lease Equalisation Account  | (21.65)                 | (17.47)                              |
| (d) Business Services Fee and Commission (Including Guarantee Commission)                                    | 79.63                   | 86.15                                |
| (e) Income from deployment of funds  | 66.49                   | 70.08                                |
| (f) Exchange Fluctuation Gains/(Loss)  | (1.22)                  | 1.39                                 |
| (g) Provision/Write off/Liability no longer required written back  | 48.16                   | 0.29                                 |
| (h) Sale proceeds of stock in trade  | 19.34                   | 20.13                                |
| <b>TOTAL</b>   | <b>2,566.83</b>         | <b>1,743.45</b>                      |
| Note: Income Tax deducted at source from Interest etc.   | 32.46                   | 24.22                                |
| <b>SCHEDULE - XVI</b>  |                         |                                      |
| <b>OTHER INCOME</b>  |                         |                                      |
| (a) Interest on staff advances   | 2.57                    | 0.58                                 |
| (b) Profit on sale of fixed assets (Net)   | 34.09                   | (3.92)                               |
| (c) Rental Income  | 22.95                   | 18.55                                |
| (d) Miscellaneous Income   | 4.07                    | 2.23                                 |
| <b>TOTAL</b>   | <b>63.68</b>            | <b>17.44</b>                         |

|   | For the year ended<br>March 31, 2011 | (₹ crore)<br>For the year ended<br>March 31, 2010 |
|---|--------------------------------------|---|
| <b>SCHEDULE - XVII</b>  |                                      |   |
| <b>COST OF BORROWINGS</b>   |                                      |   |
| (a) Fixed   |                                      |   |
| (i) Interest on SLR Bonds   | 191.26                               | 213.89  |
| (ii) Interest on other Bonds and Borrowings                         | 1108.34                              | 654.82  |
| (iii) Interest on Foreign Currency Borrowings                       | 10.72                                | 12.87   |
| (b) Others  |                                      |   |
| (i) Interest on Bank Overdraft                                      | 0.95                                 | 1.28  |
| (ii) Interest on funds placed with the Company                      | 6.02                                 | 2.49  |
| (iii) Commitment Charges, Brokerage, Commission and other costs     | 13.00                                | 3.70  |
| <b>TOTAL</b>  | <b>1,330.29</b>                      | <b>889.05</b>                                     |
| <b>SCHEDULE - XVIII</b>   |                                      |   |
| <b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>                     |                                      |   |
| (a) Salaries and Allowances*  | 65.05                                | 46.05   |
| (b) Contribution to Retirement Funds#                               | 19.16                                | 22.29   |
| (c) Staff Welfare Expenses  | 3.73                                 | 2.87  |
| <b>TOTAL</b>  | <b>87.94</b>                         | <b>71.21</b>                                      |
| * includes Leave Encashment   | 7.46                                 | 5.64  |
| # includes  |                                      |   |
| – Gratuity  | 1.05                                 | 1.31  |
| – Annuity for DA relief/restoration of commuted pension to retirees | 12.10                                | 16.02   |
| <b>SCHEDULE - XIX</b>   |                                      |   |
| <b>ESTABLISHMENT AND OTHER EXPENSES</b>                             |                                      |   |
| (a) Rent  | 2.06                                 | 1.09  |
| (b) Rates and Taxes   | 3.28                                 | 3.07  |
| (c) Insurance   | 0.55                                 | 0.30  |
| (d) Repairs and Maintenance   |                                      |   |
| – Buildings   | 17.82                                | 14.91   |
| – Others  | 1.30                                 | 1.07  |
| (e) Electricity   | 3.76                                 | 3.93  |
| (f) Auditors' Remuneration  | 0.32                                 | 0.29  |
| (g) Directors' Fee  | 0.08                                 | 0.08  |
| (h) Advertisement   | 9.73                                 | 5.12  |
| (i) Consultation and Law Charges                                    | 14.08                                | 9.22  |
| (j) Brokerage/Commission/STT  | 5.78                                 | 3.22  |
| (k) Travelling & Conveyance   | 5.67                                 | 3.77  |
| (l) Training & Development  | 4.03                                 | 3.03  |
| (m) Postage & Telephone   | 2.42                                 | 2.32  |
| (n) Other Miscellaneous Expenses                                    | 27.10                                | 17.24   |
| <b>TOTAL</b>  | <b>97.98</b>                         | <b>68.66</b>                                      |

## SCHEDULE - XX

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### (A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared on historical basis and conform in all material aspects to Generally Accepted Accounting Principles in India which encompasses applicable statutory provisions, regulatory framework and Accounting Standards. The Company adopts the accrual concept in the preparation of accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

##### 2. REVENUE RECOGNITION

- 2(a) Income on Non-Performing Assets (NPAs) is recognized, as and when received.
- 2(b) Front-end fee, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on realization basis.
- 2(c) Dividends declared by the respective companies till the close of the accounting period are accounted for as income, once the right to receive is established.
- 2(d) Rental on leased assets is accounted for from the commencement date, as prescribed in the lease agreement entered with the lessees. In respect of lease transactions commenced on/or before 31.03.2001, income from leases (except in case of Non-Performing Assets) is recognized on the basis of implicit rate in the lease to the net investment outstanding on the lease over the primary lease period.
- 2(e) The front-end fee/underwriting commission/commitment fee received in respect of devolvement of underwriting and direct subscription is reduced from the cost of related investments.
- 2(f) Surplus on sale of investments is net of losses thereon.

- 2(g) Broking Income is recognised on the basis of settlement date of transactions.
- 2(h) Interest earned on fixed income bearing securities is accounted for on accrual basis.
- 2(i) Income from Merchant Banking/Loan Syndication Fee is recognized when the right to receive the income is established.
- 2(j) Depository Services incomes are recognised on the basis of agreements entered into with clients and when the right to receive the income is established.
- 2(k) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal agent.
- 2(l) Commission from selling of Mutual Funds is accounted for on accrual basis.
- 2(m) Fee income from Portfolio Management and advisory services is recognized on accrual basis.
- 2(n) Units generated from windmills are sold to the Tamil Nadu Electricity Board (TNEB) at agreed rates and the income is included in the value of power generated from windmills.
- 2(o) Income by way of fee for project advisory and execution services is recorded on the accrual basis as per services rendered pursuant to the specific agreements.
- 2(p) Revenue from real estate development of constructed properties is recognised based on the "percentage of completion method". Sale consideration as per the legally enforceable Agreements to Sell entered into is recognised as revenue based on the percentage of actual project costs incurred to total estimated project cost, subject to following:
  - (i) Actual cost incurred is not less than 30 percent of the total estimated project cost.
  - (ii) No significant uncertainty exists regarding receipt of consideration from the customers.
  - (iii) In case of overdue, on actual realisation basis.
  - (iv) All significant risks and rewards are transferred to the customer.

Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs

- are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.
- 2(q) Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In-Aid (G.I.A)/similar other programmes awarded by the Central/State Government Departments/Other Agencies are accounted for on pro-rata basis.
- 2(r) Income from factoring services is accounted on accrual basis except in the case of non-performing assets where income is accounted on realization.
- 3. STOCK-IN-TRADE**
- 3(a) Stock in trade (Securities) is valued at lower of cost and quoted value, computed category wise. Cost is ascertained on FIFO basis. Provision is made for diminution arising there from.
- 3(b) Inventory comprises of lands (with or without removable structure) including 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.
- 4. INVESTMENTS**
- 4(a) Investments are classified under current and long term categories and valued in accordance with the Reserve Bank of India (RBI) Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard-13 on 'Accounting for Investments' issued by The Institute of Chartered Accountants of India (ICAI).
- (i) 'Long term Investments' are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis.
- (ii) 'Current Investments' are carried at the lower of cost or fair value on an individual basis. However, appreciation if any, within the category, is available for set off.
- 4(b) Security Receipts issued by an Asset Reconstruction Company (ARC)/Securitisation Company (SC) are valued in accordance with RBI guidelines. Accordingly, the net asset value obtained from the ARC is reckoned for valuation of such investments. Appreciation in the value, if any, is ignored and depreciation is provided for.
- 5. DERIVATIVES**
- 5(a) Equity Index/Stock/Commodity Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/Stock/Commodity Futures till the Balance Sheet date. Equity Index/Stock Options are recognized in the books to the extent of premium paid.
- 5(b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
- The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the profit and loss account.
  - The unrealized loss determined Scrip wise/Index wise, being anticipated loss, is recognized in the profit and loss account.
  - Equity Index/Stock Options are carried at cost where they are used as an instrument for hedging.
- 5(c) On final settlement or squaring-up of contracts for Equity Index/Stock/Commodity Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock/Commodity Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.
- 5(d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets.
- 6. FOREIGN EXCHANGE TRANSACTIONS**
- 6(a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/at the forward rate, if booked, for such transaction.
- 6(b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/losses, if any, on valuation of various assets and liabilities are taken to Profit & Loss Account.
- 7. FIXED ASSETS AND DEPRECIATION**
- 7(a) Fixed Assets are carried at cost (including capitalized interest) less accumulated depreciation and impairment loss, if any. Accumulated depreciation on assets in respect of lease transactions commenced on or before 31.03.2001 is adjusted for the balance in the 'Accumulated Lease Equalization Account'.
- 7(b) Cost includes purchase price and all other attributable costs of bringing the assets to the working condition for intended use. Costs of self constructed fixed assets (including work-in-progress) comprise those costs that relate directly to the specific asset and those, which are attributable to the construction activity in general and can be allocated to the specific asset.
- 7(c) Depreciation on assets given on lease is provided on Straight Line Method (SLM) at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary period of lease of assets, whichever is higher.
- 7(d) Depreciation in respect of Office Building and Plant & Machinery at Corporate Office is provided on SLM and on all other assets on the Written Down Value (WDV) method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets having individual value of less than ₹ 5,000/- are charged to the Profit & Loss Account in the year of purchase.
- 7(e) Leasehold Land is amortized over the lease period.
- 7(f) Depreciation on increase in value of Leasehold Land & Building due to revaluation is provided on straight-line basis over the balance useful life of asset and adjusted out of revaluation reserve.
- 7(g) Mobile phones are fully depreciated in the year of acquisition itself.
- 7(h) Art works capitalized under Furniture and Fixtures are not being depreciated.
- 7(i) In the case of IFCI Financial Services Ltd, intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. The computer software which is identified as intangible assets and has been amortized at the rate of 40% following WDV method.
- The consideration paid for non-compete fee is identified as intangible assets and has been amortized as per terms of the non-compete agreement at Straight Line Basis.
- 7(j) In the case of IFCI Factors Ltd, depreciation has been provided on the basis of straight line method as per Schedule XIV to the Companies Act, 1956.
- 7(k) In the case of IFCI Infrastructure Development Ltd & IFCI Factors Ltd, intangible assets consisting of Computer software with indefinite period utility/user rights and having a useful life lasting with that of the equipment have been capitalized with the cost of computer. Software carrying an identifiable utility of at least five years is amortized on a straight line basis over a period of five years from the date put into use. Software with limited edition/period utility i.e. requiring annual revision is charged to Profit and Loss Account in the year of purchase.
- 7(l) In the case of IFCI Factors Ltd, assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss Account on straight line basis over the lease term.
- 7(m) Factored Debts purchased are included under Current Assets as Sundry Debtors. The unpaid balance of the price of the debts factored and due to the clients on collection is included under the Current Liabilities as "Contractual Liability against Sundry Debtors Collection".
- 8. IMPAIRMENT OF ASSETS**
- Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to the extent of the carrying value of the asset that would have been determined (net of amortization/depreciation), had no impairment loss been recognized.
- 9. PROVISIONS/WRITE OFF AGAINST LOANS AND OTHER CREDIT FACILITIES**
- 9(a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions on standard assets are made as per the approval of the Board. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.
- 9(b) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI.

- 9(c) Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable in terms of RBI Guidelines.
- 9(d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

## 10. GRANTS RECEIVED FROM GOVERNMENT OF INDIA UNDER INTEREST DIFFERENTIAL FUND (IDF)

Grants received from Government of India under Interest Differential Fund (IDF) is of a capital nature and to be utilized for specified purposes for promotional activities of Industrial Development. Accordingly, the money so received, net of expenditure for the approved purposes is shown under 'Reserves and Surplus' in the Balance Sheet. The amounts invested and loans made out of the fund for approved purposes are shown under 'Investments' and 'Loans' respectively.

## 11. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## 12. MISCELLANEOUS EXPENDITURE

12(a) Expenses on issue of Shares and Bonds are charged as per guidelines contained in Accounting Standard 26 - "Intangible Assets".

12(b) Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.

## 13. EMPLOYEE BENEFITS

13(a) Monthly contributions to the Retirement Funds viz Provident Fund and Pension Fund being in the nature of defined contribution is charged against revenue. The Provident Fund is administered through duly constituted and approved administrator. The administration of Pension Fund in respect of existing employees opting for the same has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme. The existing pension optees, however, continue to be governed by the provisions of the 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 Accounts as and when due.

13(b) The Company has a defined benefit employees scheme in the form of Gratuity. The Trustees of the scheme have entrusted the administration of related fund to LIC. Expense for the year is determined on the basis of actuarial valuation of the Company's year-end obligation in this regard and the value of year end assets of the scheme. Contribution is deposited with LIC based on intimation received by the Company.

13(c) 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 same is charged against revenue as and when incurred.

13(d) In the case of IFCI Financial Services Ltd and IFCI Factors Ltd, liability towards gratuity is accounted for on the basis of an actuarial valuation done at the year end and is charged to the revenue account or the profit and loss account as applicable.

13(e) IFCI Financial Services Ltd has changed its leave policy during the year. As per the revised policy, an employee is entitled to 24 days of earned leave per year and any leave standing to the credit of the employee at the end of the calendar year will be paid as leave salary in January. Consequent to the change in the policy, the liability to the extent of ₹ 0.10 crore on account of the accumulated leave of the employees has been discharged in full by the Company during the year.

## 14. TAXATION

Tax Expense comprises of current & deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred Tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable income and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent year(s). Deferred taxes are reviewed for their carrying values at each balance sheet date.

## 15. PROVISIONS AND CONTINGENCIES

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

## (B) NOTES ON ACCOUNTS

1(a). The consolidated financial statements comprise the individual financial statements of IFCI Ltd and its following subsidiaries as on 31.03.2011 and for the year ended on that date:

| Name of the Subsidiary                     | Proportion of Ownership Interest (%) |
|--|--------------------------------------|
| IFCI Financial Services Ltd (IFIN)         | 76.08                                |
| IFCI Venture Capital Funds Ltd (IVCF)      | 98.59                                |
| IFCI Infrastructure Development Ltd (IIDL) | 100.00                               |
| IFCI Factors Ltd (IFL)                     | 99.74                                |
| MPCON Ltd                                  | 79.72                                |

IFCI Commodity Ltd - Wholly owned subsidiary of IFIN  
 IFIN Credit Ltd - Wholly owned subsidiary of IFIN  
 Narayan Sriram Investments Private Ltd - became wholly owned subsidiary of IFIN during the year  
 Ambitious Realtors Pvt Ltd - became wholly owned subsidiary of IIDL during the year  
 All the subsidiaries are incorporated in India.

1(b) The following associate companies are considered in consolidation based on equity method as provided in AS-23 and the Company's ownership interest therein are as under:

| Name of the Associate                              | Proportion of Ownership Interest (%) |
|--|--------------------------------------|
| Tourism Finance Corporation of India Ltd           | 37.86                                |
| Assets Care & Reconstruction Enterprise Ltd        | 37.91                                |
| HARDICON Ltd                                       | 26.00                                |
| Himachal Consultancy Organisation Ltd              | 49.00                                |
| North India Technical Consultancy Organisation Ltd | 48.75                                |

Particulars of investments as on March 31, 2011 is as under:

|  | TFCI*  | ACRE  | HARDI-CON | HIM-CON | NIT-CON |
|--|--------|-------|-----------|---------|---------|
| Original Cost of Investments                             | 61.39  | 7.33  | 0.03      | 0.07    | 0.13    |
| Accumulated share in profit at the beginning of the year | 42.52  | 1.48  | 0.21      | 0.52    | 0.15    |
| Acquired during the year                                 | 13.86  | -     | -         | -       | -       |
| Share of profit for the year                             | 8.13   | 3.03  | 0.13      | 0.02    | 0.07    |
| Goodwill/Capital Reserve                                 | 4.00   | -     | -         | -       | 0.20    |
| Carrying cost of investments                             | 129.90 | 11.84 | 0.37      | 0.61    | 0.55    |

\* The nine months financial results of TFCI as submitted to Stock Exchange being the most recent available have been considered for the purpose of consolidation as un-audited/audited results for the 12 months ended 31.03.2011 are not available.

2. Though the Company holds more than 20% of voting power in certain entities, the same are not treated as investment in an Associate under AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' mainly due to lack of significant influence.

3. Contingent Liabilities not provided for in respect of:

| As at   | 31.03.2011 | 31.03.2010 |
|---|------------|------------|
| (i) Guarantees issued in Indian Currency  | 26.96      | 50.00      |
| (ii) Bank Guarantees  | 15.41      | 8.31       |
| (iii) Performance Guarantees issued   | 0.60       | 0.67       |
| (iv) Claims not acknowledged as debts   | 92.37      | 50.32      |
| (v) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances) | 44.02      | 46.00      |
| (vi) Tax Matters:   |            |            |
| - Income Tax  | 27.35      | 314.97     |
| - Service Tax   | 5.36       | 3.90       |

In view of judicial pronouncements and legal opinions in respect of issues under appeal, no provision is considered necessary.

(vii) Bank guarantees aggregating to ₹ 29 crore (Previous Year - ₹ 22 crore) to the Stock/Commodity Exchanges as on 31.03.2011 for meeting margin requirements. Fixed deposits aggregating of ₹ 14.50 crore (Previous Year - ₹ 11 crore) pledged with banks for obtaining the above bank guarantees. Counter guarantee given by IFCI Financial Services Ltd to a bank for issue of bank guarantee to the subsidiary company, IFCI Commodity Ltd - ₹ 5 crore (Previous Year - ₹ 2 crore).

4. Ministry of Finance, Department of Corporate Affairs, has granted a general exemption under Section 212(8) of the Companies Act, 1956, regarding attachment of the Balance sheet of Subsidiaries. Requisite details requiring disclosure in terms of the exemption are given as under:

| Year ended<br>March 31               | (₹ crore) |        |        |        |        |        |         |        |       |       |
|--------------------------------------|-----------|--------|--------|--------|--------|--------|---------|--------|-------|-------|
|                                      | IFIN      |        | IVCF   |        | IIDL   |        | IFL     |        | MPCON |       |
|                                      | 2011      | 2010   | 2011   | 2010   | 2011   | 2010   | 2011    | 2010   | 2011  | 2010  |
| Capital (incl. Appl. Money)          | 85.32     | 9.07   | 60.37  | 60.37  | 494.21 | 339.53 | 79.36   | 79.36  | 1.00  | 1.00  |
| Reserves                             | 12.26     | 11.97  | 75.19  | 62.05  | 9.61   | 4.51   | 43.20   | 29.66  | 2.31  | 1.86  |
| Total Assets                         | 148.78    | 106.46 | 185.67 | 123.22 | 666.38 | 347.02 | 1073.77 | 388.48 | 6.99  | 10.71 |
| Total Liabilities                    | -         | 68.20  | 48.50  | 0.08   | 137.00 | 2.97   | 75.77   | 106.80 | -     | 7.45  |
| Investments                          | 21.13     | 5.25   | 59.90  | 75.31  | 75.00  | -      | 18.00   | -      | 0.09  | 0.09  |
| Turnover (incl. Prior Period Income) | 33.13     | 26.11  | 30.63  | 11.89  | 30.67  | 27.67  | 80.11   | 31.64  | 8.58  | 7.22  |
| Profit before Taxation               | 0.26      | 3.27   | 18.95  | 7.20   | 7.65   | 6.03   | 30.28   | 16.20  | 0.69  | 0.46  |
| Provision for Taxation               | (0.02)    | 1.15   | 5.81   | 2.26   | 2.55   | 2.03   | 10.18   | 5.61   | 0.24  | 0.20  |
| Profit after Taxation                | 0.28      | 2.12   | 13.14  | 4.94   | 5.10   | 4.00   | 20.10   | 10.59  | 0.45  | 0.26  |
| Proposed Dividend (incl. CDT)        | -         | -      | -      | -      | -      | -      | -       | -      | -     | 0.02  |

5. The stakeholders of IFCI in Financial Year (FY) 2002-03 had approved the package for restructuring of debt/liabilities, inter-alia, providing for release of ₹ 5,220 crore (comprising ₹ 3,604 crore towards principal and ₹ 1,616 crore towards interest over future years on liabilities taken over/to be serviced by Government of India) as Grant. Government of India (GoI) released ₹ 2,932.31 crore, comprising ₹ 523 crore as loan (FY 2002-03) and ₹ 2,409.31 crore (FY 2003-04 to FY 2006-07) as Grant. The amount of ₹ 2,409.31 crore received as Grant in FY 2003-04 to 2006-07 comprised of ₹ 1,606.31 crore towards principal and ₹ 803 crore towards interest. Out of ₹ 1,606.31 crore received towards principal, ₹ 1,359 crore (FY 2003-04) was accounted as extra-ordinary income and ₹ 247.31 crore (FY 2004-05 to FY 2006-07) as Restructuring Reserve in the Reserve & Surplus A/c and thereafter transferred to Profit & Loss A/c, as per the guidelines conveyed by RBI. The amount of ₹ 803 crore received towards interest was reduced from the cost of borrowings in respective years. No Grant has been received since April 1, 2007.
6. The bonds guaranteed by GoI of ₹ 2,270.21 crore include bonds of ₹ 1,830.21 crore which have been rolled over for 10 years from the respective due dates in line with the minutes of meetings of stakeholders, held on November 26 and December 2, 2002 and communication to GoI.
7. Transfer of equivalent amount to Capital Redemption Reserve Account in respect of Preference Shares of ₹ 20 crore redeemed in the FY 2001-02, was complied with in FY 2007-08. However, the Company's application to the Regional Director, Northern Region for compounding is yet to be disposed off by the authorities.
- 8(a) GoI has the option of converting the debentures, as shown at 'A' of Schedule - III, wholly or partly into fully paid equity shares of IFCI Limited, at par, at any time during the currency of debentures subject to compliance with provisions of SEBI guidelines, in respect of preferential allotment. IFCI also has the right to redeem the convertible debentures issued to GoI, fully or partly, at par, at any time after expiry of five years from the date of the issue with prior approval of RBI.
- 8(b) Loan from GoI as shown at 'D(a)(i)' of Schedule-III, to be issued in the form of 0.1% Optionally Convertible Debentures and redeemable on 28.03.2023 has a right of recompense on par with other stakeholders.
9. Borrowings from Banks & FIs shown at 'D(a)(ii)' of Schedule-III include loans of ₹ 300 crore (Previous Year - ₹ 300 crore), against security of cash flow/negative lien against certain identified loan assets.
10. MPCON has continued to act as Nodal Agency for the implementation of Counseling, Retraining & Redeployment (CRR) Scheme of Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India, New Delhi for the Voluntarily Retired optees of Central Public Sector Enterprises (CPSEs). The Government of India has sanctioned grant amounting to ₹ 1.34 crore in 2010-11 (Previous Year - ₹ 0.99 crore).
11. In respect of Investments in shares and debentures in certain cases, scrips are yet to be received.
12. In the case of IFCI Infrastructure Development Ltd:
- (a) Fixed Assets include the cost (₹ 2.41 crore) of Residential Flat at Greater Kailash-I, New Delhi purchased in open tender conducted by IFCI Ltd who acquired the assets under Securitisation Act (SARFA&ESI). The process of execution and registration of title deeds as per applicable state laws is yet to be completed, although possession has been handed over on the basis of Sale Letter issued by IFCI Ltd
- (b) Inventories include four properties acquired from IFCI Ltd for consideration other than cash amounting to ₹ 53.22 crore (Previous Year - ₹ 27.83 crore in respect of five properties) where the process of execution and registration of title deeds as per applicable state laws is yet to be completed, although the possession of the properties has been taken over.
- (c) Capital Work-in-Progress includes costs incurred on Construction of Service Apartments at Mayur Vihar, New Delhi. Costs include considerations paid to the contractors on the basis of continuing/completed stage of construction as per work assessment/evaluation, sums paid to Architects and other professionals and all other costs incurred which are directly attributable to the project.

13. Other Loans and Advances include ₹ 0.34 crore (Previous Year - ₹ 0.25 crore) due from Directors. Maximum balance during the period ₹ 0.39 crore (Previous Year - ₹ 0.25 crore).

| Year ended                             | (₹ crore)   |             |
|--|-------------|-------------|
|  | 31.03.2011  | 31.03.2010  |
| 14. Expenditure in Foreign Currencies: |             |             |
| - Interest on borrowings               | 4.04        | 5.56        |
| - Other matters                        | 1.34        | 1.76        |
|  | <b>5.38</b> | <b>7.32</b> |
| 15. Earnings in Foreign Currencies:    |             |             |
| - Interest                             | -           | -           |
| - Others                               | 0.12        | 0.03        |
|  | <b>0.12</b> | <b>0.03</b> |
| 16. Auditors' Remuneration:            |             |             |
| - Fee (including Service Tax)          | 0.31        | 0.26        |
| - Out of pocket expenses               | 0.01        | 0.01        |
|  | <b>0.32</b> | <b>0.27</b> |
| 17. Managerial Remuneration:           |             |             |
| - Salary and Allowances                | 3.90        | 3.23        |
| - Contribution to retirement funds*    | 0.28        | 0.25        |
| - Perquisites                          | 0.14        | 0.12        |
|  | <b>4.32</b> | <b>3.60</b> |

\*excluding contribution to gratuity and leave encashment, as not determinable individually.

Computation of Net Profit and Managerial Remuneration (in respect of IFCI Ltd):

| Year ended  | (₹ crore)  |            |
|---|------------|------------|
|   | 31.03.2011 | 31.03.2010 |
| Profit before Taxation  | 1,116.25   | 1,115.26   |
| Add: Directors' Remuneration  | 1.68       | 1.36       |
| Add: Wealth Tax   | 0.06       | 0.12       |
| Add/(Less): (Profit)/Loss on sale of fixed assets   | (34.09)    | 3.92       |
| Net Profit as per Section 198 of the Companies Act, 1956  | 1,133.90   | 1,120.66   |
| Maximum permissible remuneration to CEO & MD/ WTD u/s 198 of the Companies Act, 1956 @ 10% of the profits computed as above | 113.39     | 112.07     |
| Payable for the year  | 1.68       | 1.36       |

18. Quantitative details of Stock in trade:

| Particulars         | (₹ crore)  |        |            |        |
|---------------------|------------|--------|------------|--------|
|                     | 31.03.2011 |        | 31.03.2010 |        |
|                     | Nos.       | Amount | Nos.       | Amount |
| Opening Stock       | 1,34,688   | 3.47   | 1,84,286   | 1.54   |
| Add: Purchases      | 54,52,865  | 338.27 | 37,89,180  | 142.45 |
| Less: Sales         | 53,58,928  | 330.93 | 38,38,778  | 141.55 |
| Balance at year end | 2,28,625   | 10.81  | 1,34,688   | 3.47   |

19. Quantitative Information in respect of Inventories:

| Particulars                       | (₹ crore)  |        |            |        |
|-----------------------------------|------------|--------|------------|--------|
|                                   | 31.03.2011 |        | 31.03.2010 |        |
|                                   | Nos.       | Amount | Nos.       | Amount |
| <b>Land &amp; Building:</b>       |            |        |            |        |
| Opening Stock                     | 15         | 160.54 | 11         | 143.52 |
| Add: Purchases                    | 2          | 77.49  | 5          | 24.71  |
| Less: Sales                       | -          | -      | 1          | 7.59   |
| Balance at year end               | 17         | 223.22 | 15         | 160.63 |
| <b>Machinery &amp; Equipment:</b> |            |        |            |        |
| Opening Stock                     | 1          | 1.44   | 1          | 0.50   |
| Add: Purchases                    | 2          | -      | 2          | 10.58  |
| Less: Sales                       | 2          | 0.59   | 2          | 9.73   |
| Balance at year end               | 1          | 0.85   | 1          | 1.35   |

Note: Land and Buildings include units of different areas having varied description for its types/stage of construction/development, for which it is not practical to make it individually descriptive, for quantitative disclosure.

20. The Gross Block of Fixed Assets includes ₹ 1,034.69 (Previous Year - ₹ 1,194.32 crore) on account of revaluation of Land & Buildings carried out in the previous year. The additional charge of depreciation of ₹ 22.29 crore (Previous Year - ₹ 9.42 crore) on revaluation carried out in earlier years has been charged to Profit & Loss Account and an equivalent amount withdrawn from Revaluation Reserve and credited to Profit and Loss Account.
21. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation in certain cases.

22. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
23. Details of investments purchased and sold/redeemed during the year ended March 31, 2011 and details of investment where the value (category-wise) exceeds 2% of the total value in each category of ₹ 1 crore, whichever is lower as at March 31, 2011 are enclosed as Annexures with IFCI's standalone Balance Sheet.
24. There are no material prior period items, except to the extent disclosed, included in Profit & Loss A/c required to be disclosed as per Accounting Standard-5 issued by the ICAI read with RBI guidelines.
25. Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2011 and recognized in the financial statements in respect on Employee Benefit Schemes:

|   | (₹ crore)          |                                  |                    |                                  |
|---|--------------------|----------------------------------|--------------------|----------------------------------|
|   | 31.03.2011         |                                  | 31.03.2010         |                                  |
|   | Gratuity<br>Funded | Leave<br>Encashment<br>Un-funded | Gratuity<br>Funded | Leave<br>Encashment<br>Un-funded |
| <b>I. Components of Employer Expense</b>                                |                    |                                  |                    |                                  |
| 1. Current Service Cost   | 0.55               | 0.39                             | 0.42               | 0.90                             |
| 2. Interest Cost  | 0.64               | 1.02                             | 0.51               | 0.63                             |
| 3. Expected Return on Plan Asset  | -                  | -                                | 0.58               | -                                |
| 4. Curtailment Cost/(Credit)  | 0.7                | -                                | -                  | -                                |
| 5. Settlement Cost/(Credit)   | -                  | -                                | -                  | -                                |
| 6. Past Service Cost  | -                  | -                                | -                  | -                                |
| 7. Actuarial (gain)/loss recognized                                     | 0.08               | 0.02                             | 1.11               | 3.73                             |
| 8. Expense Recognized in Statement of Profit/Loss                       | 1.40               | 3.55                             | 1.47               | 0.16                             |
| <b>II. Actual Returns for the year</b>                                  | 0.70               | 0.02                             | 0.65               | 0.58                             |
| <b>III. Net (Asset)/Liability recognised in Balance Sheet</b>           |                    |                                  |                    |                                  |
| 1. Present Value of Defined Benefit Obligation                          | 8.31               | 0.12                             | 8.22               | -                                |
| 2. Fair Value on Plan Assets  | 7.01               | -                                | 7.59               | -                                |
| 3. Status (Surplus/Deficit)   | (0.78)             | -                                | (0.43)             | -                                |
| 4. Unrecognised Past Service Cost                                       | -                  | -                                | -                  | -                                |
| 5. Net (Asset)/Liability recognised in Balance Sheet                    | (0.57)             | 0.12                             | (0.38)             | -                                |
| <b>IV. Change in Defined Benefit Obligations (DBOs) during the year</b> |                    |                                  |                    |                                  |
| 1. Present Value of Obligation at the beginning of the year             | 8.30               | 13.01                            | 6.33               | 7.86                             |
| 2. Current Service Cost   | 0.55               | 0.42                             | 0.42               | 0.90                             |
| 3. Interest Cost  | 0.64               | 1.05                             | 0.51               | 0.63                             |
| 4. Curtailment cost   | -                  | -                                | -                  | -                                |
| 5. Settlement Cost  | -                  | -                                | -                  | -                                |
| 6. Plan Amendments  | -                  | -                                | -                  | -                                |
| 7. Acquisitions   | -                  | -                                | -                  | -                                |
| 8. Actuarial (gain)/loss on Obligations                                 | 1.15               | 3.63                             | 1.11               | 3.73                             |
| 9. Benefits Paid  | 1.65               | (0.15)                           | 0.08               | 0.11                             |
| 10. Present Value of Obligation at the end of the Year                  | 9.89               | 17.97                            | 8.30               | 13.01                            |
| <b>V. Change in Fair Value of Assets during the year</b>                |                    |                                  |                    |                                  |
| 1. Fair Value of Plan Asset at the beginning of the year                | 8.35               | -                                | 7.32               | -                                |
| 2. Acquisition Adjustment   | -                  | -                                | -                  | -                                |
| 3. Expected Return on Plan Asset  | 0.70               | -                                | 0.58               | -                                |
| 4. Actuarial (gain)/loss on Plan Asset                                  | -                  | -                                | -                  | -                                |
| 5. Contributions  | 1.66               | -                                | 0.53               | -                                |
| 6. Benefits Paid  | 0.75               | -                                | 0.08               | -                                |
| 7. Fair Value of Plan Asset at the end of the year                      | 9.32               | (0.12)                           | 8.35               | -                                |
| <b>VI. Actuarial Assumptions</b>  |                    |                                  |                    |                                  |
| 1. Mortality Table  | LIC 1994-96        | LIC 1994-96                      |                    |                                  |
| 2. Early Retirement & Disablement                                       | Age Related        | Age Related                      |                    |                                  |
| 3. Discount Rate  | 8.00%              | 8.00%                            | 8.00%              | 8.00%                            |
| 4. Inflation Rate   | 8.50%              | 8.50%                            | 7.00%              | 7.00%                            |
| 5. Return on Asset  | 8.00%              | -                                | 8.00%              | -                                |

|   | (₹ crore)          |                                  |                    |                                  |
|---|--------------------|----------------------------------|--------------------|----------------------------------|
|   | 31.03.2011         |                                  | 31.03.2010         |                                  |
|   | Gratuity<br>Funded | Leave<br>Encashment<br>Un-funded | Gratuity<br>Funded | Leave<br>Encashment<br>Un-funded |
| <b>VII. Major Category of Plan Assets as a % of the Total Plan Assets</b> |                    |                                  |                    |                                  |
| 1. Government Securities  | 8.11%              | -                                | 9.10%              | -                                |
| 2. Special Deposit Scheme   | -                  | -                                | -                  | -                                |
| 3. High Quality Corporate Bonds   | -                  | -                                | -                  | -                                |
| 4. Insurance Companies  | 91.89%             | -                                | 90.90%             | -                                |
| 5. Cash & Cash Equivalents  | -                  | -                                | -                  | -                                |

26. The parent company and its subsidiaries operate in India and hence is considered to operate only in domestic segment. Further, contribution of subsidiaries in the consolidated revenue and profits being less than 10% of the consolidated revenue and profit, Segment Reporting as required under Accounting Standard-17, issued by the ICAI is not applicable.

27. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the ICAI - "Related Party Disclosures" are as under:

(i) Name of the related party and nature of relationship:

| Nature of Relationship | Name of the Related Party  |
|------------------------|--|
| <b>Associates</b>      | Assets Care & Reconstruction Ltd (ACRE)<br>Tourism Finance Corporation of India Ltd (TFCI)<br>HIMCON Ltd<br>NITCON Ltd<br>HARDICON Ltd |

Key Managerial Personnel: - Mr Atul Kumar Rai (CEO & MD)  
- Mr Sujit K Mandal (Whole-Time Director)

(ii) Transaction with the related party during the year:

| Type of Transaction (Year ended 31.03.2011)*  | ACRE   | TFCI       | HIM-CON | HARDI-CON | NIT-CON | (₹ crore) |
|---|--------|------------|---------|-----------|---------|-----------|
|   |        |            |         |           |         |           |
| Infusion of Equity  | -      | -          | -       | -         | -       | -         |
| Acquisition from market   | -      | 13.86      | -       | -         | -       | (0.07)    |
| Debt assigned to IFCI   | 20.31  | -          | -       | -         | -       | -         |
| Bebt/NPA assigned by IFCI   | -      | -          | -       | -         | -       | -         |
| Rent & Maintenance received by IFCI   | 7.00   | -          | -       | -         | -       | -         |
| Loan (outstanding)  | (0.12) | (0.04)     | -       | -         | -       | -         |
| Interest received/receivable on Loan  | 62.57  | -          | -       | -         | -       | -         |
| Dividend Received   | (2.75) | -          | -       | -         | -       | -         |
| Dividend Paid on Preference Shares  | 1.02   | -          | -       | -         | -       | -         |
| Salaries/Other Estt. Exp. paid by IFCI for employees deputed by IFCI, recovered/recoverable from them | (0.02) | -          | -       | -         | -       | -         |
| Professional Fee paid   | -      | 3.28       | -       | -         | -       | -         |
| Employees deputed/posted by IFCI as at 31.03.2011 (No.)   | -      | (2.54)     | -       | -         | -       | -         |
| Employees deputed in IFCI as at 31.03.2011 (No.)  | -      | ₹ 20,000   | -       | -         | -       | -         |
|   | -      | (₹ 20,000) | -       | -         | -       | -         |
|   | -      | -          | -       | -         | -       | -         |
|   | -      | -          | -       | -         | -       | -         |
|   | -      | -          | -       | -         | -       | -         |
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|   | -      | -          | -       | -         |         |           |



# IFCI Limited (Consolidated Financial Statements)



28. IFCI Financial Services Ltd had transferred shares worth ₹ 17.48 crore to its wholly owned subsidiary, M/s Narayan Sriram Investments Private Limited. The transaction results in realised profits of ₹ 1.58 crore.

29. Earnings per share

|  | (₹ crore)   |                |
|--|-------------|----------------|
| For the year ended   | 31.03.2011  | 31.03.2010     |
| <b>I. Computation for Basic Earnings per Share</b>   |             |                |
| (a) Profit Computation for Equity Shareholders   |             |                |
| Net profit as per Profit & Loss Account  | 745.53      | 693.04         |
| Less: Preference Dividend  | (0.31)      | (0.31)         |
| Net profit for Equity Shareholders   | 745.22      | 692.73         |
| (b) Weighted Average Number of Equity Shares outstanding during the year   | 737,837,331 | 738,779,978    |
| <b>II. Computation for Diluted Earnings per Share</b>  |             |                |
| (a) Profit Computation for Equity Shareholders (including Potential Shareholders)  |             |                |
| Net profit as per Profit & Loss Account  | 745.53      | 693.04         |
| Less: Preference Dividend  | (0.31)      | (0.31)         |
| Add: Interest on Convertible Debentures (net of MAT)   | 31.65       | 32.81          |
| Net profit for Equity Shareholders (including Potential Shareholders)  | 776.87      | 725.54         |
| (b) Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by LIC/GoI assuming conversion price as per SEBI Guidelines | 888,605,054 | 1,23,89,14,001 |
| <b>III. Earnings Per Share</b><br>(Weighted Average, not annualised)   |             |                |
| Basic (₹)  | 10.10       | 9.38           |
| Diluted (₹)  | 8.74        | 5.86           |

30. (a) Provisions of Accounting Standard-19, issued by the ICAI - "Leases" are not applicable as the Company has not entered into leasing transaction on or after April 01, 2001.

(b) The Company has entered into lease agreement at three centres Some of the significant terms and conditions of the arrangements are:

- Agreement may generally be terminated by either party on serving a notice period.
- The lease arrangements are generally renewed on expiry of lease period subject to mutual agreement.
- The Company shall not sublet, assign or part with the possession of the premises without prior written consent of lessor.

(c) Rent in respect of above is charged to Profit & Loss Account.

(d) The year wise break up of future minimum lease payments in respect of leased premises are as under:

|   | (₹ crore)  |            |
|---|------------|------------|
| Particulars   | 31.03.2011 | 31.03.2010 |
| Minimum Lease Payments:                               |            |            |
| (a) Not later than one year                           | 5.72       | 0.26       |
| (b) Later than one year but not later than five years | 21.17      | 0.37       |
| (c) Later than five years                             | -          | -          |

31. In terms of Accounting Standard-22, issued by the ICAI - "Accounting for Taxes on Income", Deferred Tax Asset (Net) on account of timing differences is as under:

|   | (₹ crore)  |            |
|---|------------|------------|
| As at   | 31.03.2011 | 31.03.2010 |
| Unabsorbed Business Loss*                       | 30.57      | 187.51     |
| Unabsorbed Depreciation*                        | 55.43      | 56.75      |
| Provision against Loans/Advances & other Assets | 955.02     | 1,196.77   |
| Timing difference in Depreciable Assets         | (49.16)    | (63.75)    |
| Other Timing Differences                        | 30.92      | 11.18      |
| Deferred Tax Assets (Net)                       | 1,022.78   | 1,388.47#  |

\* as evidenced from the income tax return filed by the Company

# incl. ₹ 0.08 crore on a/c of amalgamation of IFIN with C.R. Finance & Securities Pvt Ltd For the current year, Deferred Tax charge of ₹ 365.69 crore (Previous Year - ₹ 338.41 crore) has been charged in the accounts.

32. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2011, there were no events or changes in circumstances which indicate any impairment in the assets.

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

|                    | (₹ crore)       |                    |                     |                 |
|--------------------|-----------------|--------------------|---------------------|-----------------|
|                    | Opening Balance | Addition/ Transfer | Deduction/ Transfer | Closing Balance |
| Leave Encashment   | 12.61           | 4.81               | -                   | 17.42           |
| Income Tax         | 350.74          | 93.47              | -                   | 444.21          |
| Fringe Benefit Tax | 6.34            | -                  | -                   | 6.34            |
| Assets             | 3,558.62        | 0.03               | 695.15              | 2,863.50        |

34. The additional information in respect of IFCI in terms of RBI Circulars is given in IFCI's standalone Balance Sheet.

35. Total value of outstanding Currency Swaps was USD 41.90 million against INR and EUR 69 million against USD (Previous Year - USD 23.20 million against INR and EUR 45.80 million against USD respectively) equivalent to ₹ 634.31 crore (Previous Year - ₹ 398.89 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹ 19.29 crore and ₹ 31.84 crore respectively (Previous year - 8.00 USD million and EUR 19.40 million respectively).

36. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.25 million (Previous Year - USD 0.70 million) and EUR 0.0172 million (Previous Year - EUR 0.16 million), equivalent to ₹ 1.23 crore (Previous Year - ₹ 3.17 crore).

37. During the year, the company had issued infrastructure bonds as defined u/s 80CCF of the Income Tax Act, 1961 amounting to ₹ 370.75 crore. The entire proceeds have been utilized for the purpose of 'Infrastructure Lending' in terms of the CBDT Notification No. 48/2010 dated July 9, 2010.

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

## Signatories to all Schedules I to XX

In terms of our report of even date

For CHOKSHI & CHOKSHI  
Chartered Accountants

P G MURALIDHARAN  
Chairman

ATUL KUMAR RAI  
CEO & Managing Director

For and on behalf of Board

SANJEEV KUMAR JINDAL  
Director

PRAKASH P MALLYA  
Director

KANU S CHOKSHI  
Partner  
M. No.17085

SHILABHADRA BANERJEE  
Director

RAKESH BHARTI MITTAL  
Director

USHA SANGWAN  
Director

SHOBHIT MAHAJAN  
Director

K RAGHURAMAN  
Director

OMPRAKASH MISHRA  
Director

S SHABBEER PASHA  
Director

SUJIT K MANDAL  
Whole Time Director

Place : New Delhi  
Dated : April 18, 2011

S SETHEE  
Chief Financial Officer

N K DUGGAL  
Chief General Manager

RUPA SARKAR  
Company Secretary





### NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

|   |  |
|---|--|
| To<br>The General Manager<br>MCS Limited, Unit: IFCI<br>F-65, Okhla Industrial Area, Phase-I<br>New Delhi-110 020<br><b>(In case of Physical Holding)</b> | To<br>The Depository Participant Concerned<br><br><b>(In case of Electronic Holding)</b> |
|---|--|

Dear Sir

#### FORM FOR NATIONAL ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Master Folio No.

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|----------------------|--|--|--|--|--|--|--|--|--|--|--|
| Name of First Holder |  |  |  |  |  |  |  |  |  |  |  |
| Bank Name            |  |  |  |  |  |  |  |  |  |  |  |
| Branch Name          |  |  |  |  |  |  |  |  |  |  |  |
| Branch Code          | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> <p>(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank)<br/>Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, brach name and code number.</p> |  |  |  |  |  |  |  |  |  |  |
|                      |  |  |  |  |  |  |  |  |  |  |  |

|  |   |  |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|---|--|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Account Type                               | → | Savings <input style="width: 40px;" type="text"/>  | Current <input style="width: 40px;" type="text"/> | Cash Credit <input style="width: 40px;" type="text"/> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A/c. No. (as appearing in the cheque book) | → | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |   |  |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Effective date of this mandate             | → | <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>  |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |   |  |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, IFCI Ltd/MCS Ltd will not be held responsible. I agree to avail the NECS facility provided by RBI, as and when implemented by RBI.

I further undertake to inform the company any change in my Bank/Branch and account number.



Dated:

(Signature of First Holder)





**ATTENDANCE SLIP**

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019

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

|            |  |
|------------|--|
| DP. Id. *  |  |
| Client Id. |  |

|             |
|-------------|
| Folio No. * |
|-------------|

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company being held on Tuesday, the September 13, 2011 at 10:30 A.M. at Air Force Auditorium, Subroto Park, New Delhi-110010.

**NAME OF THE SHAREHOLDER** .....

**NAME OF PROXY #** .....

# To be filled in case proxy attends instead of Shareholder

**SIGNATURE OF THE SHAREHOLDER/PROXY\***

\* Strike out whichever is not applicable

**NOTE: NO GIFTS OR COUPONS WOULD BE GIVEN TO THE SHAREHOLDERS FOR ATTENDING THE ANNUAL GENERAL MEETING**



**PROXY FORM**

Registered Office: IFCI Tower, 61 Nehru Place, New Delhi - 110019

|            |  |
|------------|--|
| DP. Id. *  |  |
| Client Id. |  |

|             |
|-------------|
| Folio No. * |
|-------------|

I/We .....  
of ..... being a member/  
members of IFCI Ltd, hereby appoint, .....  
of .....  
or failing him/her .....  
of.....  
as my/our proxy to vote for me/us and on my/our behalf at the **ANNUAL GENERAL MEETING** of IFCI Ltd to  
be held on Tuesday, the September 13, 2011 or at any adjournment thereof.

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|

Signed this .....day of .....2011

Signature

\* Strike out whichever is not applicable

**NOTE:** The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the Company.





## OFFICES OF IFCI

### Registered Office IFCI LIMITED

IFCI Tower, 61 Nehru Place, New Delhi-110019  
Tel.: 4179 2800, 4173 2000, 2648 7444, 2648 7622  
Fax No.: 91-(011)-2648 8471, 2623 0201  
E-mail : helpdesk@ifcilt.com

### Regional Offices

|                  |  |                   |   |
|------------------|--|-------------------|---|
| <b>AHMEDABAD</b> | 701 Satkar Complex<br>Near Lal Bunglow<br>C G Road, Navrangpura<br>PIN-380 009<br>Tel.: 91-(079)-2640 5984, 2644 5376<br>Fax: 91-(079)-2640 4980 | <b>BANGALORE</b>  | IFCI Bhawan<br>No.7, (1st Floor), II Cross<br>CSI Compound, Mission Road<br>PIN-560 027<br>Tel.: 91-(080)-2221 0882, 2223 2349<br>Fax: 91-(080)-2227 1802       |
| <b>BHOPAL</b>    | Paryawas Bhawan<br>Block 2 (3rd Floor)<br>Mother Teresa Road<br>PIN-462 011<br>Tel.: 91-(0755)-427 9113  | <b>CHANDIGARH</b> | IFCI Bhawan<br>1-C, Sector 27-A, Madhya Marg<br>PIN-160 019<br>Tel.: 91-(0172)-265 6096, 265 0878<br>Fax: 91-(0172)-265 6734                                    |
| <b>CHENNAI</b>   | Continental Chambers<br>142 (2nd Floor)<br>M G Road, Nungambakkam<br>PIN-600 034<br>Tel.: 91-(044)-2833 4110-12<br>Fax: 91-(044)-2833 4109       | <b>HYDERABAD</b>  | Taramandal Complex<br>(8th Floor), 5-9-13, Saifabad<br>PIN-500 004<br>Tel.: 91-(040)-6662 3642-44/46<br>Fax: 91-(040)-2324 1138                                 |
| <b>JAIPUR</b>    | Anand Bhawan (1st Floor)<br>Sansar Chandra Road<br>PIN-302 001<br>Tel.: 91-(0141)-236 9186, 236 4684/9276<br>Fax: 91-(0141)-237 8387             | <b>KOLKATA</b>    | Chatterjee International Center<br>(3rd Floor) 33-A, Jawaharlal Nehru Road<br>PIN-700 071<br>Tel.: 91-(033)-2265 3344/2226 2672/5391<br>Fax: 91-(033)-2217 1618 |
| <b>LUCKNOW</b>   | Regency Plaza<br>5 Park Road<br>PIN-226 001<br>Tel.: 91-(0522)-223 9610<br>Fax: 91-(0522)-223 9057   | <b>MUMBAI</b>     | Earnest House (8-9th Floors)<br>Backbay Reclamation, Nariman Point<br>PIN-400 021<br>Tel.: 91-(022)-2283 5373/5047/5087<br>Fax: 91-(022)-2285 1016, 2283 7376   |

### Other Offices

|                 |   |              |   |               |  |
|-----------------|---|--------------|---|---------------|--|
| <b>GUWAHATI</b> | Christian Basti<br>Guwahati Shillong Road<br>PIN-781 005<br>Tel.: 91-(0361)-234 3757<br>Fax: 91-(0361)-234 0846 | <b>KOCHI</b> | IFCI Bhawan<br>Panampilly Nagar<br>PIN-682 036  | <b>PANAJI</b> | EDC House (Mezzanine Floor)<br>Block B, 22-23<br>Dada Vaidya Road<br>PIN-403 001 |
| <b>PATNA</b>    | Maurya Lok Commercial<br>Complex, Block 'C' (3rd Floor)<br>Dak Bungalow Road<br>PIN-800 001                     | <b>PUNE</b>  | 1146, B-C, Surashree Coop.<br>Housing Society Ltd<br>Flat No. 3/3A (1st Floor)<br>Lakaki Road, Model Colony<br>Shivaji Nagar<br>PIN-411 016 |               |  |

Visit us at: [www.ifcilt.com](http://www.ifcilt.com)  
**REGISTRAR & TRANSFER AGENT**  
**MCS LIMITED**  
F-65, Okhla Industrial Area, Phase-I, New Delhi-110 020  
Tel.: 91-(011)-4140 6149/51-52 Fax: 91-(011)-4170 9881  
E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)

**BOOK-POST**

If undelivered, please return to:

**MCS LIMITED**  
F-65, Okhla Industrial Area  
Phase-I  
New Delhi - 110 020