



ANNUAL REPORT 2011 - 12

NINETEENTH ANNUAL GENERAL MEETING

DATE	:	July 18, 2012
DAY	:	Wednesday
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 14.05.2012)

Shri P G Muralidharan	Chairman of the Board
Shri Atul Kumar Rai	CEO & Managing Director
Shri Sanjeev Kumar Jindal	
Shri V K Chopra	
Shri Shilabhadra Banerjee	
Shri Prakash P Mallya	
Shri Rakesh Bharti Mittal	
Smt Usha Sangwan	
Prof Shobhit Mahajan	
Shri K Raghuraman	
Shri S Shabbeer Pasha	
Prof Omprakash Mishra	
Shri Sujit K Mandal	Whole Time Director

PRINCIPAL OFFICERS

(As on 01.06.2012)

EXECUTIVE DIRECTORS

Shri T K Ray	Smt Shashi Sharma
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CHIEF GENERAL MANAGERS

Shri N K Duggal	Shri B N Nayak (CFO)
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GENERAL MANAGERS/VICE PRESIDENTS

Shri Gautam Meour	Shri V Satyavenkata Rao	Shri S P Sharma	Smt Manju Jain
Shri S K Vats	Shri Sachikanta Mishra	Shri Suneet Shukla	Smt Rashmi Sachdev
Smt Pooja S Mahajan	Shri H Shivaram	Shri Pawan Kumar	Shri Bikash Kanti Roy
Shri Atul Saxena	Shri Vijay Pal	Smt Rita Kaul	

COMPANY SECRETARY

Smt Rupa Sarkar

STATUTORY AUDITORS

Chokshi & Chokshi
Chartered Accountants

FINANCIAL HIGHLIGHTS

	As at <u>March 31, 2012</u>	As at <u>March 31, 2011</u>
		(₹ crore)
EQUITY & LIABILITIES		
Share Capital	1,001.68	1,001.68
Reserves and Surplus	4,534.07	4,001.72
Non - Current Liabilities	17,689.39	17,608.69
Current Liabilities	4,958.66	2,915.89
	<u>28,183.80</u>	<u>25,527.98</u>
APPLICATION		
Fixed Assets	1,165.92	1,208.79
Deferred Tax Assets	836.92	1,020.91
Non - Current Assets	18,807.46	17,361.54
Current Assets	7,373.50	5,936.74
	<u>28,183.80</u>	<u>25,527.98</u>
	<u>2011-2012</u>	<u>2010-2011</u>
EARNINGS		
Total Income (₹ crore)	2,850.20	2,480.11
Profit before tax (₹ crore)	957.74	1,166.25
Profit after tax (₹ crore)	663.62	706.25
RATIOS		
Capital Adequacy (excluding Deferred Tax Assets)	21.3%	16.4%

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of IFCI Limited will be held on Wednesday, July 18, 2012 at 10:30 a.m. at Air Force Auditorium, Subroto Park, New Delhi-110 010 to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended March 31, 2012 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 P G Muralidharan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Prof Shobhit Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Prakash P Mallya, who retires by rotation and being eligible, offers himself 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, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Ray & Ray, Chartered Accountants, (Firm Registration No.301072E) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Auditors, M/s Chokshi & Chokshi, Chartered Accountants, (Firm Registration No.101872W), to hold office 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."

Special Business

8. To consider and if thought fit, to pass, with or without modifications, the following resolution, as an Ordinary Resolution:
"RESOLVED that Shri Atul Kumar Rai, who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. June 1, 2012 and who, as per the provisions of Section 260 of the Companies Act, 1956 holds office upto the date of this 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 Atul Kumar Rai 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 in accordance with the provisions of Section 198, 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, and Article 162 of Articles of Association of the Company, Shri Atul Kumar Rai, be and is hereby re-appointed as CEO & Managing Director of the Company for a period of 5 years effective from June 1, 2012 upto May 31, 2017 on a total remuneration not exceeding ₹2 Crore (Rupees Two Crore) per annum and other benefits such as residence, gratuity and provision of Company's car and use of telephone at his residence as per the rules of the Company and as may be decided by the Board (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the HR & Compensation Committee of Directors)."

"RESOLVED FURTHER that notwithstanding anything herein above stated where in any financial year, the Company incurs a loss or its profit are inadequate, the Company shall pay to Shri Atul Kumar Rai, CEO & Managing Director, as per the provisions of Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER that the consent of the Company, be and is hereby accorded to the Board 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 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."

Registered Office: By order of the Board of Directors

IFCI Tower
61 Nehru Place
New Delhi-110019

Dated: May 14, 2012

Rupa Sarkar
Company Secretary

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 No. 8 is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement as well as the other documents as required under the provisions of the Companies Act, 1956 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 ensuing Annual General Meeting.
4. Register of Members and Share Transfer Books for equity shares will remain closed from Monday, July 9, 2012 to Wednesday, July 18, 2012 (both days inclusive).
5. IFCI is not including the financial statements and other details of its subsidiaries in its financial statements in terms of exemption granted by the Ministry of Corporate Affairs under General Circulars 2/2011, dated February 8, 2011. However, annual accounts of these 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 these companies are open for inspection at the registered office of IFCI and at the registered offices of the respective companies up to the date of ensuing Annual General Meeting on any working day.
6. A special notice in terms of Section 190 of the Companies Act, 1956, has been received under Section 225(1) from Members proposing the appointment of M/s Ray & Ray, Chartered Accountants, as Statutory Auditors of the Company in place of M/s Chokshi & Chokshi, Chartered Accountants, the retiring Auditors of the Company.
7. The Members holding equity shares in physical form are requested to inform the Registrar and Transfer Agents (R&TA), MCS Ltd, F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form

is required to be informed to the concerned Depository Participant.

8. Members holding shares in more than one folio in identical order of names are requested to write to Registrar & Transfer Agent enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.
9. 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.
10. 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.
11. 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.
12. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund (IEPF). The Company had not declared any dividend for the financial years 1999-2000 to 2007-08.
13. The dividend for the financial years 2008-09, 2009-10 and 2010-11, that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend (2008-09, 2009-10 and 2010-11 respectively) Accounts of IFCI Ltd. The Dividend remaining unclaimed for seven years from the date of transfer to the above mentioned accounts, are required to be transferred by the Company to IEPF. The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2008-09	22.10.2016
2009-10	16.10.2017
2010-11	18.10.2018

14. Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof.

Registered Office: By order of the Board of Directors

IFCI Tower
61 Nehru Place
New Delhi-110019

Dated: May 14, 2012 **Rupa Sarkar**
Company Secretary

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

Item No. 8

Shri Atul Kumar Rai, was appointed as an Additional Director by the Board of Directors of the Company in accordance with Section 260 of the Companies Act, 1956 w.e.f. June 1, 2012. Shri Atul Kumar Rai 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 Rai for the office of Director. The Board of Directors had re-appointed Shri Rai as CEO & Managing Director of the Company subject to the approval of the shareholders. Therefore, the approval of Members is being sought for re-appointment of Shri Atul Kumar Rai as CEO & Managing Director, not liable to retire by rotation, and payment of remuneration to him as set out in Resolution No. 8.

The original term of Shri Atul Kumar Rai as Managing Director is upto May 31, 2012 and by virtue of Articles of Association of the Company, Shri Rai also ceases to be a Director of the Company after that date. Therefore, the resolution under this item is proposed.

Information about Directors as required under Clause 49 of the listing agreement relating to corporate governance is set out separately in the notice of Annual General Meeting.

This along with Resolution under Item No. 8 may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolution for approval of the Members.

Shri Atul Kumar Rai 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.

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, Shri P G Muralidharan, Prof Shobhit Mahajan and Shri Prakash P Mallya shall retire by rotation and being eligible they offer themselves for re-appointment. Shri Atul Kumar Rai, who has been appointed as an Additional Director and re-appointed as CEO & Managing Director by the Board, also seeks approval of Members for appointment. The information or details to be provided for the aforesaid Directors under Corporate Governance Code are as under:

- (a) Shri P G Muralidharan, aged 77 years, retired as Secretary to Government of India after working in various Ministries / Departments in the Central and State Governments including Finance, Commerce, Industry, Agriculture and Planning and as Chairman/ Director of various Central/ State public sector undertakings. At present, he is on the Board of Directors of Religare Asset Management Company Limited and is member of its Audit Committee. He does not hold any shares in IFCI Ltd.
- (b) Prof Shobhit Mahajan, aged 50 years is professor at Delhi University, Physics Department. He has done his M.S. (Physics) and Ph.D (Physics) from University of California, Berkeley. He has been involved for several years in research and teaching at the University of Delhi and California. He has authored several books on Science and information technology. At present, he is on the Board of IFCI Financial Services Ltd and on the Governing Board of Management Development Institute and Institute of Leadership Development. He does not hold any shares in IFCI Ltd.
- (c) Shri Prakash P Mallya, aged 63 years is former Chairman & Managing Director of Vijaya Bank. He is a Post graduate in Economics and a banker by profession. He has experience of over 34 years in the banking sector. Shri Mallya has attained remarkable achievements in the business arena and has made various valuable contributions to research work in the area of Economics. He has achieved many prestigious awards for excellence in the banking sector. At present, he is a Director on the Board of Stock Holding Corporation of India Ltd. and Falcon Tyres Ltd and is member of their Audit Committees. He does not hold any shares in IFCI Ltd.
- (d) Shri Atul Kumar Rai, aged 50 years, is a postgraduate in Economics from Jawahar Lal Nehru University and belongs to Indian Economic Service. Shri Rai has rich experience

of over 25 years. He has held various posts in the Government of India, including as Director in DDA. Under the dynamic leadership of Shri Atul Kumar Rai, as CEO & Managing Director, during the last five years, IFCI has increased its balance-sheet size substantially and also declared dividend after a gap of a decade. There has been a constant growth in top line and sustained bottom line during the last five years. IFCI has got a reasonably good rating that has helped it to raise resources at a competitive rate. The subsidiaries which were lying dormant have

become vibrant organizations that have showed substantial growth in their business and operations. The manpower has also become streamlined, motivated and goal oriented. Shri Rai is also on the Board of IFCI Venture Capital Funds Ltd, MCX Stock Exchange Ltd, IFCI Infrastructure Development Ltd, IFCI Factors Ltd. He is on the Governing Board of Management Development Institute, Rashtriya Gramin Vikas Nidhi and Institute of Leadership Development. At present, he holds 1,18,000 equity shares in IFCI Ltd.

LISTING AT STOCK EXCHANGES

The Company's Equity Shares are listed at following six Stock Exchanges in India. Besides, certain series of bonds issued by the Company on Private Placement basis are also listed on Bombay Stock Exchange Ltd.

1. Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Tower
Dalal Street, Fort
MUMBAI-400 001
2. The National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
MUMBAI-400 051
3. The Delhi Stock Exchange Ltd
3/1 Asaf Ali Road
DELHI-110 002
4. The Calcutta Stock Exchange Ltd
7 Lyons Range
KOLKATA-700 001
5. The Madras Stock Exchange Ltd
Exchange Building
11, Second Line Beach
CHENNAI-600 001
6. Ahmedabad Stock Exchange Ltd
Kamdhenu Complex, 1st Floor
Opp. Sahajanand College
Panjara Pole
AHMEDABAD-380 015

The Company has paid the annual listing fee to all the Stock Exchanges for the financial year 2012-13 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

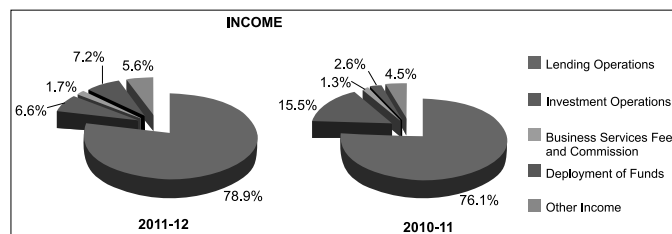
The Board of Directors of your Company has the pleasure of presenting the Nineteenth Annual Report of IFCI Limited together with the Audited Statements of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

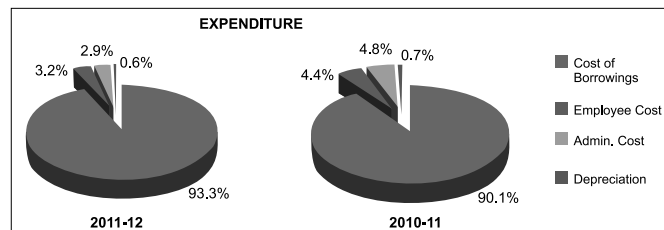
PARTICULARS	(₹ crore)	
	2011-12	2010-11
1. Operational Income	2,729	2,332
2. Total Income	2,850	2,480
3. Cost of Borrowings	1,871	1,319
4. Staff Cost/Other Expenditure	122	135
5. Depreciation	12	10
6. Total Expenditure	2,005	1,464
7. Profit before provisions/write-off	845	1,016
8. Write-off/Provisions for Bad & Doubtful Assets (net of reversal)	(113)	(150)
9. Profit before Tax	958	1,166
10. Tax Expense	294	460
11. Profit after Tax	664	706
12. Surplus brought forward from previous year	1,066	608
13. Appropriations:		
Reserve u/s 45IC of RBI Act	133	142
Capital Redemption Reserve	-	-
General Reserve	-	-
Special Reserve u/s 36(1)(viii) of the Income Tax Act	15	10
Corporate Social Responsibility Fund	-	10
Dividend on Equity Shares (incl. Tax)	86	86
Dividend on Preference Shares (incl. Tax)	0*	0*
14. Balance carried to Balance Sheet	1,496	1,066

* ₹ 0.31 crore

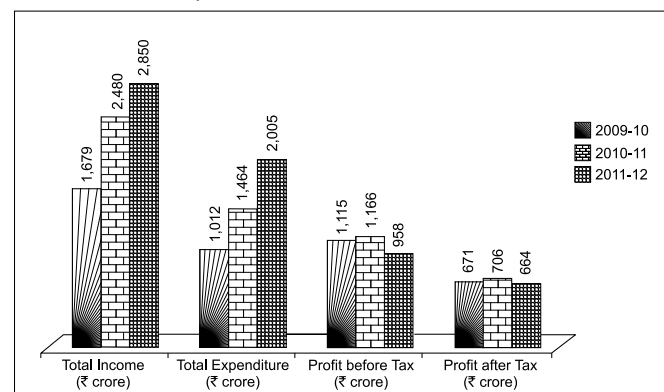
Your Company's total income of ₹2,850 crore has grown by 15% over total income of ₹2,480 crore in the previous year due to fresh disbursements made at higher rates and increase in interest rates on loans to borrowers consequent upon increase in policy rates by RBI since March 2010.



In order to create fresh assets, fresh borrowings were necessitated resulting in increase in total borrowings from ₹19,239 crore as at March 31, 2011 to ₹21,394 crore as at March 31, 2012. Consequently, cost of borrowings increased from ₹1,319 crore in the previous year to ₹1,871 crore for the current year.



The profit before and after tax for the current year stands at ₹958 crore and ₹664 crore respectively vis-a-vis ₹1,166 crore and ₹706 crore respectively for the previous year. Lower profit is attributable to lower profit from sale of shares due to subdued capital market (Current Year - ₹130 crore; Previous Year - ₹351 crore).



Dividend

Your Directors have recommended a Dividend of ₹1 per equity share, i.e. 10% of the face value of ₹10 for the year 2011-12. 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, the Government of India has nominated Shri V K Chopra, Deputy Secretary, Ministry of Finance, Department of Financial Services as a Director (Government Nominee) on the Board of the Company, in place of Shri Umesh Kumar who was nominated in place of Shri K V Eapen.

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 material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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, 2012 on a 'going concern basis'.

Auditors

RBI guidelines as applicable to Public Sector Banks provide for a tenure of 3 years to Statutory Auditors. Though your Company has been classified as NBFC-ND-SI (Non-Banking Financial Company Non Deposit taking Systemically Important) by RBI, the Board keeping in view Corporate Governance principles and RBI guidelines applicable to Public Sector Banks, considered the appointment of another firm of Chartered Accountants as Statutory Auditors in place of the retiring Statutory Auditors, Chokshi & Chokshi, Chartered Accountants. Pursuant to the provisions of Section 225 of the Companies Act, 1956 a Notice in writing has been received from Members proposing the name of M/s Ray & Ray, as Statutory Auditors of the Company. The Board accordingly considered the matter and decided to seek approval of the Members at the ensuing Annual General Meeting for appointment of M/s Ray & Ray (Firm Registration No. 301072E) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting.

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

MANAGEMENT DISCUSSION AND ANALYSIS MACROECONOMIC ENVIRONMENT

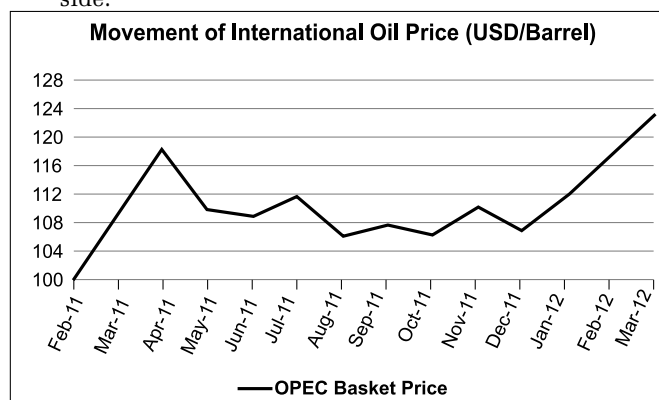
(A) Global Developments and Outlook

The global economy wore a disappointing outlook during the year. The sovereign debt crisis in the Euro zone, the political turmoil in Middle East, crude oil prices hike, and a devastating earthquake in Japan further weakened the growth prospects which had not quite recovered from the financial crisis of 2008. The Euro zone has been severely hit by waves of uncertainty and large swathes of it have plunged into recession arising out of long term profligacy of the Governments, particularly in Greece,

Spain, Portugal and Italy. The consequent down grading of credit ratings of some of the countries intensified the sense of gloom and despair. A Euro 130 – billion (\$172 billion) bailout package for Greece was finalized by the Euro zone ministers. As the European Central Bank (ECB) injected liquidity of more than one trillion euro through two long-term refinancing operations the financial market pressures in the Euro area have been alleviated for the time being but the underlying fundamentals are expected to continue to be sources of medium to long term concern.

The US economy showed some positive signs during the latter part of FY 2011-12 with improvement in output and labour market conditions. However, the emerging and developing economies (EDEs) have shown signs of growth slowdown. Inflation pressures in both advanced economies and EDEs moderated towards the end of 2011 on account of subdued domestic demand and correction in non-fuel commodity prices.

The US and the EU embargo on Iran oil affected demand and supply dynamics in the international oil market. Crude oil prices which had shown stability between May 2011 and January 2012, jumped to a level of \$124 a barrel, the highest point of the current financial year, in March 2012. The assurance given by Saudi Arabia to compensate for Iranian output loss caused by Western sanctions is likely to provide some stability to the international oil market in terms of supply while slowdown in the world economy may moderate the pressures from the supply side.



Source: Data collected from OPEC website

The probability of a sharp global slowdown has eased for the time being due to recent policy measures adopted in the Euro zone to tackle its debt crisis. However, as the long term issues remain unaddressed, a protracted recession in the EU cannot be ruled out especially since the policy initiatives have not so far been aimed at breaking the feedback loops between real, fiscal and financial sectors.

(B) Domestic Developments and Outlook

For the Indian economy, this was a year of unfulfilled

expectations owing to both domestic and external factors. India's Gross Domestic Product (GDP) is estimated to grow by 6.9% in FY 2011-12, after having grown at the rate of 8.4% in each of the two preceding years. The growth is estimated to be 2.5% in agriculture, 3.9% in industry and 9.4% in services. With agriculture and services continuing to perform well, the slowdown can be attributed mostly to weak industrial growth. Rising cost of credit prompted by an activist monetary policy to check inflation added to the decline in the investment climate arising out of governance issues.

The Economic Survey 2012 has projected improvement in the growth rate of GDP from 6.9% in the current year to 7.6% in 2012-13 and to 8.6% in the following year. According to the Survey, "weakness in economic activity has bottomed out and a gradual upswing is imminent".

The headline inflation remained high for most of the FY 2011-12. It was only towards the end of Q3 that it started moderating with 8.3% in December 2011 followed by 6.5% in January 2012 and 6.9% each in February and March 2012. Monthly food inflation turned negative in January 2012 but again rose to over 6% in February 2012 and almost touched double digit in March 2012. The monetary and fiscal policy response during FY 2011-12 was geared towards taming domestic inflationary pressures. A tight monetary policy impacted investment and consumption growth. Fiscal conditions deteriorated during the year with key deficit indicators crossing the budget targets of FY 2011-12. Apart from sluggishness in tax revenues, Government's non-plan expenditure, particularly subsidies, increased sharply. The slippage in the fiscal deficit has added to inflationary pressures.

For FY 2011-12, merchandise exports reached \$303.7 billion, a rise of 21% over \$251.1 billion in 2010-11, while imports stood at \$488.6 billion, rising 32.1% compared with \$369.8 billion in the previous financial year leading to the highest-ever trade deficit of \$184.9 billion, which is expected to raise the current account deficit (CAD) to 4% of the gross domestic product. Swelling of the trade deficit to record levels is primarily attributed to a huge surge in the import of petroleum products and gold.

This year's performance of the Indian economy has been disappointing when compared with the trend. A belated policy rate cut by the RBI and subsequent cut in interest rates by commercial banks in the beginning of FY 2012-13 seems unlikely to reverse the deterioration in business sentiment by itself unless the policy interface with the business concerns becomes more alert and responsive than it seems to have been for the last two years.

INDUSTRY STRUCTURE AND DEVELOPMENT

The year-on-year money supply (M3) growth and non-food credit growth moderated during FY 2011-12, reflecting the slowdown in the economy. Liquidity conditions have remained

tight and in deficit mode during most of the FY 2011-12. In order to mitigate the liquidity tightness, RBI undertook steps to inject primary liquidity of a more durable nature through open market operations (OMOs) and by reducing the CRR by 125 basis points (50 basis points effective January 28, 2012 and 75 basis points effective March 10, 2012).

RBI in August 2011 released the Report of the Working Group on the Issues and Concerns in the NBFC Sector, chaired by Smt Usha Thorat. The key recommendations of the Working Group include:

- (a) prior approval of the RBI for any transfer of shareholding, direct or indirect, of 25% and above, change in control, merger or acquisition of any registered NBFC;
- (b) increasing the twin-criterion of assets and income for determining the principal business of an NBFC to 75% of the total asset and 75% of the total income, respectively;
- (c) Tier I capital for Capital to Risk Weighted Assets Ratio (CRAR) purposes at 12% to be achieved in three years for all registered deposit taking and non-deposit taking NBFCs;
- (d) introduction of liquidity ratio for all registered NBFCs for 30 days;
- (e) asset classification and provisioning norms similar to banks for NBFCs;
- (f) adopting financial conglomerate approach for supervision of larger NBFCs that have stock brokers and merchant bankers in the group;
- (g) raising risk weights for NBFCs that are not sponsored by banks or that do not have any bank as part of the group to 150% for capital market exposures and 125% for Commercial Real Estate (CRE) exposures;
- (h) same risk weights as specified for banks, for bank sponsored NBFCs;
- (i) giving benefits to NBFCs under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002; and
- (j) disclosure norms for NBFCs with assets over ₹100 crore to include provision coverage ratio, liquidity ratio, asset liability profile, extent of financing of parent company products, movement of non-performing assets (NPAs), off-balance sheet exposures, structured products and securitisations/ assignments.

RBI is yet to come up with the final guidelines.

The sectors in which your Company has major exposures include power generation, the service sector and infrastructure. These are expected to perform less satisfactorily owing to concerns with policy interface with the Government and the decline in business sentiment. The prospects of other sectors in which your Company has major exposures, e.g., iron

and steel, petroleum refining, construction and real estate are also hinged on the growth prospects in FY 2012-13. Being an NBFC, IFCI does not have access to low cost funds and the overall deceleration in growth is expected to pose challenges to IFCI in terms of growth and profitability.

INITIATIVES AND DEVELOPMENTS AT IFCI

Your Company, during the year under review, was quick to see the deterioration in the business outlook and being prone to higher degree of risk than the financial intermediaries with stable sources of funds, moderated the growth parameters. The business model adopted by IFCI continued to be guided by maximization of return on investment, while maintaining emphasis on due diligence and risk management. High yielding short term lending, backed with strong and easily enforceable security of highly rated companies, formed the key focus in expanding asset base. Your Company will continue to look for improvements in the business outlook for short and medium term and accordingly adjust its growth targets in the different segments of its business.

Your Company is keeping a close track of the various developments in connection with the issue of new Banking License and evaluating its strategy for foray into the Banking arena, with the assistance of a reputed Consultant. The RBI released in August 2011 the Draft Guidelines for "Licensing of New Banks in the Private Sector". Final guidelines and the process of inviting applications for setting up of new banks in the private sector are expected to be initiated after a review of feedback, comments and suggestions on the draft guidelines by RBI and after vital amendments to Banking Regulation Act, 1949 are in place.

Your Company is increasing its focus on evaluating new sectors in Indian economy that could be served as a leading financial institution. Accordingly, your Company has scouted for investment opportunities in the Indian infrastructure space and proposes to make further investments while nurturing existing projects in its portfolio. Apart from investments in roads, thermal power and hydro power generation, your Company has also entered the areas of power transmission, solar power generation and wind energy generation through its investments during FY 2011-12.

During FY 2011-12, your Company has taken initiatives in expanding the horizon of its treasury operations and entering into new segments like securities lending and borrowing schemes, currency futures, and repo and reverse repo transactions in corporate bonds with the objective of hedging as well as enlarging the scope of earning revenue with minimum risk. Your Company has developed and implemented a robust framework of compliance and risk management practices to ensure that these operations are undertaken in an integrated and cost efficient manner.

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 the third best place to work for in the financial services sector.

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), Gurgaon in 1973. MDI Gurgaon has the distinction of being the first internationally accredited Indian B-School by Association of MBA (AMBA) and by South Asian Quality Standards (SAQS). It has consistently been ranked amongst the top B schools in India in various surveys conducted by Open C-Fore, CSR-GHRDC, AIMA-IMRB, Business India, Outlook and CNN IBN (All India). A campus of MDI is being set up at Murshidabad, West Bengal.

Employees Stock Option Scheme

One of the major instruments for alignment of personal goals with organizational objectives is to enable employees of an organization to participate in the ownership of the organization through stock option schemes. In line with this philosophy, your Company introduced Employee Stock Option Scheme (ESOP-2011) in FY 2011-12. In all, 211 employees have been granted Stock Options, which would vest in four years as per the defined vesting schedule. The scheme would go a long way in helping the organization to retain, reward and attract employees and further strengthen its human resource pool. Disclosures as required under Clause 12 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are annexed at the end of this Report.

Corporate Social Responsibility

Your Company continued to undertake Corporate Social Responsibilities (CSR) initiatives which began in your Company in FY 2010-11 with special focus on public health, education, environmental and micro-finance. Under this initiative, in FY 2011-12, your Company released an amount of ₹79.30 lakh towards various social activities including setting up a Bamboo Farm Demonstration and Training Facility at Jaipur, undertaking a Village Adoption Programme in Begah in District Sonapat (Haryana), sponsoring the Delhi Half Marathon, a School Meal Programme in Delhi, school education for children in slums in Karnal and institution of scholarships for needy students in the District of Murshidabad.

PERFORMANCE OF IFCI

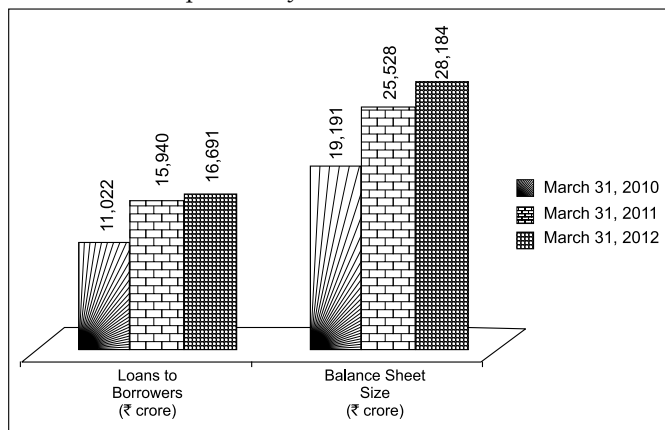
Your Company continued its emphasis on retaining existing customers by providing customized financial products and simultaneously enlarging the customer base by adding new customers to its portfolio. During FY 2011-12, considering the maturity profile of its existing liabilities, IFCI has sanctioned term loans for various maturities 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 extended its presence to non fund based activities viz. advisory services, syndication, underwriting etc. The details of performance on various parameters are given below:

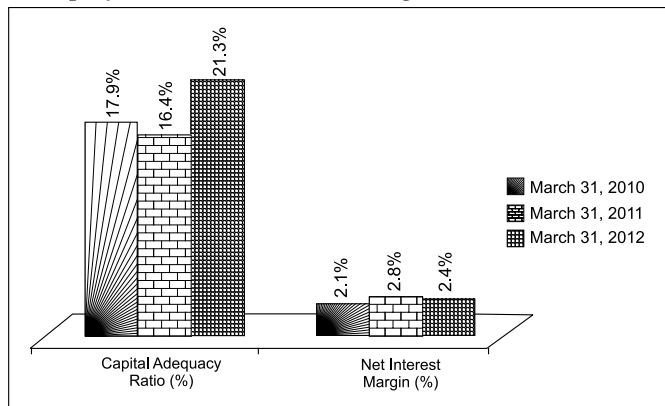
(a) Financial Performance

Your Company's profit before and after tax for the current year stands at ₹958 crore and ₹664 crore respectively vis-a-vis ₹1,166 crore and ₹706 crore respectively for the previous year. Lower profit is attributable to lower profit from sale of shares due to subdued capital market (Current Year - ₹130 crore; Previous Year - ₹351 crore).

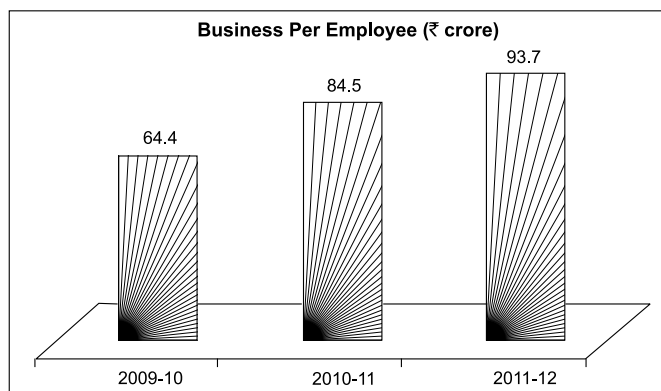
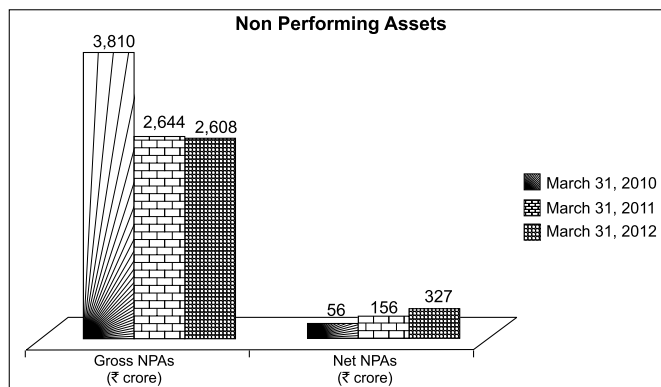
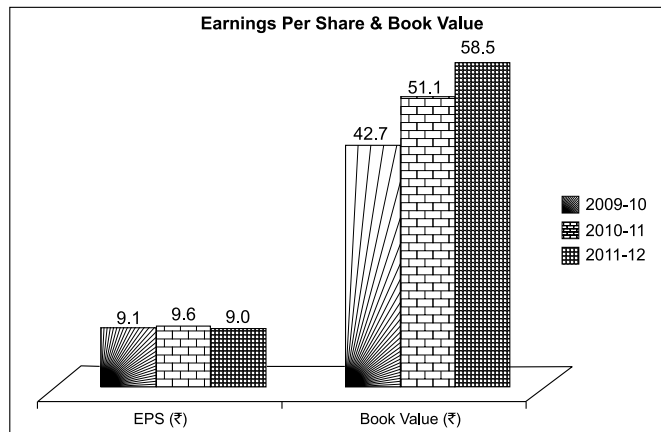
Standard loans to borrowers which stood at ₹6,425 crore as at April 1, 2008 have shown Compound Annual Growth Rate (CAGR) of 37.5% and stand at ₹16,691 crore as at March 31, 2012. The growth over previous year's standard loans to borrowers of ₹15,940 crore is 4.7%. The lower growth in outstanding is primarily attributable to pre-payments of ₹2,329 crore (including ₹1,137 crore in respect of Ispat Industries). The balance-sheet size at ₹28,184 crore as at March 31, 2012 is highest in the history of IFCI since 1948 and has increased by 10% over ₹25,528 crore in the previous year.



Satisfactory levels have been maintained for key financial ratios viz. interest margin, capital adequacy ratio, debt-equity ratio, debt service coverage ratio, networth etc.



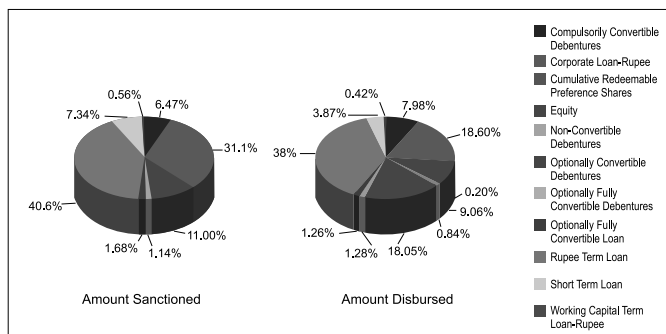
Book Value (excluding Revaluation Reserve) increased to ₹58.5 per share as at March 31, 2012 from ₹51.1 per share as at March 31, 2011 (FV ₹10).



(b) Sanctions and Disbursements

During FY 2011-12, the total fund based sanctions were ₹4,467.06 crore as against ₹12,259.85 crore in the previous year registering a decline of around 64%. Out of the above sanctions, an amount of ₹1,817.87 crore (40.69%) was by way of rupee term loans, ₹1,390 crore (31.12%) by way of corporate loans, ₹328 crore (7.34%) by way of short term loans and ₹339.82 crore (7.61%) by way of debentures. The amount sanctioned towards equity and other investments was ₹591.37 crore (13.24%).

Total disbursements during FY 2011-12 amounted to ₹5,949.62 crore compared to ₹8,399.59 crore in the previous year registering a decline of around 29%. Out of the said disbursement, ₹2,287.49 crore (38.45%) was by way of rupee term loans, ₹1,106.39 crore (18.60%) by way of corporate loans, ₹230 crore (3.87%) by way of short term loans, ₹1,674.89 crore (28.15%) by way of debentures and ₹650.85 crore (10.94%) by way of equity and other investments.



(c) Treasury and Investment Operations

In an environment of global economic uncertainty, domestic high inflation and money market volatility, the emphasis of your Company was on risk aversion by deployment of funds in safe and liquid investments. With this prime objective, the scope of earning higher return was enlarged by entering new segments like repo transactions in corporate bonds, securities lending and borrowing scheme (SLBS).

During FY 2011-12, your Company registered an income of ₹231 crore from fixed income market operations, the return being substantially higher than ₹139 crore earned during the previous year and also higher than top rated instruments with similar maturity. In addition to exploring the new segments of the financial market, your Company emphasized broad-basing its short term investment portfolio through diversification on various asset classes, keeping in mind the management of interest rate risk, liquidity risk and potential asset liability mismatch. The prudent investment strategy helped your Company remain unscathed in the weak global economic scenario.

In foreign currency operations, your Company continued to manage its exposure in foreign exchange reasonably well. The mismatch position was almost fully hedged throughout the year through foreign currency future and forward contracts. Your Company did not have any exotic derivatives exposure in equity/debt or foreign exchange market.

In equity market operations, your Company pursued the strategy of selective disinvestment of slow moving/illiquid stocks and strengthening the long term equity portfolio through judicious investment in frontline and mid-cap stocks. While improving the quality of the portfolio, your Company earned a profit of ₹ 100 crore from equity market

operations, despite a turbulent market, during FY 2011-12. Net investment portfolio of your Company stood substantially increased to ₹10,853.93 crore as on March 31, 2012 from the level of ₹8,005.56 crore as at the end of previous financial year.

(d) Management of Non-Performing Assets

Your Company continued to make all round efforts and aggressively utilize all available means to reduce its NPAs. During FY 2011-12, the NPA recoveries were ₹186.51 crore of which ₹69.28 crore was by One Time Settlement (OTS), Guarantee and Assignment and ₹117.23 crore was through SARFAESI and Legal route.

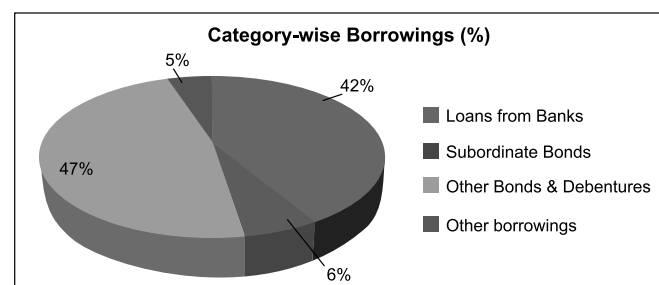
Novel strategies were adopted during the current financial year for resolution of NPAs particularly for cases resolved under the provisions of the SARFAESI Act, 2002. Efforts were also put in to ensure that there was no addition to the stock of NPAs.

(e) Resource Mobilization

During the year under report, your Company tapped the market for resource mobilization as per business requirement and despite tight market conditions, raised an amount of ₹5,175 crore at competitive rates, mainly by way of rupee term loans from banks and private placement of bonds. The private placement of bonds included ₹1,233 crore of subordinated bonds issued during the year to augment the Tier II capital of your Company.

Your Company was once again authorized by the Government of India for issuance of Long Term Infrastructure Bonds having tax saving benefits under Section 80 CCF of the Income Tax Act, 1961, to retail investors during FY 2011-12. With good response from the investors reposing their faith and trust in your Company, an amount of ₹572 crore was mobilized through issue of these tax saving bonds during the year. The proceeds of the long term infrastructure bonds are being utilized towards financing of infrastructure facilities defined by RBI.

The total borrowing of your Company stood at ₹21,422 crore as at March 31, 2012, which comprised of rupee and foreign currency borrowings of ₹20,882 crore and ₹540 crore respectively. The broad category break-up of rupee borrowings as at March 31, 2012 is indicated as below:



Investor services continued to be of utmost importance for your Company. Investors' grievances, received in physical or electronic form, were taken up promptly and redressed.

(f) 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 ended on March 31, 2012.

(g) 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 of 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.

SUBSIDIARY COMPANIES THAT SYNERGIZED THEIR OPERATIONS WITH IFCI

(a) IFCI Infrastructure Development Ltd (IIDL)

IIDL is a wholly owned subsidiary of IFCI. In a short span of four years from incorporation, it has constructed a Gold Star rated Luxury Serviced Apartments of international standard at Mayur Vihar, New Delhi. Another major project, in an advanced stage of construction, is 336 flat apartments named '21st Milestone' at Meerut Road, Ghaziabad. The entire project is scheduled to be completed by June, 2013. More than 50% of the flats have been sold. Prestigious high-end apartments consisting of 56 flats have also been taken up at Panampilli Nagar, Kochi. This project is scheduled for completion by early 2014 and 31 flats has already been booked even before commencement of structural works.

On the commercial side, spread over an area of 50 acre, the first of its kind Financial Hub in South India, is coming up near Devanahalli Airport at Bengaluru. The land has been allotted by Karnataka Industrial Areas Development Board (KIADB) and IIDL has already allotted 33 acre of land to various Banks and Financial Institutions. IIDL has also undertaken construction of office complex at Bengaluru and Ahmedabad which are nearing completion. With the experience gained in the execution of the above projects, IIDL has embarked on plans to take up major infrastructure projects at various locations across the country.

(b) IFCI Venture Capital Funds Ltd (IVCF)

IVCF is an alternative asset manager, 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 set up business projects. Subsequently, IVCF evolved into providing capital support to Small and Medium Enterprises (SMEs) towards initial capital and growth. Since inception, it has provided start-up/growth capital to more than 400 projects across India.

IVCF launched three new investment funds in 2008, with an aggregate corpus of ₹512 crore. Across its funds, IVCF has over thirty investors, including leading banks, insurance companies and high networth individuals. It has invested in a wide range of industries, geographies and investment themes, making investments of over ₹484 crore in 29 companies. The fund is witnessing excellent traction in its investments and has already seen a few exits in its portfolio companies, providing returns with IRR ranging from 20% to 43%. IVCF, being a financial institution, has also been extending corporate loans and has built a loan book of ₹367 crore as of March 31, 2012.

IVCF aims to leverage its investing expertise to raise a mid-market, sector-agnostic fund in FY 2012-13. With a long track record of investing in the Indian growth story, deep understanding of Indian entrepreneurs and a strong talent pool, IVCF hopes to successfully raise funds of around US\$ 200 million for its new fund. IVCF also sees good potential in mezzanine funding in the country and is currently evaluating raising a mezzanine fund as well.

(c) IFCI Factors Ltd (IFL)

IFL 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 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. 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, efforts towards which are under progress. The Lok Sabha has passed 'The Regulation of Factors (Assignment of Receivables) Bill, 2011' in December 2011, to regulate the factoring business and help the micro, small and medium enterprises in dealing with liquidity problems.

(d) IFCI Financial Services Ltd (IFIN)

IFIN was promoted in 1995, by IFCI Ltd, to provide a wide range of financial products and services to investors, institutional and retail. IFIN is primarily involved in stock broking, investment banking, mutual fund distribution and advisory services, depository participant services, insurance products distribution and the like.

(e) MPCON Ltd

MPCON Ltd is a professionally managed Technical Consultancy Organization promoted by your Company. Established in 1979, it is the premier consulting organization in Central India and has consistently

endeavoured to provide quality consulting services and created a niche market for itself. The key element of MPCON's progress has been to constantly diversify its portfolio and add new services with the requisite competence. The core expertise of the Company lies in executing project consultancy assignments and training and capacity building in the field of livelihoods promotion.

DEPARTMENTS AT IFCI

(a) Project Development Group (PDG)

PDG 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. 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 FY 2011-12, new assets were created and a gamut of fee based services was rendered in the infrastructure sector. Simultaneously, special emphasis was given on monitoring and consolidation to ensure the quality of the assets.

PDG has ventured into new potential sectors such as Railways and are involved in capacity development by way of in-house tacit knowledge transfer, secondary data analysis and market interactions. Going forward by aligning its strategy with external economic environment, PDG intends to consolidate its assets under development and create new assets which are expected to outperform the current challenging environment in the infrastructure space. PDG is also in the process of providing fee based services to the potential client.

(b) Credit Appraisal, Monitoring and Industry Research

With a view to focussing on qualitative credit appraisal and timely recovery in standard assets, a dedicated department viz. Credit Appraisal, Monitoring and Industry Research was created at your Company. The department deals mainly with credit appraisal for new business, monitoring of all existing standard cases of IFCI as a whole besides undertaking studies on various sectors/industries in order to have a fair idea about the potential of the respective sector/industry. Further, the department has also undertaken comparative studies of various companies in the same industry in order to have in depth knowledge about their market share/standing and also carried out visits to the manufacturing units of the assisted concerns. Such visits have enabled IFCI to establish cordial industrial relations with various major players/ industrial groups and to ensure effective monitoring.

(c) Corporate Advisory Services

Your Company has diversified in the areas of high value segments of financial consultancy through its Corporate Advisory Group and it provides the entire gamut of financial advisory services to clients across different sectors of the economy. 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 with many prestigious clients for various consultancy assignments.

(d) Sugar Development Fund

Your Company has been acting as the nodal agency 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 for the purpose of modernization of sugar factories, setting-up of bagasse-based cogeneration projects, ethanol projects and cane development schemes. Cumulative sanctions and disbursements under SDF upto March 31, 2012 stood at ₹4,329 crore and ₹3,753 crore respectively. The agency commission received this year for FY 2010-11 was of the order of ₹14.59 crore. This is expected to be ₹14.61 crore for the year 2011-12.

In addition, IFCI has carried out financial appraisals for SDF loans and has contracted a fee of ₹3.02 crore, out of which a fee of ₹2.17 crore has been received during FY 2011-12 as against a sum of ₹1.83 crore earned during FY 2010-11.

(e) NPA Acquisition and Resolution

Your Company, while managing its own NPA portfolio since 2007-08 and putting an exemplary performance in terms of recovery out of NPAs, acquired expertise in this business segment. Making use of the said expertise and taking care of the regulatory framework and other advantageous factors, your Company floated a separate business vertical for acquisition of NPAs from Banks/other FIs starting from FY 2008-09. The acquisitions were aimed at unlocking true worth out of the said NPAs for making profit at substantially higher level, as compared to profits generated out of the normal lending operations.

Till March 31, 2012, your Company had acquired 110 NPA accounts at a total consideration of ₹267.46 crore and recovered an aggregate amount of ₹275.75 crore (from 59

NPA accounts). Thus, the entire acquisition cost had already been recovered while the remaining 51 NPA accounts, where substantial recovery is expected, are still to be resolved. During FY 2011-12, your Company realized an aggregate amount of ₹190.74 crore from acquired NPAs and booked profit of ₹52.78 crore after recovering the entire acquisition cost in accordance with the RBI guidelines. Your Company will continue to give more emphasis to the said business and ensure higher level of profits in future from this segment of business to maintain pre-eminent position in NPA business segment.

(f) Human Resources

Your Company has made sustained efforts to make human resource management practices a strong catalyst in the growth of the Company by helping the creation of a competent human resource pool. In this endeavour, the human resource processes and practices have continuously evolved in light of industry best practices and have been aligned with the strategic direction the Company has been taking. Building human resource capabilities in terms of enhancing the domain expertise and behavioural and attitudinal aspects was one of the major thrust areas during the year. Your Company partnered with Management Development Institute and Institute of Leadership Development to provide one month training to 96 employees on financial management modules and managerial effectiveness program. The employees were also nominated to leading institutes in India and abroad for Executive Education Programs on leadership skills and enhancing functional knowledge. Employees were also nominated to participate in various conferences and discussion forums organised by various industry forums so as to provide them platforms for keeping abreast with latest developments and also explore business opportunities.

The manpower strength of your Company as on March 31, 2012 was 270 including 268 executives and professionals as compared to a total strength of 264 as on March 31, 2011.

(g) Information Technology and Communications

IT has played an important role in speeding up processing of proposals, creating of data bank of past cases, collecting industry-specific information and accessing such information through the network, effectively monitoring the progress of assisted projects or the health of the assisted units. The most noteworthy developments related to IT sector in your Company are:

IT Applications/Automations

- Central Integrated Information System (CIIS) as an in-house developed Enterprise Resource Planning (ERP) system to suffice business needs.
- Development of an integrated module of Commercial Papers (CP)/Certificates of Deposit (CD) to facilitate

management and accounting of investments made.

- Redesigning of Balance Sheet Module of CIIS to comply with the revised balance sheet format as notified by the Ministry of Corporate Affairs.
- Introduction of 'SWIFT'-Society for Worldwide Interbank Financial Telecommunication to allow secured communication between international banks and entities associated with market and treasury operations.
- Introduction of Business Intelligence (BI) for analysing data and extracting meaningful information that will aid in decision making.
- Development of an intranet portal so as to have unified access to all enterprise information and applications.
- Introduction of Enterprise Project Management (EPM) for tracking and monitoring projects financed by way of equity participation.

IT Infrastructure

- Deployment of SSL VPN to extend a Virtual Private Network over the public Internet, hence enabling remote users to securely access corporate resources.
- Replacement of legacy backup solution with a sophisticated automated backup solution.

Further as part of the efforts to provide IT support to its associates and subsidiaries, the IT team of your Company has implemented the Financial Accounting and Loan Accounting modules of CIIS at IFCI Factors Ltd.

RISK MANAGEMENT AT IFCI

(a) Risk Management

Managing various types of risks is an integral part of IFCI's business. Business and revenue growth have to be viewed in the context of the risks implicit in IFCI's business strategy. Recognizing this, your Company has continued its endeavor to have in place a risk management framework in line with best practices in the industry. Forming part of the risk management architecture, the Risk Management Committee of Directors oversees all the risks viz. credit, market, liquidity and operational risks and any other risks, assumed by your Company. At the executive level, a Risk Management Committee of Executives has been constituted to facilitate focused overseeing of various risks and looking after the various aspects of integrated risk management.

Being primarily a lending Institution, credit risk is the most important for IFCI and therefore, your Company has put in place a comprehensive credit risk management framework. The systems and controls, in place, to mitigate credit risks including exposure ceilings for borrowers, borrower groups and industry exposures; multi-tier credit appraisal system; risk-based monitoring system; committee system for considering proposals and detailed risk assessment of new proposals, have been further

strengthened commensurate with the volume of business activities. The credit policy and risk management policy of your Company are reviewed periodically keeping in view the changing economic and business environment.

During the year, as a part of loan review mechanism, credit audit in respect of all standard assets with exposure of ₹25 crore and above, was completed, with the objective of detecting weaknesses in these exposures and initiating timely corrective action. The credit audit exercise also serves as an effective tool for ensuring that proper credit evaluation and monitoring standards are maintained. Furthering the initiative of portfolio monitoring, analyses of quarterly results of assisted concerns (covering almost 50% of the portfolio), with focus on assessing cash flows and debt servicing capacity as also detecting early warning signals, was carried out.

Your Company has successfully adopted and made internal credit risk rating models an integral part of the credit assessment process. The models are now used for measuring credit risk in new business proposals and existing loan portfolio. Initiating the process of monitoring the portfolio using these models, the first annual cycle of internal ratings for all standard assets with exposure of ₹5 crore and above, was completed during the year. Annual migration analysis of rated exposures was also completed. The internal rating process serves as a critical tool for risk-based pricing, credit approval decisions, identification of loan problems, determination of default and recovery rates and portfolio management.

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. Stress testing on interest rate risk, liquidity risk and duration mismatch are carried out on quarterly basis. 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 augmentation as also maturing of the loan portfolio, risk management at IFCI would assume a more crucial role. Your Company would continue to work on various initiatives which would not only help 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.

(b) 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 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.

(c) Nominee Directors

Your Company appoints Nominee Directors on the Boards of assisted concerns following the long and well established practice of Institutions and Banks to monitor the performance of their borrowed companies. The underlying objective of making such appointment 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 received from Nominee Directors acts as a useful tool for credit monitoring. The system of Nominee Directors is functioning effectively in your Company.

OPPORTUNITIES, THREATS AND FUTURE OUTLOOK

Your Company has a diversified portfolio of financial products and services being taken care of by various departments/subsidiaries at IFCI. IFCI, as 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. A mix of young and experienced talent helps IFCI to transform itself with the changing times. Your Company will continue to explore possibilities of new business for short term and medium term with the aim of establishing a niche market for itself in the products like short and medium term loans against liquid securities, take-out finance and debt swapping, etc. 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.

Being categorized as an NBFC-ND-SI by RBI, your Company has not accepted deposits from the public. It has relied on borrowed funds indicating a relatively higher cost of funds viz-a-viz its counterparts such as banks. Notwithstanding this fact, the operational efficiency of its skilled professionals has compensated for it to a large extent.

The weak outlook for the world economy and the deceleration in the domestic economy are expected to continue exerting pressure on growth prospects of IFCI. Volatility in the international oil market after the US and the EU embargo on Iran may nullify Government's efforts to bring down inflation. Government projections for the next year i.e. 2012-13 are based on average oil price of US \$115-120 per barrel. If the prices continue to hover more than US \$120 level, the

projections are likely to see a slippage and may create pressure on fiscal situation as well as on inflation. With the report of the Usha Thorat Committee, the portents for NBFCs, which has only had a grudging acceptance in the financial landscape, become even more ominous. However, your Company draws encouragement from its legacy, its pool of small but highly dedicated manpower and its ability to act quickly and decisively in responding to changing market situation.

Infrastructure projects such as power generation, transmission, renewable energy etc will continue to be the potential sector for investment by your Company. Your Company shall leverage on its experience in bidding for attractive infra projects across India. Above all, your Company proposes to increase its focus on its subsidiaries and associates to further strengthen the IFCI franchise and create long term opportunities for growth.

Challenges Ahead

Your Company, with its present business model, envisages the deterioration in the business environment and formalization of the recommendations of the Usha Thorat Committee as major challenges.

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 M/s Sanjay Grover and Associates, Company Secretaries, 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 as under:

Particulars	(₹crore)	
	Year ended 31.03.2012	Year ended 31.03.2011
Expenditure in Foreign Exchange:		
Interest on borrowings	4.29	4.04
Other matters	0.19	0.80
TOTAL	4.48	4.84
Earnings in Foreign Exchange:		
Earnings in Foreign Currency	-	-

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 gratitude for the cooperation, guidance and support received from the Ministry of Finance, various other Ministries and Departments of the Government of India, Securities and Exchange Board of India, the Reserve Bank of India, other regulatory bodies and State Governments. 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 sincerely 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

P G MURALIDHARAN
Chairman of the Board

Place: New Delhi
Dated: May 14, 2012

DIRECTORS' REPORT DISCLOSURES

Statement as at March 31, 2012, pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under:

Sl. No.	Particulars	Details
1.	Details of the Meeting	Authorised by Shareholders of the Company on September 13, 2011
2.	Approved Limit	Upto 3% of the paid up equity share capital
3.	The Pricing Formula	Exercise Price is up to 25% discount from the Market Price of the equity shares in the Company as on date of grant. Accordingly, exercise prices are ₹17.55 and ₹23.40 for ESOP-A & ESOP-B Stock Options respectively.
4.	Options Granted	71,96,993
5.	Options Vested & Exercisable	0
6.	Options Exercised	0
7.	Options Cancelled	18,612
8.	Options Lapsed	0
9.	Total Number of Options in force	71,78,381
10.	Variation in terms of ESOP	Not Applicable
11.	Total number of shares arising as a result of exercise of options	0
12.	Money realised by exercise of options (₹ in lakh)	0

B. Employee-wise details of options granted during the financial year 2011-12 to:

(i)	Senior managerial personnel	See Note '1' below
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	None
(iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None

C. Weighted average Fair Value of Options granted during the year whose

(a)	Exercise price equals market price	11.31
(b)	Exercise price is greater than market price	Not Applicable
(c)	Exercise price is less than market price	12.07

Weighted average Exercise price of options granted during the year whose

(a)	Exercise price equals market price	₹23.40
(b)	Exercise price is greater than market price	Not applicable
(c)	Exercise price is less than market price	₹17.55

D. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2011-12 is ₹45,54,700. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2011-12 would be ₹1,28,68,955. Had the Company adopted the fair value method (based on Black Scholes Pricing Model), net profit after tax would have been lower by ₹83,14,255 for FY 2011-12.

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

Earning Per Share : Basic	
– As Reported	₹8.99
– Adjusted Pro Forma	₹8.98
Earning Per Share: Diluted	
– As Reported	₹7.23
– Adjusted Pro Forma	₹7.22

E. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model. The Assumptions used in the model are as follows:

Variables	November 30, 2011
1. Risk Free Interest Rate	5.61% - 7.09%
2. Expected Life	3 years - 6 years
3. Expected Volatility	56.18% - 70.92%
4. Dividend Yield	4.00%
5. Price of the underlying share in market at the time of the option grant	₹23.40

Note '1':

Employee-wise details of options granted to Senior Managerial Personnels:

Name	Designation	No. of Options		
		ESOP-A	ESOP-B	TOTAL
Shri Sujit K Mandal	Whole Time Director	103399	102189	205588
Shri T K Ray	Executive Director	93059	91970	185029
Smt Shashi Sharma	Executive Director	93059	91970	185029

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is based on the principle of fairness, equity, transparency, accountability and dissemination of information. IFCI believes in maintaining highest standards of Corporate Governance as essential to its existence.

2. BOARD OF DIRECTORS:

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

As on March 31, 2012, the Board of the Company consisted of 13 Directors, out of whom 11 are Non-Executive Directors

and 2 are Executive Directors comprising one Chief Executive Officer & Managing Director and one Whole Time Director.

The composition of the Board is in conformity with the requirements of Clause 49 of 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 FY 2011-12		At AGM held on September 13, 2011	Other Directorship(s)	Committee Membership(s)	Committee Chairmanship(s)
			Held	Attended				
1.	Shri P G Muralidharan	Non Executive-Independent Director	5	5	No	1	1	-
2.	Shri Atul Kumar Rai	Chief Executive Officer & Managing Director	5	5	Yes	4	-	-
3.	Shri Sanjeev Kumar Jindal	Nominee Director-Government of India	5	3	No	3	3	-
4.	Shri V K Chopra (*)	Nominee Director-Government of India	1	1	NA	1	1	-
5.	Shri Prakash P Mallya	Non Executive-Independent Director	5	4	Yes	2	1	1
6.	Shri Shilabhadra Banerjee	Non Executive-Independent Director	5	4	Yes	1	-	-
7.	Shri Rakesh Bharti Mittal	Non Executive-Independent Director	5	2	No	8	4	-
8.	Smt Usha Sangwan	Non Executive-Independent Director	5	3	No	-	-	-
9.	Shri K Raghuraman	Non Executive-Independent Director	5	4	Yes	7	5	1
10.	Prof Shobhit Mahajan	Non Executive-Independent Director	5	5	No	1	-	-
11.	Shri S Shabbeer Pasha	Non Executive-Independent Director	5	5	Yes	3	1	1
12.	Prof Omprakash Mishra	Non Executive-Independent Director	5	5	Yes	-	-	-
13.	Shri Sujit K Mandal	Whole Time Director	5	5	Yes	5	3	-
DIRECTORS RETIRED/RESIGNED DURING THE YEAR 2011-12								
1.	Shri K V Eapen (**)	Nominee Director-Government of India	2	-	No	1	1	-
2.	Shri Umesh Kumar(**)	Nominee Director-Government of India	2	-	No	1	1	-

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

(**) Shri K V Eapen ceased to be a Director on the Board w.e.f. July 28, 2011 and Shri Umesh Kumar ceased to be Director w.e.f. November 16, 2011.

NOTES:1. Number of Meetings represent the Meetings held during the period in which the Director was Member of the Board.

2. Number of other Directorships indicated above is exclusive of the Directorships on the Board of private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, alternate Directorship and non-corporate institutions.

3. In case of Directors retired/resigned, the status of other Directorship and Committee Membership is on the basis of the last disclosure made by the Director.
4. The details of Committee Memberships considered for the purpose are those prescribed under Clause 49(I)(c)(ii) of the Listing Agreement viz. Audit Committee and Investors' Grievance Committee of public limited and private limited companies which are subsidiaries of public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956.
5. None of the Directors are related to each other.
6. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2012 have been made by the Directors.
7. The independence of a Director is determined by the criteria stipulated under Clause 49 of the Listing Agreement.

(B) Number of Board Meetings held and dates

During the financial year 2011-12, the Board of Directors met five (5) times. The dates of the Meetings were April 18, 2011, July 28, 2011, October 17, 2011, November 1, 2011, and January 19, 2012. The time gap between two Meetings was not more than 4 months.

(C) Information available to the Board

During the year 2011-12, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the Board Meeting or is placed at the table during the course of the Meeting. The CFO and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The detailed agenda is sent to the Directors a week before the Board Meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item' with the permission of the Chairman. The Board also periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

3. AUDIT COMMITTEE:

(A) Terms of Reference

The terms of reference of the Audit Committee of Directors are 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 the periodical and annual financial statements before submission to the Board with the management and ensure compliance with the regulatory guidelines. The Committee is also responsible for objectively reviewing the reports of the internal auditors and statutory auditors and ensuring adequate follow up action by the management. The Committee also proposes the appointment of Statutory Auditors and fixation of their fee.

(B) Composition, Meetings and Attendance of the Committee

The Audit Committee of Directors of the Company has been constituted as per the requirements of Clause 49 of the Listing Agreement. Audit Committee consists of 4 Non-Executive Independent Directors and 1 Executive Whole Time Director. The constitution of Audit Committee also

meets the requirements under Section 292A of the Companies Act, 1956.

The Chairman of the Audit Committee is an Independent Director and was present at the last Annual General Meeting of the Company.

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 of the Company acts as the secretary to the Audit Committee.

During the financial year 2011-12, the Audit Committee of Directors of IFCI met 4 times. The Meetings were held on April 18, 2011, July 28, 2011, October 17, 2011 and January 19, 2012. The time gap between the two Meetings did not exceed four months. The attendance of Directors at the Meetings is given below:

Sl. No.	Name of Director	Category	No. of Meetings during FY 2011-12	
			Held	Attended
MEMBERS OF THE COMMITTEE				
1.	Shri S Shabbeer Pasha	Chairman	4	4
2.	Shri Sanjeev Kumar Jindal	Member	4	2
3.	Shri Shilabhadra Banerjee	Member	4	3
4.	Prof Omprakash Mishra	Member	4	4
5.	Shri Sujit K Mandal	Member	4	4

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

4. REMUNERATION OF DIRECTORS

(A) Terms of Reference

The Board of Directors had formed an HR & Compensation 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 Directors, out of which 2 are Executive Directors and 3 are Non-Executive-Independent Directors. During the year, under review the Committee met 5 times on July 12, 2011, October 31, 2011, November 30, 2011, December 26, 2011 and January 18, 2012.

(B) The following are the details of the remuneration paid to the managerial personnel during the financial year 2011-12:

Shri Atul Kumar Rai, Chief Executive Officer and Managing Director, from 01.04.2011 to 31.03.2012

Particulars	(₹ lakh)
Salary & Allowances	101.12
Contribution to PF	14.01
Perquisites	0.81
TOTAL	115.94

Shri Sujit K Mandal, Whole Time Director, from 01.04.2011 to 31.03.2012*

Particulars	(₹ lakh)
Salary & Allowances	73.97
Contribution to PF	5.00
Perquisites	10.76
TOTAL	89.73

* He has been granted options under ESOP 2011. The details are as under:

1. Under ESOP 'A'

No. of Options Granted - 1,03,399; Exercise Price - ₹17.55/- (Discount of 25% involved); Grant date - November 30, 2011; Vesting Period - 4 years.

2. Under ESOP 'B'

No. of Options Granted - 1,02,189; Exercise Price - ₹23.40/- (No Discount); Grant date-November 30, 2011; Vesting Period-4 years.

(C) The Company pays sitting fee of ₹20,000/- per Meeting for the Board and ₹10,000/- per Meeting for 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, 2012.

5. INVESTORS' GRIEVANCE COMMITTEE:

(A) In compliance with the Listing Agreement requirements, the Company has constituted an Investors' Grievance Committee consisting of Non-Executive Independent Directors. The Committee consists of 4 Non-Executive Independent Directors.

During the financial year 2011-12, the Committee met 2 times on April 18, 2011 and October 17, 2011. The attendance of Directors at the Meetings is as under:

Sl. No.	Name of Director	Category	No. of Meetings during FY 2011-12	
			Held	Attended
MEMBERS OF THE COMMITTEE				
1.	Shri P G Muralidharan	Chairman	2	2
2.	Shri K Raghuraman	Member	2	2
3.	Shri Shilabhadra Banerjee	Member	2	2
4.	Shri S Shabbeer Pasha	Member	2	2

Note: Number of Meetings represent 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 2011-12 and the number of pending complaints are shown below:

Equity Shares & Bonds	
No. of Complaints received during the Financial Year 2011-12	21086*
Pending as on March 31, 2012	-

* 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. The same are being revalidated on receipt of request from the bondholders.

IFCI has made payment of cumulative dividend on preference shares amounting to ₹26.38 lakh during 2011-12.

(D) The Company has constituted a Committee of 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 the Company 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 of last three Annual General Meetings held:

Sl. No.	AGM Date	Location	Time
1.	13.09.2011	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
2.	17.09.2010	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.
3.	18.09.2009	Air Force Auditorium Subroto Park New Delhi - 110 010	10:30 A.M.

(B) 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
13.09.2011	224A	Appointment of Statutory Auditors
	314 (1) (B)	Appointment of a relative of a Director to an office or place of profit
	81 (1A)	ESOP - 2011
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

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

7. DISCLOSURES:

(A) Related Party Transactions

Related party transactions during the year have been

disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. The 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.

(B) Disclosure of accounting treatment

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

(C) Risk Management

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

(D) Management Discussion and Analysis Report

Management discussion and Analysis forms part of the Directors' Report and is given separately in the Annual Report.

(E) Information pursuant to Clause 49IV(G) of the Listing Agreement

A brief resume and name of the companies in which Directors, who are being appointed/re-appointed, hold Directorship/Committee Membership are given in the notice of the 19th Annual General Meeting of the Company under heading "Information about Directors seeking appointment/re-appointment as required under the Corporate Governance Clause of the Listing Agreement."

(F) Details of non-compliance with regard to Capital Market

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

(G) Details of Compliance with mandatory requirements

The Company has fully complied with the mandatory requirements of Clause 49 of the Listing Agreement of the Stock Exchanges. Company has submitted the Quarterly Compliance report to the stock exchanges within the prescribed time limit.

M/s Sanjay Grover & Associates, Practicing Company Secretaries have certified that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The said certificate is appended to this report.

(H) Subsidiary Companies

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 down subsidiaries viz. IFIN Commodities Ltd, IFIN Credit Ltd, Narayan Sriram Investments Pvt Ltd and IIDL 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.

(I) CEO/CFO Certificate

The certification under Clause 49(v) of listing agreement by

CEO and CFO to the Board is appended to this report.

(J) Details of adoption of non-mandatory requirements

The Company has complied with and adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

1. The Board

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

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

2. Shareholder Rights

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

3. Whistle Blower Policy

The Company does not have a formal Whistle Blower Policy. 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) and all editions of Hindu Business Line, Financial Express, Business Standard, Jansatta, Hindustan Times, 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 intimation to stock exchanges.

9. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting: Date : July 18, 2012
 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, 2012
 June 30, 2012
 Results for quarter ending : Third week of October, 2012
 September 30, 2012
 Results for quarter ending : Third week of January, 2013
 December 31, 2012
 Results for quarter ending : Third week of April, 2013
 March 31, 2013

(iii) Dates of Book Closure : Monday, July 09, 2012 to
 Wednesday July 18, 2012
 (both days inclusive)

(iv) Dividend Payment Date : A final dividend of Re.1/- per
 equity share will be paid for the
 Financial Year 2011-12 on/after
 July 18, 2012, 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 had 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)

ISIN Number:
Equity Shares : INE039A01010

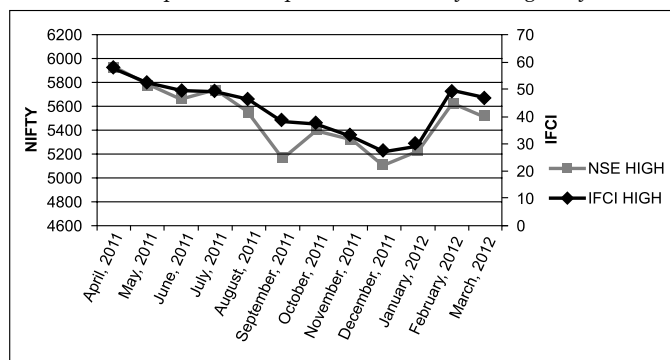
(vii) Market Price Data: (Price in ₹)

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2011	57.80	51.65	57.80	51.65
May, 2011	52.45	44.25	52.45	44.30
June, 2011	49.60	42.50	49.60	42.55
July, 2011	49.35	44.85	49.40	44.90
August, 2011	46.40	34.90	46.15	35.00
September, 2011	38.40	30.00	38.45	30.00
October, 2011	37.20	28.20	33.30	28.20
November, 2011	33.00	20.75	33.00	20.75
December, 2011	27.20	19.65	27.10	19.65
January, 2012	28.90	20.10	28.85	20.15
February, 2012	49.40	28.50	49.40	28.50
March, 2012	46.85	38.90	46.85	38.90

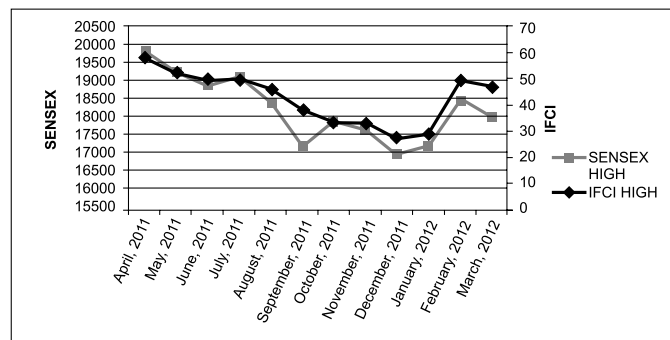
Source: NSE/BSE

(viii) Performance in comparison to broad based indices:

IFCI Share price as compared to NSE Nifty during the year:



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



(ix) Registrar and Transfer Agents:

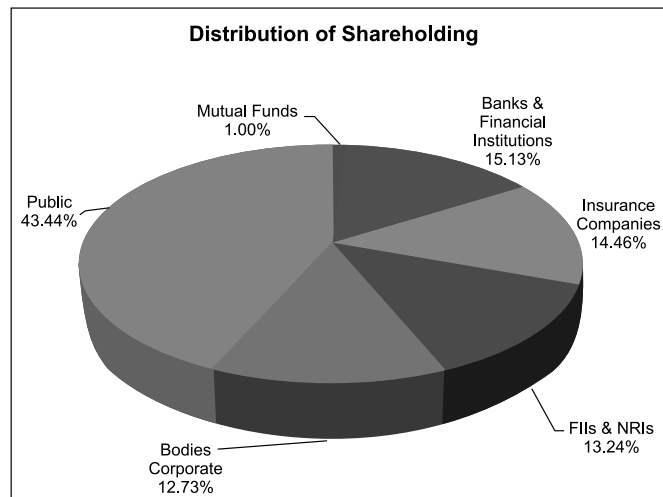
Both for Equity Shares and Family Bonds	MCS Ltd F-65, Okhla Industrial Area Phase-I, New Delhi-110020
For Infrastructure Bonds (Series I & II)	Beetal Financial & Computer Services (P) Ltd, Beetal House 3rd Floor, 99 Madangir Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi-110 062
For Infrastructure Bonds (Series III, IV & V)	Karvy Computershare Pvt Ltd Plot Nos. 17-24 Vittal Rao Nagar, Madhapur Hyderabad- 500 081
For Subordinate Bonds (Series I, III & IV)	Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (W) Mumbai-400 078

(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 (on March 31, 2012):

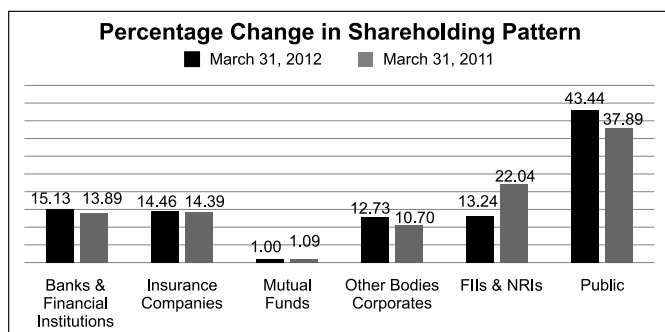
The Shareholding in IFCI by major categories of Shareholders as on March 31, 2012 is as under:



(a) Shareholding Pattern:

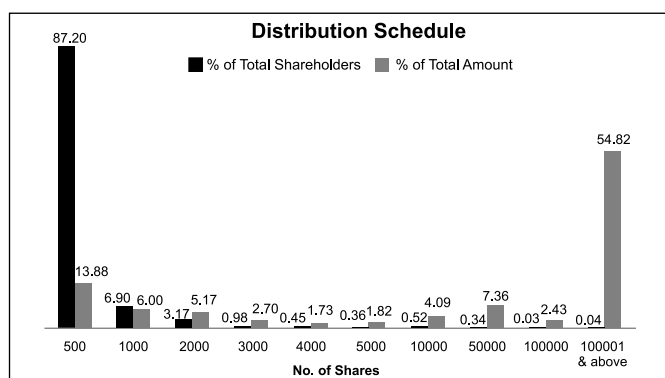
Shareholding pattern of IFCI as on March 31, 2012 and March 31, 2011 for the purpose of reporting in the Annual Report of the Company for the year 2011-12 is given as under:

Category	As on 31.03.2012		As on 31.03.2011	
	No. of Equity Shares	%	No. of Equity Shares	%
Banks & Financial Institutions	11,16,56,574	15.13	10,24,74,190	13.89
Insurance Companies	10,66,98,758	14.46	10,61,98,758	14.39
Mutual Funds	74,00,714	1.00	80,73,340	1.09
Other Bodies Corporates	9,38,82,704	12.73	7,89,28,933	10.70
FIIs & NRIs	9,76,61,573	13.24	16,26,28,805	22.04
Public	32,05,37,008	43.44	27,95,33,305	37.89
TOTAL	73,78,37,331	100.00	73,78,37,331	100.00



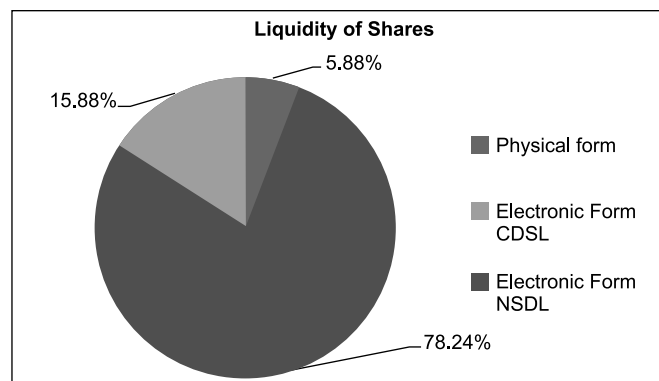
(b) Distribution Schedule:

Sl. No.	Category		No. of Shareholders	% of total Shareholders	Amount (₹)	% of Total Amount
	From	To				
1.	1	500	6,81,466	87.20	1,02,44,13,730	13.89
2.	501	1000	53,912	6.90	44,20,77,780	6.00
3.	1001	2000	24,805	3.17	38,16,62,170	5.17
4.	2001	3000	7,640	0.98	19,77,39,390	2.68
5.	3001	4000	3,510	0.45	12,79,20,320	1.73
6.	4001	5000	2,826	0.36	13,45,87,130	1.82
7.	5001	10000	4,075	0.52	30,21,40,380	4.09
8.	10001	50000	2,647	0.34	54,33,07,590	7.36
9.	50001	100000	254	0.03	17,93,59,800	2.43
10.	100001	and above	345	0.05	4,04,51,65,020	54.83
Total			7,81,480	100.00	7,37,83,73,310	100.00



(xii) Dematerialization of Shares and Liquidity:

About 94.12% of the Equity Shares of the Company have already been dematerialized up to March 31, 2012. 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 are no GDR/ADR or Warrants or any other Convertible Instrument, which are pending for conversion into equity shares.

(xiv) Plant Location

: IFCI is a Financial Institution having its Registered Corporate Office at New Delhi.

Regional Offices at : Ahmedabad, Bengaluru, Bhopal, Kolkata, Chandigarh, Chennai, Hyderabad, Jaipur, Lucknow and Mumbai.

Other offices at : Bhubaneswar, Guwahati, Kochi, Patna and Pune

(xv) Address for Correspondence:

Investor Correspondence (Equity & Family bond) MCS Limited
F-65, First Floor
Okhla Industrial Area
Phase I, New Delhi-110020

For Infrastructure Bonds (Series I & II) Beetal Financial & Computer Services (P) Ltd, Beetal House
3rd Floor, 99 Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi-110062

For Infrastructure Bonds (Series III, IV & V) Karvy Computershare Pvt Ltd
Plot Nos. 17-24
Vittal Rao Nagar, Madhapur
Hyderabad-500081

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. The Code of Conduct as adopted is available on the Company's website. Further confirm that the Company has in respect of the Financial Year ended March 31, 2012, received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Atul Kumar Rai
Chief Executive Officer &
Managing Director

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.

MANJU JAIN
Vice President
Accounts

SHASHI SHARMA
Executive Director
In-charge Finance

ATUL KUMAR RAI
Chief Executive Officer & Managing Director

Place : New Delhi
Date : April 17, 2012

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF IFCI LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s IFCI Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the condition of the Certificate 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of 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 **SANJAY GROVER & ASSOCIATES**
Company Secretaries

Sanjay Grover
C.P. No.3850

Place : New Delhi
Date : May 11, 2012

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IFCI LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of IFCI Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2012, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view

in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012, from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

For **CHOKSHI & CHOKSHI**

Chartered Accountants
Firm Registration No.101872W

Kanu S Chokshi

Partner

Membership No.17085

Camp : New Delhi

Date : April 17, 2012

ANNEXURE TO THE AUDITORS' REPORT

For the annexure referred to in our report of even date to the Members of IFCI Ltd ('the Company') for the year ended on March 31, 2012; we report that:

- (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 affect 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 and to best of our knowledge, the provisions of 'The Companies (Cost Accounting Records) Rules, 2011' Published by the Central Government under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956 for maintenance of cost records are not applicable to the Company as the Company is not engaged in the production, processing, manufacturing or mining activities. Hence paragraph (viii) of the Order is not applicable.
- (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 and other material statutory dues as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as at March 31, 2012 for a period of more than 6 months from the date they became payable.
- (b) As at March 31, 2012, 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 17, 2012

Membership No.17085

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012	(₹ crore) As at March 31, 2011
EQUITY & LIABILITIES			
Shareholders' Funds			
- Share Capital	2	1,001.68	1,001.68
- Reserves and Surplus	3	4,534.07	4,001.72
Share Application Money pending allotment		-	-
Non-current Liabilities			
(a) Long-term Borrowings	4	17,493.22	17,420.22
(b) Other Long-term Liabilities	5	56.35	51.64
(c) Long-term Provisions	6	139.82	136.83
Current Liabilities			
(a) Short-term Borrowings	7	384.44	-
(b) Trade Payables	8	247.64	93.68
(c) Other Current Liabilities	9	4,239.93	2,736.46
(d) Short-term Provisions	10	86.65	85.75
TOTAL		28,183.80	25,527.98
ASSETS			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	1,150.97	1,199.58
(ii) Intangible Assets	12	0.41	0.46
(iii) Capital work-in-progress		14.54	8.75
(b) Non-current Investments	13	8,728.29	6,255.14
(c) Deferred Tax Asset (Net)	14	836.92	1,020.91
(d) Long-term Loans & Advances	15	9,819.07	10,717.12
(e) Other Non-current Assets	16	260.10	389.28
Current Assets			
(a) Current Investments	17	2,033.58	1,588.66
(b) Trade Receivables	18	15.58	75.67
(c) Cash and Cash Equivalents	19	898.61	527.86
(d) Short-term Loans and Advances	20	4,127.17	3,483.44
(e) Other Current Assets	21	298.56	261.11
TOTAL		28,183.80	25,527.98

Notes 1-56 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

 For **CHOKSHI & CHOKSHI**
 Chartered Accountants

ATUL KUMAR RAI
 Chief Executive Officer &
 Managing Director

SUJIT K MANDAL
 Whole Time Director

KANU S CHOKSHI
 Partner
 M. No.17085

SHASHI SHARMA
 Executive Director
 In-charge Finance

MANJU JAIN
 Vice President
 Accounts

RUPA SARKAR
 Company Secretary

 Place : New Delhi
 Dated : April 17, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
Revenue from Operations	22	2,729.39	2,332.45
Other Income	23	120.81	147.66
Total Revenue		2,850.20	2,480.11
Expenses			
Cost of Borrowings	24	1,871.08	1,318.97
Payments to and Provisions for Employees	25	64.82	64.92
Establishment and Other Expenses	26	57.60	70.01
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		11.67	10.28
Total Expenses		2,005.17	1,464.18
Profit Before NPA Recovery, Provisions/Write-off		845.03	1,015.93
Provision for Bad & Doubtful Assets and Others (Net of Write-off)	27	(112.71)	(150.32)
Profit before Exceptional & Extraordinary Items & Tax		957.74	1,166.25
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		957.74	1,166.25
Extraordinary Items		-	-
Profit before Tax		957.74	1,166.25
Provision for Taxation			
- Current Tax		110.13	93.47
- Deferred Tax (Net)		183.99	366.53
Profit from continuing Operations		663.62	706.25
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit for the period		663.62	706.25
Basic Earnings per share of ₹10.00 each (₹)		8.99	9.57
Diluted Earnings per share of ₹10.00 each (₹)		7.23	8.30

Notes 1-56 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

KANU S CHOKSHI
Partner
M. No.17085

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

Place : New Delhi
Dated : April 17, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	<u>For the year ended</u> <u>March 31, 2012</u>	<u>(₹ crore)</u> <u>For the year ended</u> <u>March 31, 2011</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	957.74	1,166.25
Adjustments for:		
Depreciation	11.67	10.28
Provision/write offs	(112.71)	(150.32)
Bond Issue Expenses charged to Share Premium Account	(25.94)	-
(Profit)/Loss on Sale of Assets	(1.10)	(34.09)
Employee Stock Option Compensation Cost	0.45	-
Lease Equalisation	23.91	21.65
Operating Profit before Working Capital Changes	<u>854.02</u>	<u>1,013.77</u>
Adjustments for:		
(Increase)/Decrease in Investments	(2,911.98)	(1,866.26)
(Increase)/Decrease in Loans & Advances	349.37	(3,952.23)
Increase/(Decrease) in Borrowings	2,155.17	5,676.49
(Increase)/Decrease in Current Assets	31.22	(76.19)
Increase/(Decrease) in Current Liabilities	(32.60)	(130.99)
Cash Flow before Taxation	<u>445.20</u>	<u>664.59</u>
Income Tax (paid)/Refund-Net	22.04	(105.75)
Appropriation for Corporate Social Responsibility and Staff Welfare Fund	-	(10.27)
Net cash from Operating Activities	<u>467.24</u>	<u>548.57</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(13.07)	(12.13)
Sale proceed of Fixed Assets	1.73	39.28
Net cash used in/raised from Investing Activities	<u>(11.34)</u>	<u>27.15</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(85.15)	(86.39)
Net Cash from Financing Activities	<u>(85.15)</u>	<u>(86.39)</u>
Net Change in Cash and Cash Equivalent (A+B+C)	<u>370.75</u>	<u>489.33</u>
Opening Cash and Cash Equivalent	527.86	38.53
Closing Cash and Cash Equivalent	898.61	527.86
Increase/(Decrease) in Cash and Cash Equivalent *	<u>370.75</u>	<u>489.33</u>

Note: Figures for previous year have been regrouped, wherever considered necessary
 * Includes ₹ 3.70 crore (Previous Year - ₹ 3.79 crore) in Unclaimed Dividend Account

Notes 1-56 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

KANU S CHOKSHI
Partner
M. No.17085

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

Place : New Delhi
Dated : April 17, 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on a historical cost convention and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompass applicable accounting standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act 1956, the applicable guidelines issued by the Reserve Bank of India (RBI), other statutory provisions and regulatory framework. 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.

1.2 Revenue Recognition

- (a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPAs) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.
- (b) Front-end fee, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on realization basis.
- (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.
- (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.
- (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.
- (f) Surplus on sale of investments is net of losses thereon.

1.3 Investments

- (a) Investments are classified under two categories i.e. current and long term and are valued in accordance with the RBI Guidelines as applicable to Non-Banking Financial Companies (NBFCs) and Accounting Standard 13 on 'Accounting for Investments' as notified by the Companies (Accounting Standards) Rules, 2006.
 - (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.
- (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.

1.4 Derivatives

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

1.5 Foreign Exchange Transactions

- (a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/at the forward rate, if booked, for such transaction.
- (b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/losses, if any, on valuation of various assets and liabilities are taken to Profit & Loss Account.

1.6 Fixed Assets and Depreciation

- (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'.
- (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.
- (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 ₹ 5,000/- are charged to the Profit & Loss Account in the year of purchase.
- (d) Leasehold Land is amortized over the lease period.
- (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.
- (f) Leasehold Improvements are amortized over the lease period.
- (g) Mobile phones are fully depreciated in the year of acquisition itself.

1.7 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.

1.8 Provisions/Write off against Loans and Other Credit Facilities

- (a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. 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.
- (b) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI.
- (c) Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable in terms of RBI Guidelines.
- (d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

1.9 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.

1.10 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.

1.11 Miscellaneous Expenditure

- (a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.
- (b) Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.

1.12 Employee Benefits

- (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.
- (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.
- (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.

1.13 Employee Stock Option Plan

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees (including employees deputed in subsidiaries/associates/joint ventures) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

1.14 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.

1.15 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.

	As at March 31, 2012	(₹ crore) As at March 31, 2011
2. SHARE CAPITAL		
AUTHORISED		
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
	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED		
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	<u>263.84</u>	<u>263.84</u>
SUBSCRIBED		
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	<u>263.84</u>	<u>263.84</u>
PAID UP		
(A) EQUITY		
73,78,37,331 (Previous Year - 73,78,37,331) Equity Shares of ₹ 10/- each	737.84	737.84
TOTAL (A)	<u>737.84</u>	<u>737.84</u>
(B) PREFERENCE		
26,38,43,100 (Previous year - 26,38,43,100) 0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each (Redeemable at par on 31.03.2021 - ₹ 2.00 crore, 03.03.2021 - ₹ 8.00 crore, 02.03.2021 - ₹ 30.00 crore, 01.03.2021 - ₹ 10.00 crore, 31.10.2020 - ₹ 2.00 crore, 31.03.2019 - ₹ 30.00 crore, 17.09.2018 - ₹ 50.00 crore, 15.09.2018 - ₹ 93.00 crore and 02.08.2017 - ₹ 38.84 crore)	263.84	263.84
TOTAL (B)	<u>263.84</u>	<u>263.84</u>
TOTAL (A + B)	<u>1,001.68</u>	<u>1,001.68</u>

Foot-note

- 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.
- Life Insurance Corporation of India holds 8.39% (6,19,34,044 shares of ₹ 10 each) of Equity Share Capital of IFCI Ltd.

	As at March 31, 2012	(₹ crore) As at March 31, 2011
3. RESERVES AND SURPLUS		
(a) Capital Reserve	0.85	0.85
(b) Capital Redemption Reserve	193.08	193.08
(c) Securities Premium Reserve (refer note 32)		
Opening Balance	971.84	971.84
Additions/Transfers during the year	-	-
Deductions/Transfers during the year	25.94	-
Closing Balance	945.90	971.84
(d) Debenture Redemption Reserve	5.00	5.00
(e) Revaluation Reserve (refer foot-notes of Note 11)		
Opening Balance	978.00	1,194.32
Additions/Transfers during the year	-	-
Deductions/Transfers during the year	19.72	216.32
Closing Balance	958.28	978.00
(f) Share Options Outstanding A/c (foot-note 1)		
Opening Balance	-	-
Additions/Transfers during the year	0.45	-
Deductions/Transfers during the year	-	-
Closing Balance	0.45	-
(g) Grant received from GoI under KfW Loans (foot-note 2)	184.48	184.48
(h) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (foot-note 3)		
- for the period upto 31.03.1997	1.69	1.69
- after 01.04.1997	-	-
Opening Balance	20.00	10.00
Additions/Transfers during the year	15.00	10.00
Deductions/Transfers during the year	-	-
Closing Balance	35.00	20.00
(i) Reserve u/s 45IC of RBI Act (foot-note 3)		
Opening Balance	446.21	304.96
Additions/Transfers during the year	132.72	141.25
Deductions/Transfers during the year	-	-
Closing Balance	578.93	446.21
(j) Benevolent Reserve (foot-note 3)	4.11	4.11
(k) General Reserve	130.00	130.00
(l) Profit & Loss Account		
Opening Balance	1,066.46	607.79
Add: Profit for the year	663.62	706.25
Less: Appropriations		
Reserve u/s 45IC of RBI Act	132.72	141.25
Capital Redemption Reserve	-	-
General Reserve	-	-
Special Reserve u/s 36(1)(viii)	15.00	10.00
Staff Welfare Fund	-	0.27
Corporate Social Responsibility Fund	-	10.00
Proposed Dividend		
- Equity @ ₹ 1 per share	73.78	73.78
- Preference @ ₹ 0.01 per share	0.26	0.26
Tax on Distributed Profits		
- Equity	11.97	11.97
- Preference	0.05	0.05
Closing Balance	1,496.30	1,066.46
TOTAL	4,534.07	4,001.72

Foot-notes : 1. Net of Deferred Employee Compensation Outstanding ₹ 2.21 crore.

2. In terms of agreement governing the KfW Loan, a part of the interest payable by Company to KfW was made to be utilised for specific purposes and the said amount stands so utilised in earlier years.

3. Special Reserve u/s 36(1)(viii) of Income Tax Act, Reserve u/s 45IC of RBI Act and Benevolent Reserve are created to meet specific regulatory and legal requirement.

4. LONG-TERM BORROWINGS - UNSECURED

4.1 RUPEE

	As at March 31, 2012	(₹ crore) As at March 31, 2011
(A) OPTIONALLY CONVERTIBLE DEBENTURES		
(i) 9.75% Government of India - Redeemable on 30.10.2021	400.00	400.00
SUB - TOTAL 'A' (refer foot note 1)	400.00	400.00
(B) NON-CONVERTIBLE DEBENTURES (NCDs)		
(i) 6.00% LIC - Redeemable on 28.12.2021	200.00	200.00
(ii) 6.00% SBI - Redeemable on 25.01.2022	200.00	200.00
(iii) 0.00% LIC - Redeemable on 01.04.2022	418.19	418.19
SUB - TOTAL 'B'	818.19	818.19

Note 4.1 (Contd..)
(C) BONDS
(₹ crore)

	As at March 31, 2012	As at March 31, 2011
(a) Guaranteed by Government of India and redeemable at par		
(i) 8.22% Bonds: Redemption - 03.03.2022	46.22	-
(ii) 8.19% Bonds: Redemption - 13.01.2022	138.25	-
(iii) 8.26% Bonds: Redemption - 19.08.2021	147.37	-
(iv) 7.90% Bonds: Redemption - 26.12.2020	56.85	56.85
(v) 7.87% Bonds: Redemption - 24.09.2020	110.70	110.70
(vi) 7.65% Bonds: Redemption - 26.06.2020	163.82	163.82
(vii) 7.69% Bonds: Redemption - 26.12.2019	58.38	58.38
(viii) 7.07% Bonds: Redemption - 19.09.2019	99.42	99.42
(ix) 6.70% Bonds: Redemption - 30.05.2019	153.40	153.40
(x) 6.02% Bonds: Redemption - 28.02.2019	26.12	26.12
(xi) 6.07% Bonds: Redemption - 13.12.2018	146.20	146.20
(xii) 8.41% Bonds: Redemption - 14.06.2018	133.85	133.85
(xiii) 7.50% Bonds: Redemption - 28.01.2018	9.40	9.40
(xiv) 7.96% Bonds: Redemption - 08.10.2017	176.43	176.43
(xv) 7.89% Bonds: Redemption - 14.09.2017	176.86	176.86
(xvi) 5.30% Bonds: Redemption - 24.09.2013	195.50	195.50
(xvii) 6.29% Bonds: Redemption - 17.02.2013	-	15.43
(xviii) 6.46% Bonds: Redemption - 24.11.2012	-	179.77
(xix) 7.79% Bonds: Redemption - 27.05.2012	-	102.21
(xx) 7.23% Bonds: Redemption - 01.04.2012	-	25.87
(xxi) 12.00% Bonds: Redemption - 03.03.2012	-	46.22
(xxii) 12.00% Bonds: Redemption - 13.01.2012	-	138.25
(xxiii) 11.50% Bonds: Redemption - 19.08.2011	-	147.37
SUB-TOTAL 'C' (a) (refer foot note 2)	1,838.77	2,162.05
(b) Other Bonds		
(i) Privately Placed Bonds carrying maturity of One to Twenty years from date of placement	5,049.84	5,505.94
(ii) Privately Placed Bonds issued to Subsidiaries	75.00	75.00
(iii) Privately Placed Zero Coupon Bonds carrying maturity of 10 years to 30 years from the date of issue. Unamortised discount - ₹919.11 crore (Previous year - ₹ 929.63 crore)	117.64	107.12
(iv) Infrastructure Bonds	964.40	370.75
(v) Subordinate - Tier II Bonds	1,233.30	-
SUB-TOTAL 'C' (b) (refer foot note 3)	7,440.18	6,058.81
(D) OTHER LONG TERM BORROWINGS		
(a) Government of India under restructuring (refer foot note 4)	523.00	523.00
(b) Banks and FIs (refer foot note 5)	5,926.00	6,894.18
(c) Subsidiaries	-	10.00
(d) Government of India under KfW Loans	23.13	23.13
(e) Others	7.72	26.37
SUB-TOTAL 'D'	6,479.85	7,476.68
TOTAL (RUPEE) LOAN - UNSECURED {(A+B+C(a)+C(b)+D)}	16,976.99	16,915.73

Foot-notes

- GoI has the option of converting the debentures, 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 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.
- The bonds originally guaranteed by GoI have been rolled over for a period of 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.
- Put option applicable on ₹ 2,721.41 crore (Previous Year - ₹ 1,096.55 crore). Terms of repayment annexed.
- Loan from GoI 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.
- (a) Put/ Call Option applicable on ₹ 465.00 crore (Previous Year - ₹ 1,433.33 crore).
(b) Include loans of ₹ 300 crore (Previous Year - ₹ 300 crore), against escrow of cash flow/negative lien against certain identified loan assets.
(c) Terms of repayment annexed.

TERMS OF REPAYMENT OF OTHER BONDS {NOTE 4.1(C)(b)}

Series	Intt Rate	Date of Maturity	(₹ crore)	Series	Intt Rate	Date of Maturity	(₹ crore)
Zero Coupon Bonds	9.75	07-07-2040	7.47	Zero Coupon Bonds	9.75	07-07-2032	15.72
Zero Coupon Bonds	9.75	07-07-2039	8.19	Zero Coupon Bonds	9.75	07-07-2031	17.26
Zero Coupon Bonds	9.75	07-07-2038	8.99	Other Bonds	9.98	29-10-2030	250.00
Zero Coupon Bonds	9.75	07-07-2037	9.87	Other Bonds	9.75	16-07-2030	500.00
Zero Coupon Bonds	9.75	07-07-2036	10.84	Other Bonds	9.75	13-07-2030	250.00
Zero Coupon Bonds	9.75	07-07-2035	11.90	Other Bonds	9.70	18-05-2030	250.00
Zero Coupon Bonds	9.75	07-07-2034	13.05	Other Bonds	9.70	04-05-2030	250.00
Zero Coupon Bonds	9.75	07-07-2033	14.32	Infra	8.72	31-03-2027	25.76

Note 4.1 (C) (b) (Contd..)

Series	Intt Rate	Date of Maturity	(₹ crore)	Series	Intt Rate	Date of Maturity	(₹ crore)
Tier II	10.70	28-02-2027	123.63	Other Bonds	6.00	20-03-2017	10.00
INFRA	9.16	15-02-2027	47.02	Other Bonds	10.20	28-02-2017	2.11
INFRA	8.75	12-12-2026	12.88	Other Bonds	10.30	31-01-2017	0.10
Tier II	10.75	31-10-2026	102.49	Other Bonds	6.00	31-01-2017	5.00
Tier II	10.75	01-08-2026	468.55	Other Bonds	6.00	31-01-2017	5.00
Other Bonds	9.55	13-04-2025	225.00	Other Bonds	10.50	31-12-2016	1.45
Other Bonds	9.55	05-03-2025	200.00	Other Bonds	6.00	31-12-2016	5.00
Other Bonds	9.75	25-01-2025	200.00	Other Bonds	9.25	30-11-2016	0.20
Infra	8.50	31-03-2024	99.77	Other Bonds	10.50	30-11-2016	5.72
Other Bonds	6.00	10-12-2022	50.00	Other Bonds	6.00	30-11-2016	1.07
Other Bonds	6.00	18-11-2022	25.00	Other Bonds	9.00	30-09-2016	0.20
Other Bonds	6.00	22-10-2022	50.00	Other Bonds	10.30	31-08-2016	1.28
Other Bonds	6.00	27-09-2022	45.00	Other Bonds	10.30	31-07-2016	3.00
Other Bonds	10.25	31-03-2022	0.89	Other Bonds	6.00	31-07-2016	37.50
Other Bonds	10.25	28-02-2022	0.40	Other Bonds	9.00	20-07-2016	9.85
Tier II	10.50	28-02-2022	64.64	Other Bonds	6.00	30-06-2016	25.00
INFRA	9.09	15-02-2022	289.31	Other Bonds	6.00	19-06-2016	12.50
Other Bonds	10.60	31-12-2021	1.75	Other Bonds	6.00	08-06-2016	12.00
INFRA	8.50	12-12-2021	97.14	Other Bonds	9.00	08-06-2016	0.73
Other Bonds	10.60	30-11-2021	0.30	Other Bonds	6.00	07-06-2016	2.52
Tier II	10.50	31-10-2021	74.51	Other Bonds	10.30	31-05-2016	13.12
Tier II	10.60	31-10-2021	8.12	Other Bonds	6.00	20-05-2016	5.00
Other Bonds	10.50	31-08-2021	6.38	Other Bonds	8.50	20-05-2016	4.63
Tier II	10.55	25-08-2021	200.00	Other Bonds	9.00	20-05-2016	15.57
Tier II	10.50	01-08-2021	191.31	Other Bonds	9.75	30-04-2016	2.90
Other Bonds	10.20	31-05-2021	0.30	Other Bonds	6.00	31-03-2016	60.37
Other Bonds	10.00	30-04-2021	1.30	Other Bonds	9.75	31-03-2016	4.60
Other Bonds	10.00	30-04-2021	24.90	Other Bonds	9.00	20-03-2016	25.57
Other Bonds	10.00	31-03-2021	5.81	Other Bonds	9.00	20-03-2016	6.00
Other Bonds	6.00	15-02-2021	25.00	Other Bonds	6.00	03-03-2016	3.50
INFRA	8.00	31-01-2021	287.24	Other Bonds	6.00	01-03-2016	52.50
INFRA	8.00	31-01-2021	17.25	Other Bonds	6.00	01-03-2016	1.50
INFRA	8.25	31-01-2021	26.55	Other Bonds	6.00	24-02-2016	7.50
INFRA	8.25	31-01-2021	1.82	Other Bonds	6.00	20-01-2016	107.50
Other Bonds	9.50	31-01-2021	7.91	Other Bonds	6.00	20-12-2015	15.00
Other Bonds	9.25	30-11-2020	6.85	Other Bonds	9.00	20-12-2015	36.26
Other Bonds	9.25	31-10-2020	6.50	Other Bonds	6.00	04-12-2015	7.50
Other Bonds	9.25	30-09-2020	7.70	Other Bonds	6.00	30-11-2015	12.50
Other Bonds	6.00	20-09-2020	12.50	Other Bonds	8.90	30-11-2015	0.10
INFRA	7.85	15-09-2020	52.46	Other Bonds	6.00	28-11-2015	25.00
INFRA	7.85	15-09-2020	2.34	Other Bonds	9.00	20-11-2015	23.48
INFRA	7.95	15-09-2020	4.50	Other Bonds	6.00	11-11-2015	8.00
INFRA	7.95	15-09-2020	0.25	Other Bonds	6.00	16-10-2015	5.00
Other Bonds	9.25	31-08-2020	1.06	Other Bonds	6.00	09-10-2015	5.00
Other Bonds	9.25	31-07-2020	11.16	Other Bonds	6.00	06-10-2015	10.00
Other Bonds	9.25	31-05-2020	0.72	Other Bonds	6.00	30-09-2015	10.00
Other Bonds	6.00	18-05-2020	5.00	Other Bonds	8.90	30-09-2015	1.49
Other Bonds	9.15	30-04-2020	0.45	Other Bonds	9.00	20-09-2015	20.44
Other Bonds	9.15	31-03-2020	11.55	Other Bonds	8.90	31-08-2015	0.32
Other Bonds	6.00	28-02-2020	5.00	Other Bonds	9.00	08-08-2015	44.67
Other Bonds	6.00	24-02-2020	5.00	Other Bonds	6.00	31-07-2015	10.00
Other Bonds	8.75	31-01-2020	26.67	Other Bonds	8.90	31-07-2015	14.86
Other Bonds	9.40	30-11-2019	31.86	Other Bonds	6.00	20-07-2015	45.88
Other Bonds	9.75	31-07-2019	77.50	Other Bonds	9.00	30-06-2015	1.68
Other Bonds	10.20	30-06-2019	50.40	Other Bonds	9.00	10-06-2015	1.00
Other Bonds	10.20	20-06-2019	75.00	Other Bonds	9.00	09-06-2015	2.00
Other Bonds	6.00	07-06-2019	0.50	Other Bonds	8.90	31-05-2015	1.56
Other Bonds	9.00	28-02-2019	1.00	Other Bonds	9.00	31-05-2015	1.00
Other Bonds	10.40	31-01-2019	3.21	Other Bonds	9.00	18-05-2015	19.99
Other Bonds	10.40	31-08-2018	1.64	Other Bonds	9.00	20-04-2015	8.06
Other Bonds	10.40	31-07-2018	4.00	Other Bonds	6.00	31-03-2015	0.50
Other Bonds	10.40	31-05-2018	20.11	Other Bonds	8.75	31-03-2015	0.88
Other Bonds	6.00	20-05-2018	3.00	Other Bonds	6.00	31-03-2015	25.00
Other Bonds	9.25	31-01-2018	0.64	Other Bonds	6.00	25-03-2015	14.50
Other Bonds	6.00	25-01-2018	1.60	Other Bonds	6.00	20-03-2015	2.50
Other Bonds	9.15	30-11-2017	0.80	Other Bonds	9.00	20-03-2015	13.53
Other Bonds	9.15	31-10-2017	1.00	Other Bonds	9.00	10-02-2015	1.00
Other Bonds	9.15	30-09-2017	0.54	Other Bonds	8.00	31-01-2015	0.25
Other Bonds	9.15	31-08-2017	2.70	Other Bonds	10.20	31-01-2015	8.50
Other Bonds	9.15	31-07-2017	4.11	Other Bonds	9.00	31-01-2015	2.50
Other Bonds	9.00	31-07-2017	0.36	Other Bonds	6.00	25-01-2015	15.00
Other Bonds	9.15	31-05-2017	1.92	Other Bonds	6.00	25-01-2015	58.50
Other Bonds	9.00	30-04-2017	0.10	Other Bonds	9.00	20-01-2015	5.17
Other Bonds	6.00	20-04-2017	21.50	Other Bonds	6.00	15-01-2015	41.50
Other Bonds	9.00	20-04-2017	1.81	Other Bonds	10.40	31-12-2014	0.47
Other Bonds	9.00	31-03-2017	4.03	Other Bonds	6.00	30-11-2014	107.50
Other Bonds	10.20	31-03-2017	5.36	Other Bonds	9.00	30-11-2014	2.33

Note 4.1 (C) (b) (Contd..)

Series	Intt Rate	Date of Maturity	(₹ crore)	Series	Intt Rate	Date of Maturity	(₹ crore)
Other Bonds	10.40	30-11-2014	8.33	Other Bonds	6.00	06-02-2014	30.00
Other Bonds	6.00	30-11-2014	1.00	Other Bonds	9.00	31-01-2014	0.54
Other Bonds	6.00	20-11-2014	1.00	Other Bonds	6.00	20-01-2014	10.00
Other Bonds	9.00	20-11-2014	3.59	Other Bonds	9.25	20-01-2014	256.85
Other Bonds	9.50	31-10-2014	25.00	Other Bonds	10.25	31-12-2013	1.00
Other Bonds	9.25	31-10-2014	0.12	Other Bonds	6.00	27-12-2013	1.00
Other Bonds	9.00	25-10-2014	1.80	Other Bonds	6.00	20-12-2013	60.00
Other Bonds	6.00	15-10-2014	90.00	Other Bonds	6.00	30-11-2013	10.00
Other Bonds	9.00	31-08-2014	1.06	Other Bonds	11.00	30-11-2013	0.07
Other Bonds	9.50	31-07-2014	6.20	Other Bonds	11.15	30-11-2013	0.10
Other Bonds	9.00	22-07-2014	15.23	Other Bonds	9.00	26-11-2013	1.00
Other Bonds	10.00	30-06-2014	0.20	Other Bonds	9.00	20-11-2013	1.00
Other Bonds	9.75	30-06-2014	4.86	Other Bonds	9.25	20-10-2013	250.00
Other Bonds	9.00	07-06-2014	26.46	Other Bonds	9.00	30-09-2013	0.30
Other Bonds	10.00	31-05-2014	15.00	Other Bonds	6.00	06-09-2013	15.00
Other Bonds	9.75	31-05-2014	12.15	Other Bonds	6.00	06-09-2013	55.25
Other Bonds	6.00	31-05-2014	25.00	Other Bonds	9.00	31-07-2013	2.00
Other Bonds	10.00	30-04-2014	35.00	Other Bonds	6.00	20-07-2013	0.02
Other Bonds	8.50	20-04-2014	0.14	Other Bonds	9.00	20-07-2013	5.05
Other Bonds	9.00	20-04-2014	1.44	Other Bonds	9.25	20-07-2013	250.00
Other Bonds	10.00	31-03-2014	0.70	Other Bonds	9.00	08-06-2013	6.19
Other Bonds	9.50	31-03-2014	1.25	Other Bonds	9.00	20-05-2013	14.12
Other Bonds	6.00	22-03-2014	12.50	Other Bonds	8.50	20-04-2013	1.00
Other Bonds	9.00	28-02-2014	0.37	Other Bonds	9.00	03-04-2013	0.45
				TOTAL	7,440.18		

TERMS OF REPAYMENT OF TERM LOANS FROM BANKS/FIS {NOTE 4.1(D)(b)}

Name of Bank	Rate of Interest	Date of Maturity	₹ crore	Repayment
Canara Bank	5.85	01-04-2022	25.00	Bullet
Oriental Bank of Commerce	5.85	02-05-2022	100.00	Bullet
Bank of Baroda	5.85	23-07-2022	200.00	Bullet
LIC	6.00	01-04-2022	100.00	Bullet
Punjab & Sind Bank	10.75	07-08-2013	125.00	Quarterly
Syndicate Bank	11.00	01-04-2013	120.00	Quarterly
Syndicate Bank	11.00	01-04-2013	180.00	Quarterly
Vijaya Bank	11.15	29-09-2013	200.00	Quarterly
Syndicate Bank	11.25	28-04-2013	120.00	Quarterly
Canara Bank	11.25	23-09-2013	50.00	Half Yearly
Canara Bank	11.25	29-09-2013	75.00	Half Yearly
Canara Bank	11.25	23-09-2013	666.00	Half Yearly
Central Bank	11.25	31-03-2014	1,000.00	Bullet
Central Bank	11.25	24-06-2014	350.00	Bullet
Syndicate Bank	11.50	01-04-2013	56.25	Quarterly
Syndicate Bank	11.50	01-04-2013	168.75	Quarterly
ICICI Bank	11.50	28-02-2014	200.00	Quarterly
Dena Bank	11.50	01-03-2015	500.00	Quarterly
State Bank of Hyderabad	11.70	22-06-2013	90.00	Quarterly
Syndicate Bank	11.75	01-04-2013	500.00	Half Yearly
UCO Bank	11.75	28-06-2013	125.00	Quarterly
Karur Vysya Bank	11.75	06-06-2013	100.00	Quarterly
Karur Vysya Bank	11.75	19-09-2013	150.00	Quarterly
Oriental Bank of Commerce	12.00	25-06-2013	250.00	Half Yearly
Federal Bank	12.15	01-06-2013	50.00	Quarterly
State Bank of India	12.25	31-05-2013	125.00	Quarterly
South Indian Bank	12.30	09-03-2014	200.00	Half Yearly
South Indian Bank	12.50	23-06-2013	100.00	Half Yearly
TOTAL			5,926.00	

Note : Date of maturity indicates the date of payment of 1st instalment where the loan is repaid in instalments.

	(₹ crore)	
	As at March 31, 2012	As at March 31, 2011
4.2 FOREIGN CURRENCIES		
KfW Line - Guaranteed by Government of India (repayment in half-yearly installments - earliest date of repayment 30.06.2012)	516.23	504.49
TOTAL (FOREIGN CURRENCIES)	516.23	504.49
TOTAL (4.1+4.2)	17,493.22	17,420.22

	As at March 31, 2012	(₹ crore) As at March 31, 2011
5. OTHER LONG-TERM LIABILITIES		
Funds placed with the Corporation		
(a) Jute Development Fund (placed by Government of India)	4.14	3.95
(b) Employees' Provident Fund	38.50	33.47
(c) Staff Welfare Fund	3.63	4.16
(d) Corporate Social Responsibility Fund	10.08	10.06
TOTAL	56.35	51.64
6. LONG-TERM PROVISIONS		
(a) Provision for Standard and Securitised Assets	121.10	118.40
(b) Employee Benefits as per Actuarial Valuations	18.72	18.43
TOTAL	139.82	136.83
7. SHORT-TERM BORROWINGS		
(a) Bank Overdraft (Unsecured)	49.99	-
(b) Collateralised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	299.54	-
(c) Commercial Paper (Net of Unamortised Discount - ₹ 0.09 crore) (Unsecured: maturity on 11.04.2012)	34.91	-
TOTAL	384.44	-
8. TRADE PAYABLES		
(a) Sundry Creditors		
(i) Total Outstanding dues to Micro, Small and Medium Enterprises	-	-
(ii) Total Outstanding dues of creditors other than Micro, Small and Medium Enterprises	247.64	93.68
TOTAL	247.64	93.68
9. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long-Term Debt		
(i) Rupee [(Put/Call Option applicable on ₹1,368.33 crore (Previous Year - ₹ 308.33 crore)] *	3,436.15	1,744.73
(ii) Foreign Currencies	23.96	22.36
(b) Interest accrued but not due on Bonds and Borrowings	433.93	470.76
(c) Income received in Advance	0.27	0.18
(d) Unclaimed Dividend	3.70	3.79
(e) Unpaid Matured Debentures	2.62	4.56
(f) Interest accrued on Unpaid Matured Debentures	-	0.69
(g) Other Liabilities (Trade Deposits and Other Payables)	339.30	489.39
TOTAL	4,239.93	2,736.46
* includes amount guaranteed by Government of India (refer foot-note 2 of note 4)	297.41	108.16
10. SHORT-TERM PROVISIONS		
(a) Proposed Dividend	73.78	73.78
(b) Corporate Dividend Tax	12.87	11.97
TOTAL	86.65	85.75

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 1.4.2011	Additions	Disposals	Aquisitions	Other Adjustments	As at 31.3.2012	As at 1.4.2011	For the year	Disposals	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
	Freehold Land @	70.40	-	-	-	-	70.40	-	-	-	-	70.40
Leasehold Land @	298.97	-	-	-	-	298.97	20.25	4.95	-	25.20	273.77	278.72
Buildings @	866.03	-	0.82	-	-	865.21	86.48	17.40	0.10	103.78	761.43	779.55
Leasehold Improvements	-	3.29	-	-	-	3.29	-	0.66	-	0.66	2.63	-
Plant & Machinery	6.29	-	0.95	-	-	5.34	4.03	0.29	0.64	3.68	1.66	2.26
Furniture & Fixtures	15.06	1.73	0.04	-	-	16.75	5.56	2.90	0.04	8.42	8.33	9.50
Vehicles	2.97	0.43	0.45	-	-	2.95	1.37	0.37	0.22	1.52	1.43	1.60
Office Equipments	10.68	1.16	0.21	-	-	11.63	7.70	1.11	0.18	8.63	3.00	2.98
Electrical Installations and Equipments	24.49	0.48	0.23	-	-	24.74	6.07	2.79	0.21	8.65	16.09	18.42
Leased Assets - Plant & Machinery	217.32	-	19.40	-	-	197.92	217.32	-	19.40	185.69*	12.23	36.15
TOTAL	1,512.21	7.09	22.10	-	-	1,497.20	348.78	30.47	20.79	346.23	1,150.97	1,199.58
Previous Year	1,736.66	22.13	246.58	-	-	1,512.21	363.80	32.43	47.45	312.63	1,199.58	

Foot-notes: * Leased Assets (Accumulated Depreciation) is net of ₹ 12.23 crore on account of Lease Adjustment (Previous Year - ₹ 36.15 crore)

Note 11 (Contd..)

@ includes on account of revaluation:

- Freehold Land – Gross Block as on 01.04.2011 – ₹ 69.91 crore; Additions – ₹ Nil; Deductions – ₹ Nil; as on 31.03.2012 – ₹ 69.91 crore
- Leasehold Land – Gross Block as on 01.04.2011 – ₹ 277.36 crore; Additions – ₹ Nil; Deductions – ₹ Nil; as on 31.03.2012 – ₹ 277.36 crore - Depreciation for the year – ₹ 4.69 crore (Previous Year – ₹ 5.94 crore)
- Building – Gross Block as on 01.04.2011 – ₹ 687.42 crore; Additions – ₹ Nil; Deductions – ₹ 0.71 crore; as on 31.03.2012 – ₹ 686.71 crore; Depreciation for the year – ₹ 14.35 crore (Previous Year – ₹ 10.79 crore)

Gross Block includes ₹ 1,033.99 crore (Previous Year – ₹ 1,034.69 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10. The additional charge of depreciation of ₹ 19.04 crore for the year (Previous Year – ₹ 22.29 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.

12. FIXED ASSETS - INTANGIBLE ASSETS
(₹ crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 1.4.2011	Additions	Disposals	Aquisitions	Other Adjustment	As at 31.3.2012	As at 1.4.2011	For the year	Disposals	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
Computer Software	1.40	0.19	-	-	-	1.59	0.94	0.24	-	1.18	0.41	0.46
TOTAL	1.40	0.19	-	-	-	1.59	0.94	0.24	-	1.18	0.41	0.46
Previous Year	1.89	0.18	0.67	-	-	1.40	1.37	0.14	0.57	0.94	0.46	

13. NON-CURRENT INVESTMENTS
(₹ crore)

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
(A) QUOTED				
1. Equity Shares				
(a) Associates				
- Tourism Finance Corporation of India Ltd	3,43,04,266	86.21	3,05,58,520	75.25
(b) Assistance under financing		872.55		632.60
(c) Others		784.75		338.21
		1,743.51		1,046.06
2. Bonds				
(a) LIC Housing Finance Ltd	300	30.37	300	30.44
(b) HDFC Ltd	1,900	190.00	1,900	190.00
(c) Power Finance Corporation Ltd	100	10.08	100	10.09
		230.45		230.53
3. Units				
Investment in UTI Balance Fund	5,00,000	0.51	5,00,000	0.51
		0.51		0.51
(B) UNQUOTED				
1. Equity Shares				
(a) Subsidiaries				
(i) IFCI Financial Services Ltd	3,93,63,809	83.15	69,03,188	6.90
(ii) IFCI Venture Capital Funds Ltd	5,95,21,008	107.55	5,95,21,008	107.55
(iii) IFCI Infrastructure Development Ltd	49,52,28,343	495.23	49,42,11,543	494.21
(iv) IFCI Factors Ltd	7,91,54,700	90.19	7,91,54,700	90.19
(v) MPCON Ltd	7,972	0.80	7,972	0.80
(b) Associates				
(i) Assets Care & Reconstruction Enterprise Ltd	72,48,334	7.25	72,48,334	7.25
(ii) HIMCON Ltd	735	0.07	735	0.07
(iii) HARDICON Ltd	4,550	0.28	2,600	0.03
(iv) NITCON Ltd	9,750	0.13	9,750	0.13
(v) Stock Holding Corporation of India Ltd	71,40,000	297.22	-	-
(c) Joint Venture				
(i) IFCI Sycamore Capital Advisors Pvt Ltd	10,000	0.01		
(d) Assistance under financing		2,493.59		1,716.01
(e) Others		72.63		307.08
2. Preference Shares		386.61		489.93
3. Debentures/Bonds (under financing)				
(a) Joint Venture				
- IFCI Sycamore Capital Advisors Pvt Ltd		2.64		-
(b) Others		2,607.70		1,632.19
4. Security Receipts		70.43		96.78
5. Warrants		0.06		0.06
6. Government Securities				
(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

Note 13 (Contd..)

	(₹ crore)			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/Units	Amount	No. of Shares/Units	Amount
7. Units				
(a) Units of UTI VECAUS - III (Fund)		-	5,25,000	5.25
(b) Units of IACM-1-D (Fund promoted by IVCF)	26,27,01,149	262.70	16,85,53,000	168.55
(c) Units of CANBANK Venture Capital Fund	12,05,000	12.05	6,31,000	6.31
(C) APPLICATION MONEY				
1. Equity shares				
(i) Subsidiaries & Associates				
- IFCI Financial Services Ltd		0.02		76.27
- Assets Care & Reconstruction Enterprise Ltd		26.34		-
(ii) Others		114.09		159.16
2. Preference Shares		17.10		15.61
3. Units		2.50		-
		160.05		251.04
TOTAL		9,524.82		7,057.44
Less: Provision for Diminution in value		796.53		802.30
TOTAL		8,728.29		6,255.14
QUOTED				
(1) Total Book Value		1,974.47		1,277.10
- Equity Shares		1,743.51		1,046.06
- Others		230.96		231.04
(2) Total Market Value		1,746.45		1,389.66
- Equity Shares		1,520.37		1,161.86
- Others		226.08		227.80
UNQUOTED				
(1) Total Book Value		7,550.35		5,780.34
- Equity Shares		3,648.10		2,730.22
- Preference Shares		386.61		489.93
- Others		3,515.64		2,560.19

Note: The above balances include:

- Investments of ₹234.45 crore (Previous Year - ₹ 99.50 crore) in respect of equity shares which are subject to a lock-in period.
- Investments of ₹1.20 crore (Previous Year - ₹ 5.00 crore) in respect of equity shares which are subject to restrictive covenants.
- Nil (Previous Year - ₹ 26.12 crore) in equity under Portfolio Management Scheme of subsidiary.
- Investments of ₹ 38.06 crore (Previous Year - Nil) in respect of equity shares lent under Securities Lending & Borrowing Scheme within SEBI guidelines:

Name	Quantity Lent	Cost (₹ crore)
ABB Ltd	46,811	3.88
Oil and Natural Gas Corporation Ltd	5,000	0.33
Punj Lloyd Ltd	1,85,000	7.15
Ranbaxy Laboratories Ltd	2,00,000	9.30
State Bank of India	66,075	17.40
TOTAL		38.06

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 Note 13

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Equity Shares - Quoted				
ABB Ltd	46,811	3.88	46,811	4.28
ACC Ltd	-	-	74,180	6.67
Adani Port Ltd	-	-	1,06,500	1.23
Adani Power Ltd	4,43,985	4.90	2,43,985	2.70
Alok Industries Ltd	2,14,40,823	49.00	2,14,40,823	49.00
Bajaj Finserv Ltd	25,891	1.24	56,269	2.13
Bajaj Holdings & Investment Ltd	-	-	18,262	2.25
Bartronics India Ltd	3,76,472	7.34	3,76,472	7.34
Bharat Forge Company Ltd	6,00,000	16.32	6,00,000	16.32
Bharat Heavy Electricals Ltd	1,90,000	7.54	8,000	1.90
Bharti Airtel Ltd	2,30,000	8.50	2,30,000	8.50
Canara Bank	2,13,544	11.79	49,000	3.15
Coal India Ltd	-	-	1,73,958	4.26
Dhunseri Petrochem and Tea Ltd	94,577	1.50	94,577	1.50
DLF Ltd	-	-	99,000	5.47
Educomp Solutions Ltd	1,00,000	6.81	1,00,000	6.81

Note 13 (Contd..)

	(₹ crore)			
	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Equity Shares - Quoted				
Electrosteel Steels Ltd	10,00,00,000	99.50	10,00,00,000	99.50
Essar Oil Ltd	1,60,000	1.34	1,60,000	1.34
Financial Technologies (India) Ltd	67,000	6.34	22,000	3.11
Ganesh Benzoplast Ltd	38,88,889	7.00	38,88,889	7.00
Gayatri Sugars Ltd	17,49,904	4.37	44,07,820	4.37
GIC Housing Finance Company Ltd	8,81,422	3.53	21,17,744	8.47
Givo Ltd	26,93,305	2.69	27,05,376	2.71
GMR Infrastructure Ltd	3,00,000	1.95	3,00,000	1.95
Goenka Diamond and Jewels Ltd	-	-	5,75,800	7.25
GTL Infrastructure Ltd	17,55,36,793	250.14	-	-
HDFC Bank Ltd	-	-	6,500	1.40
Hindalco Industries Ltd	44,92,318	53.45	21,17,318	20.25
Housing Development & Infrastructure Ltd	70,000	2.23	70,000	2.23
Housing Development Finance Company Ltd	30,500	2.14	30,500	2.14
Indian Acrylics Ltd	1,15,61,150	11.56	1,15,61,150	11.56
Indian Bank	2,32,723	5.14	1,00,000	2.23
Indorama Synthetics Ltd	23,16,579	10.45	23,26,579	10.50
Infosys Ltd	-	-	6,000	1.73
Infrastructure Development Finance Company Ltd	22,33,638	14.57	61,55,000	6.16
ING Vysya Bank Ltd	3,47,045	11.57	-	-
Jaiprakash Associates Ltd	17,25,700	4.27	14,00,700	1.97
Jayaswals Neco Ltd	24,76,734	2.48	24,76,734	2.48
JCT Ltd	1,08,30,711	2.71	1,10,90,623	2.77
JSW Ispat Steel Industries Ltd	3,57,93,316	35.79	3,57,93,316	35.79
Jhagadia Copper Ltd	-	-	49,00,000	4.90
JSW Steel Ltd	14,94,583	86.11	12,74,583	71.77
K G Denim Ltd	11,55,507	1.83	11,55,507	1.83
Kanoria Chemicals & Industries Ltd	12,00,000	5.20	12,00,000	5.20
Kiri Industries Ltd	8,36,750	46.00	8,36,750	46.00
Kirloskar Ferrous Industries Ltd	35,65,000	3.57	35,65,000	3.57
Kothari Petro Chemicals Ltd	25,93,780	2.59	26,03,194	2.60
Koutons Retail India Ltd	31,30,000	9.39	31,30,000	9.39
Larsen & Toubro Ltd	71,622	11.51	51,622	8.71
LIC Housing Finance Company Ltd	-	-	1,10,000	2.69
Lloyds Steel Industries Ltd	46,32,114	12.65	46,32,114	12.65
Malwa Cotton Spinning Mills Ltd	6,34,920	4.00	6,34,920	4.00
Maruti Suzuki India Ltd	-	-	11,000	1.57
Moil Ltd	3,76,253	13.83	1,56,253	5.86
Monnet Sugar Mills Ltd	2,76,797	1.11	2,76,797	1.11
Multi Commodity Exchange of India Ltd	24,42,212	234.45	-	-
Murli Industries Ltd	1,99,44,800	67.29	1,60,13,500	56.70
Mysore Paper Mills Ltd	32,92,286	3.29	38,01,086	3.80
National Hydroelectric Power Corporation Ltd	6,00,412	2.14	6,00,412	2.14
National Steel and Agro Industries Ltd	6,44,098	1.91	6,44,098	1.91
Oberoi Realty Ltd	-	-	47,717	1.24
Oil and Natural Gas Corporation Ltd	8,40,011	22.79	2,90,011	8.42
Polar Industries Ltd	14,11,191	8.65	14,11,191	8.65
Power Finance Corporation Ltd	3,93,179	7.98	-	-
Power Trading Corporation Ltd	15,06,855	1.51	15,06,855	1.51
Punj Lloyd Ltd	2,47,875	7.91	2,47,875	7.91
Punjab & Sind Bank	3,58,482	4.30	3,74,151	4.49
Ramky Infrastructure Ltd	2,00,000	7.62	2,00,000	7.62
Ranbaxy Laboratories Ltd	4,14,532	18.96	-	-
Reliance Capital Ltd	30,000	2.03	30,000	2.03
Reliance Communications Ltd	5,55,000	18.02	4,55,000	17.31
Reliance Industries Ltd	4,29,332	43.47	3,19,332	33.36
Reliance Infrastructure Ltd	2,15,000	15.51	1,45,000	11.79
Saurashtra Cements Ltd	4,55,257	3.32	4,55,257	3.32
Shree Ganesh Jewellery House Ltd	13,98,531	33.08	13,98,531	33.08
Siemens India Ltd	-	-	32,000	2.53
Spentex Industries Ltd	6,92,000	3.46	6,92,000	3.46
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	1,36,62,002	13.66	1,37,69,836	13.77
SRF Ltd	5,84,000	3.82	5,84,000	3.82
Star Paper Mills Ltd	7,01,600	3.95	7,01,600	3.95
State Bank of India	2,61,500	56.11	23,500	6.51
State Bank of Travancore	1,22,800	4.02	1,22,800	4.02
Steel Authority of India Ltd	13,25,293	14.65	-	-
Sterlite Industries (India) Ltd	10,00,000	11.74	-	-
Sujana Metal Products Ltd	5,10,482	1.33	6,76,322	1.76
Sujana Universal Industries Ltd	83,81,226	10.74	84,31,638	10.80
Surat Textiles Mills Ltd	20,00,000	6.00	20,00,000	6.00
Tata Steel Ltd	4,30,379	17.43	28,105	2.11

Note 13 (Contd..)

(₹ crore)

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Equity Shares - Quoted				
Tinplate Company of India Ltd	7,28,190	3.28	8,16,690	3.68
Vardhman Polytex Ltd	-	-	1,50,000	1.00
Venus Sugar Mills Ltd	14,81,755	1.48	15,97,000	1.60
Videocon Industries Ltd	31,86,068	71.69	31,86,068	71.69
Welspun India Ltd	60,34,069	38.00	60,34,069	38.00
Welspun Investments Ltd	3,00,859	1.89	3,01,703	1.90
Welspun Syntex Ltd	77,41,599	30.78	77,41,599	30.78
Equity Shares - Unquoted				
ABG Cement Ltd	5,59,16,797	55.92	3,06,52,467	30.65
ABG Energy (Gujarat) Ltd	3,60,00,000	35.44	2,24,63,840	21.90
Anrak Aluminium Ltd	15,00,00,000	150.00	15,00,00,000	150.00
Athena Chhattisgarh Power Private Ltd	10,72,30,000	105.98	-	-
Athena Energy Ventures Private Ltd	8,33,26,667	124.99	-	-
Bhaval Synthetics India Ltd	-	-	14,50,000	1.41
Biotech Consortium India Ltd	10,00,000	1.00	10,00,000	1.00
BPL Display Devices Ltd	14,15,390	1.42	14,15,390	1.42
Clearing Corporation of India Ltd	20,00,000	2.00	20,00,000	2.00
Dewan Rubber Industries Ltd	12,00,000	6.60	12,00,000	6.60
Essar Steel Ltd	7,20,000	2.88	7,20,000	2.88
Gati Infrastructure Bhasmeyer Power Pvt Ltd	3,00,20,000	30.02	2,40,00,000	24.00
Gati Infrastructure Ltd	6,17,30,000	61.73	5,72,30,000	57.23
Gayatri Hi-Tech Hotels Ltd	6,11,00,000	61.10	6,11,00,000	61.10
Globsyn Technologies Ltd	30,00,000	2.52	-	-
GPI Textile Ltd	39,00,000	1.95	39,00,000	1.95
Gujarat State Energy Generation Ltd	1,75,90,000	28.14	1,75,90,000	28.14
Gujarat State Petroleum Copopration	1,23,45,600	100.00	1,23,45,600	100.00
Haldia Petrochemicals Ltd	1,03,20,951	10.32	-	-
Herman Milkfoods Ltd	15,00,000	1.50	-	-
Hind Agro Industries Ltd	-	-	27,00,000	2.70
HPCL Mittal Energy Ltd	5,99,76,000	63.27	5,64,96,000	59.79
India Paging Services Ltd	1,52,39,300	15.24	1,52,39,300	15.24
Ispat Profiles India Ltd	1,31,61,250	13.16	1,31,61,250	13.16
Jaora-Nayagaon Toll Road Company Private Ltd	6,89,20,000	68.92	6,17,50,000	61.75
Jhagadia Copper Ltd	49,00,000	4.90	-	-
Kenersys India Pvt Ltd	83,73,440	112.49	-	-
Konaseema Gas Power Ltd	3,00,00,000	45.00	3,00,00,000	45.00
Krishna Hydro Energy Ltd	1,26,00,000	12.54	1,07,30,000	10.67
KSK Mahanadi Power Company Ltd	25,00,00,000	248.75	23,80,00,000	236.75
Malvika Steel Products Ltd	31,88,300	12.26	31,88,300	12.26
MCX Stock Exchange Ltd	7,18,75,000	71.88	7,18,75,000	71.88
Meenakshi Energy Private Ltd	16,72,38,984	166.48	13,65,39,028	135.78
Meta Copper and Alloys Ltd	2,81,71,578	54.25	2,81,71,578	54.25
Modern Syntex (I) Ltd	84,22,798	12.97	84,22,798	12.97
Multi Commodity Exchange of India Ltd	-	-	24,42,212	234.45
MVR Infrastructure & Tollways Pvt Ltd	18,00,000	17.73	18,00,000	17.73
Nagai Power Private Ltd	44,70,000	4.00	-	-
Naraingarh Sugar Mills Ltd	15,00,000	1.45	-	-
National Stock Exchange Ltd	24,97,750	255.06	24,97,750	255.06
Neelachal Ispat Nigam Ltd	22,92,501	3.04	22,45,593	2.95
North Eastern Development Finance Corporation Ltd	1,00,00,001	10.00	1,00,00,001	10.00
NSL Tidong Power Generation Private Ltd	1,90,00,000	18.49	1,90,00,000	18.49
Pertech Computers Ltd	5,00,000	3.00	5,00,000	3.00
Pioneer Gas Power Ltd	3,07,71,000	29.96	-	-
Polygenta Technologies Ltd	28,45,594	2.99	-	-
Rajahmundry Godavari Bridge Ltd	8,64,80,000	86.05	7,80,52,644	77.62
Ritspin Synthetics Ltd	95,00,000	9.50	95,00,000	9.50
Samcor Glass Ltd	20,00,000	7.60	20,00,000	7.60
SBI DFHI Ltd	46,743	1.10	46,743	1.10
Securities Trading Corporation Ltd	3,37,400	4.58	3,37,400	4.58
Shiga Energy Private Ltd	2,35,80,000	23.02	-	-
Sidhartha Super Spinning Mills Ltd	40,00,000	4.00	40,00,000	4.00
Silver Resort Hotel India Pvt Ltd	8,50,00,000	84.15	8,50,00,000	84.15
SKIL Infrastructure Ltd	82,41,168	202.22	-	-
Sravanthi Energy Private Ltd	9,44,60,000	93.33	4,48,80,000	44.33
Sun Granites Ltd	17,48,600	1.75	17,48,600	1.75
Welspun Global Brands Ltd	6,03,406	3.80	6,03,406	3.80
Preference Shares - Unquoted				
Bellary Steel & Alloys Ltd	5,67,260	5.67	5,67,260	5.67
Bhaval Synthetics India Ltd	-	-	4,00,000	3.80
Dhampur Sugar Mills Ltd	11,98,530	11.84	11,98,530	11.99
Essar Steel Ltd	2,21,16,599	22.12	2,21,16,599	22.12
Gayatri Sugars Ltd	24,52,245	2.45	24,52,245	2.45
GPI Textile Ltd	10,63,86,496	53.19	10,63,86,496	53.19

Note 13 (Contd..)
(₹ crore)

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Preference Shares - Unquoted				
Gujarat Poly Avx Electronics Ltd	-	-	2,09,000	2.09
I C Textiles Ltd	9,52,394	9.52	9,52,394	9.52
Jai Parabolic Springs Ltd	3,50,000	3.50	3,50,000	3.50
Jhagadia Copper Ltd	64,48,070	64.48	64,48,070	64.48
JSW Ispat Steel Ltd	1,41,20,288	20.29	5,71,55,107	63.32
JSW Steel Ltd	2,12,62,362	20.17	2,12,62,362	20.17
Kalyanpur Cements Ltd	5,84,040	5.80	5,84,040	5.80
LML Ltd	21,50,912	21.51	21,50,912	21.51
Malwa Cotton Spinning Mills Ltd	17,24,610	17.25	17,24,610	17.25
Mangalore Refinery & Petrochemicals Ltd	71,48,949	7.15	71,48,949	7.15
Nagai Power Private Ltd	1,67,20,000	16.20	-	-
Nagarjuna Fertilizers & Chemicals Ltd	-	-	10,26,880	10.27
Neesa Leisure Ltd	2,60,000	26.00	2,60,000	26.00
Oswal Spinning & Weaving Mills Ltd	9,97,30,160	9.97	9,97,30,160	9.97
Polar Latex Ltd	1,25,000	1.25	1,25,000	1.25
Polygenta Technologies Ltd	-	-	25,00,000	2.50
Prag Bosmi Synthetics Ltd	26,14,577	26.15	26,14,577	26.15
Saurashtra Chemicals Ltd	10,46,700	10.47	10,46,700	10.47
Shiga Energy Private Ltd	1,15,30,000	11.26	-	-
Shree Satpuda Tapi Parisar SSK Ltd	9,178	4.59	9,178	4.59
Shree Shakti Resorts & Hotels Ltd	15,00,000	1.46	15,00,000	1.46
Spectrum Power Generation Ltd	1,18,20,000	11.82	1,18,20,000	11.82
Suryalakshmi Cotton Mills Ltd	-	-	2,71,600	2.72
Vegepro Foods & Feeds Ltd	-	-	10,00,000	1.00
West Coast Paper Mills Ltd	-	-	65,00,000	65.00
Western India Plywoods Ltd	-	-	2,00,000	1.00
Debentures - Unquoted				
Abir Infrastructure Private Ltd	6,00,00,000	60.00	-	-
Adhunik Alloys & Power Ltd	1,10,00,000	110.00	1,10,00,000	110.00
Alok Industries Ltd	1,100	110.00	1,100	110.00
Bharat Steel Tubes Ltd	2,31,705	2.32	2,31,705	2.32
Bhilwara Green Energy Ltd	14,89,000	14.89	-	-
C&C Projects Ltd	76	76.00	-	-
C T Cotton Yarn Ltd	4,80,000	2.89	4,80,000	2.89
Coastal Projects Ltd	1,000	100.00	10,00,00,000	100.00
DSL Enterprises Pvt Ltd	2,962	29.58	2,962	29.58
Essar Oil Ltd	26,31,500	27.63	26,31,500	26.88
Future Value Retail Ltd	2,500	250.00	2,500	250.00
Ganesh Benzoplast Ltd	74,663	7.47	74,663	7.47
Gayatri Energy Ventures Private Ltd	15,00,00,000	150.00	-	-
Ginni Filaments Ltd	6,49,169	5.36	6,49,169	5.95
Global Rural Netco Ltd	2,50,00,000	250.00	2,50,00,000	250.00
Hind Agro Industries Ltd	-	-	11,75,000	1.18
Hiranandani Realtors Private Limited	500	50.00	-	-
IFCI Sycamore Capital Advisors Pvt Ltd	4,50,000	2.64	-	-
Ispat Profiles India Ltd	33,01,954	33.02	33,01,954	22.02
IVRCL Chengapalli Tollways Ltd	99,00,000	99.00	-	-
IVRCL Indore Gujarat Tollways Ltd	12,50,00,000	125.00	-	-
Jaypee Sports International Ltd	100	100.00	-	-
Jindal India Powertech Ltd	300	300.00	-	-
Jindal ITF Ltd	20	200.00	20	200.00
Kitply Industries Ltd	1,714	1.71	1,714	1.71
Kohinoor Power Pvt Ltd	2,50,00,000	25.00	-	-
Madhucon Infra Ltd	20,00,00,000	200.00	20,00,00,000	200.00
Majestic Hotels Ltd	5,22,040	3.78	5,22,040	3.92
Malanpur Steel Ltd	20,00,000	19.05	20,00,000	19.49
Moser Baer Clean Energy Ltd	2,25,00,000	225.00	-	-
Moser Baer Power & Infrastructures Ltd	2,50,00,000	250.00	-	-
Mukand Ltd	25,00,000	19.90	25,00,000	21.15
Mysore Paper Mills Ltd	67,702	4.51	67,702	4.51
Nagarjuna Fertilisers & Chemicals Ltd	1,05,00,000	26.08	1,05,00,000	34.23
Navin Fluorine International Ltd	-	-	4,23,000	1.40
Pentafour Products Ltd	2,80,00,000	2.80	2,80,00,000	2.80
Prag Bosmi Synthetics Ltd	16,54,704	13.98	16,54,704	13.98
Rama Industries Ltd	4,00,000	4.00	4,00,000	4.00
Reliance Industries Ltd	16,36,306	16.36	16,36,306	16.36
Sew Energy Ltd	15,00,00,000	50.00	15,00,00,000	50.00
Shamken Spinners Ltd	5,00,000	5.00	5,00,000	5.00
Shree Maheswar Hydel Power Company Ltd	-	-	5	71.51
Sree Metaliks Ltd	75,00,000	75.00	-	-
Sree Rayalaseema Alkalies & Allied Chemicals Ltd	35,47,949	17.74	35,47,949	22.17
Sun Polytron Industries Ltd	1,300	13.00	1,300	13.00

Note 13 (Contd..)

	As at March 31, 2012		As at March 31, 2011	
	No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Debentures - Unquoted				
Synthetics & Chemicals Ltd	17,620	1.23	17,620	1.23
Usha India Ltd	50,00,000	50.00	50,00,000	50.00
Security Receipts - Unquoted				
ARCIL - Akar Laminates Ltd	1,958	11.16	1,958	16.18
ARCIL - Birla Vxl Scheme- C - Bvxl	1,212	3.71	1,212	4.38
ARCIL - Consolidated Fibres & Chemicals Ltd	85,500	8.55	85,500	8.55
ARCIL - Global Board Ltd	335	2.18	335	2.18
ARCIL - GSL India Ltd	192	1.82	192	1.82
ARCIL - Kalyanpur Cements Ltd	1,814	9.92	1,814	9.98
ARCIL - Spectrum Power Generation Ltd-Ix Trust	6,42,869	12.00	6,42,869	13.30
ARCIL - Titagarh Industries Ltd	3,43,292	5.80	3,43,292	25.10
ARCIL - Uniworth Textiles Ltd	64,030	6.40	64,030	6.40
ARCIL - Vishnu Vijay Packaging Ltd	89,019	8.90	89,019	8.90

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 Note 13

PARTICULARS	As at March 31, 2012	As at March 31, 2011
No of concerns	411	431
Book value (₹ crore)	26.22	36.99
Market/Break value (₹ crore)	49.18	111.57

	As at March 31, 2012	As at March 31, 2011
14. DEFERRED TAX ASSET (NET)		
(a) Unabsorbed Business Loss *	-	30.57
(b) Unabsorbed Depreciation *	-	55.43
(c) Provision against Loans/ Advances & other Assets	841.76	953.29
(d) Timing difference in Depreciable Assets	(38.62)	(47.56)
(e) Other Timing Differences	33.78	29.18
TOTAL	836.92	1,020.91

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

15. LONG-TERM LOANS & ADVANCES

(a) Capital Advances	5.75	3.82
(b) Security Deposits	1.42	1.36
(c) Loans to Assisted Concerns		
(i) Rupees and Foreign Currencies	10,967.00	12,235.75
(ii) Advance for Assets	80.56	134.30
(d) Loan to Subsidiaries/Associates	429.55	347.57
(e) Other Institutions	-	0.06
	11,484.28	12,722.86
Less: Allowance for bad and doubtful loans	1,665.21	2,005.74
TOTAL (refer note 31 for details of security)	9,819.07	10,717.12

Note :

1. The above amounts include interest and other charges accrued and due.		
2. Out of the above:		
(i) Considered good	9,819.07	10,717.12
(ii) Considered doubtful	1,665.21	2,005.74
	11,484.28	12,722.86

16. OTHER NON-CURRENT ASSETS

(a) Advance Tax paid (net of provisions)	59.74	191.91
(b) MAT Credit Entitlement	186.97	186.97
(c) Assets acquired in settlement of dues and held for sale	-	0.07
(d) Lease Rental Receivable		
- More than 6 months	7.79	8.28
- Others	-	-
Less: Provision	(7.79)	(8.28)
(e) Other Loans and Advances		
- Loans to Staff (Secured)	13.39	10.33
- Others (Unsecured)	-	-
TOTAL	260.10	389.28

17. CURRENT INVESTMENTS

		(₹ crore)			
		As at March 31, 2012		As at March 31, 2011	
(A) QUOTED		No. of	Amount	No. of	Amount
		Shares/Units		Shares/Units	
1. Treasury Bills					
(a)	91 Days T-Bill (Maturity date – 18.05.2012)	43,832	107.21	–	–
(b)	91 Days T-Bill (Maturity date – 01.06.2012)	80,000	195.60	–	–
			302.81		
2. Units of Mutual Funds					
(a)	HDFC Mutual Fund	–	–	4,265,553	4.27
(b)	IDBI Ultra Short Term Fund	–	–	6,25,444	0.63
					4.90
(B) UNQUOTED					
1. Current maturities of Long-term Debentures			520.32		25.91
2. Bonds					
(a)	Deccan Chronicle Holdings Ltd	250	25.00	–	–
(b)	IFCI Infrastructure Development Ltd (a subsidiary company)	750	75.00	750	75.00
(c)	Kotak Mahindra Prime Ltd	–	–	250	24.75
(d)	Power Finance Corporation Ltd	–	–	11	1.10
(e)	Reliance Capital Ltd	–	–	250	25.00
(f)	Reliance Gas Transportation Infrastructure Ltd	230	23.00	–	–
			123.00		125.85
3. Commercial Paper					
(a)	Aditya Birla Finance Ltd	–	–	500	24.42
(b)	Aircell Ltd	–	–	1,300	59.46
(c)	Alok Industries Ltd	–	–	500	24.29
(d)	Ericsson India Pvt Ltd	–	–	500	24.42
(e)	Eros International Media Ltd	500	23.62	–	–
(f)	HCL Limited	500	24.36	–	–
(g)	HSIL Limited	400	19.50	–	–
(h)	ICICI Securities Primary Dealership Ltd	500	24.70	500	24.55
(i)	India Infoline Ltd	–	–	500	24.32
(j)	Reliance Capital Ltd	–	–	500	23.80
(k)	Tata Capital Ltd	500	24.36	–	–
(l)	UTV Global Broadcasting Ltd	500	23.57	–	–
			140.11		205.26
4. Certificate of Deposit					
(a)	Allahabad Bank	10,000	97.45	2,500	24.55
(b)	Axis Bank	5,000	48.41	–	–
(c)	Bank of India	5,000	49.23	15,000	146.90
(d)	Bank of Maharashtra	5,000	49.28	–	–
(e)	Canara Bank	–	–	15,000	148.86
(f)	Central Bank of India	10,000	97.31	20,000	196.40
(g)	Dena Bank	2,500	24.34	–	–
(h)	IDBI Bank	2,500	24.23	5,000	48.97
(i)	Indian Bank	5,000	48.40	–	–
(j)	Indian Overseas Bank	–	–	2,500	24.73
(k)	Indusind Bank	5,000	48.70	–	–
(l)	Punjab National Bank	2,500	24.36	25,000	246.30
(m)	Punjab & Sind bank	10,000	97.47	–	–
(n)	State Bank of Bikaner & Jaipur	5,000	49.35	–	–
(o)	State Bank of India	2,500	24.38	–	–
(p)	State bank of Travancore	–	–	2,500	24.60
(q)	The South Indian Bank Ltd	7,500	73.46	2,500	24.42
(r)	UCO Bank	12,000	117.11	25,000	244.04
(s)	United Bank of India	2,500	24.33	–	–
(t)	Vijaya Bank	5,000	49.91	10,000	97.67
			947.72		1,227.44
TOTAL			2,033.96		1,589.36
	Less: Provision for Mark to Market		0.38		0.70
TOTAL			2,033.58		1,588.66
QUOTED					
(1)	Total Book Value		302.81		4.90
	– Equity Shares		–		–
	– Others		302.81		4.90
(2)	Total Market Value		305.47		4.90
	– Equity Shares		–		–
	– Others		305.47		4.90
UNQUOTED					
	Total Book Value		1,731.15		1,584.46
	– Equity Shares		–		–
	– Others		1,731.15		1,584.46

Note: The above balances include: Nil (Previous Year - ₹ 4.90 crore) in mutual funds units under Portfolio Management Scheme of subsidiary

	As at March 31, 2012	(₹ crore) As at March 31, 2011
18. TRADE RECEIVABLES		
(a) Secured	-	-
(b) Unsecured		
- More than 6 months	13.10	10.36
- Others	4.48	67.31
Less: Allowance for bad and doubtful debts	(2.00)	(2.00)
TOTAL	15.58	75.67
Out of the above:		
(i) Considered good	15.58	75.67
(ii) Considered doubtful	2.00	2.00
Less: Allowance for Bad and Doubtful Debts	(2.00)	(2.00)
TOTAL	15.58	75.67
19. CASH & CASH EQUIVALENTS		
(a) Balances with Banks		
- Bank balance	8.58	30.55
- Unclaimed Dividend Account	3.70	3.79
- Balances with Banks held as Margin Money/Security Against Guarantees	8.87	8.87
- Bank Deposits *	849.15	482.48
(b) Cheques on hand & under collection and remittances in transit	28.30	2.15
(c) Cash in hand (including postage stamps)	0.01	0.02
TOTAL	898.61	527.86
* includes deposits with more than 12 months remaining maturity	5.00	0.34
20. SHORT-TERM LOANS & ADVANCES		
(a) Current maturities of Long-term Loans # (refer note 31 for details of security)	4,117.43	3,462.13
(b) Other Loans and Advances		
(i) Loans to Staff (Secured – considered good) \$	3.25	5.93
(ii) Others (Unsecured)		
- Considered good	6.49	15.38
- Considered doubtful	1.00	1.00
Less: Allowance for Bad and Doubtful Debts	(1.00)	(1.00)
TOTAL	4,127.17	3,483.44
# includes amount due from subsidiaries	74.17	25.00
\$ includes amount due from Directors	0.13	0.34
21. OTHER CURRENT ASSETS		
(a) Accrued Income		
(i) Interest and Commitment Charges on Loans	102.94	87.67
(ii) Interest on Investments	149.44	119.76
(iii) Other Income	21.20	34.99
(b) Sundry Deposits	3.18	4.31
(c) Forward Deal Outstanding	19.99	13.40
(d) Pre-paid Expenses	1.81	0.98
TOTAL	298.56	261.11
22. REVENUE FROM OPERATIONS	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
(a) On Lending Operations *	1,924.97	1,691.44
(b) On Investment Operations		
(i) Interest (Gross)	320.61	191.20
(ii) Profit on Sale of Long term Shares/Debentures (Net) on assistance under financing	105.78	301.82
(c) Leasing Operations		
(i) Lease Rentals etc	27.09	27.58
(ii) Lease Equalisation Account	(23.91)	(21.65)
(d) Business Services Fee and Commission (including Guarantee Commission)	48.93	31.52
(e) Income from Deployment of Funds	204.34	63.86
(f) Exchange Fluctuation Gains/(Loss)	(2.38)	(1.31)
(g) Provision/Write off/Liability no longer required written back	123.96	47.99
TOTAL	2,729.39	2,332.45
* includes Interest from subsidiaries	43.04	29.92

	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
23. OTHER INCOME		
(a) Interest on Staff Advances	0.98	0.79
(b) Dividend (Gross)		
– Long Term \$	58.44	32.92
– Current	0.04	0.62
(c) Profit on sale of Shares/Units/Debentures (Net)		
– Investments – Long Term	23.20	26.34
– Investments – Current	1.39	23.05
(d) Profit on Sale of Fixed Assets (Net)	1.10	34.09
(e) Rental Income	28.60	28.30
(f) Miscellaneous Income	7.06	1.55
TOTAL	120.81	147.66
\$ Dividend from Subsidiaries	11.49	–
24. COST OF BORROWINGS		
(a) Interest on Rupee Bonds and Borrowings	1,837.80	1,291.10
(b) Interest on Foreign Currency Borrowings	22.57	10.72
(c) Interest on Bank Overdraft	0.30	0.89
(d) Interest on funds placed with the Company	4.10	3.87
(e) Commitment Charges, Brokerage, Commission and Other Costs	6.31	12.39
TOTAL	1,871.08	1,318.97
25. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
(a) Salaries and Allowances *	45.19	44.33
(b) Contribution to Retirement Funds #	16.47	17.63
(c) Staff Welfare Expenses	2.71	2.96
(d) Employee Compensation Expenses (ESOP)	0.45	–
TOTAL	64.82	64.92
* includes Leave Encashment	3.65	6.66
# includes: – Gratuity	0.42	0.95
– Annuity for DA relief/ restoration of commuted pension to retirees	11.71	12.10
26. ESTABLISHMENT AND OTHER EXPENSES		
(a) Rent	6.55	2.02
(b) Rates and Taxes	3.25	2.97
(c) Insurance	0.38	0.46
(d) Repairs and Maintenance		
– Buildings	8.93	17.82
– Others	0.98	0.70
(e) Electricity	4.11	3.36
(f) Payment to Auditors (refer note 37)	0.36	0.24
(g) Directors' Fee	0.07	0.04
(h) Advertisement	2.86	9.36
(i) Consultation and Law Charges	6.96	6.99
(j) Travelling & Conveyance	3.47	4.22
(k) Training & Development	3.56	3.16
(l) Postage & Telephone	1.58	2.11
(m) Other Miscellaneous Expenses	14.54	16.56
TOTAL	57.60	70.01
27. PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE-OFF)		
(a) Loans & Advances		
– Amount received in respect of assets provided for	177.51	186.23
– Write-off	(236.39)	(513.81)
Less Transfer from provision held for Bad & Doubtful Debts	236.39	513.81
– Provision for Bad & Doubtful Assets	(39.60)	(15.75)
– Provision u/s 36(1)(vii)(c) of Income Tax Act, 1956	36.00	(21.00)
(b) Investments		
– Provision for diminution in Investments	(61.50)	–
– Provision Reversal – mark to market	0.30	0.84
TOTAL	112.71	150.32

28. Contingent Liabilities and Commitments (to the extent not provided for):
28.1 Contingent Liabilities

		(₹ crore)	
As at	31.03.2012	31.03.2011	
(i) Guarantees issued in Indian Currency	26.96	26.96	
(ii) Bank Guarantees	8.87	8.87	
(iii) Performance Guarantees issued	0.66	0.60	
(iv) Claims not acknowledged as debts	156.10	92.35	
(v) Tax Matters*			
– Income Tax	27.07	27.07	
– Service Tax	4.84	4.54	

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

28.2 Commitments

		(₹ crore)	
As at	31.03.2012	31.03.2011	
(i) Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	1.32	3.78	
(ii) Undrawn Commitments (in line with RBI Circular dated December 26, 2011)	392.97	-	

29. 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 fulfillment of certain conditions. The accounts for the year ended March 31, 2012 have been prepared in accordance therewith.

30. 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.

31. Classification of Long Term Loans:

		(₹ crore)	
As at	31.03.2012	31.03.2011	
(i) Secured by Assets	8,929.96	8,843.54	
(ii) Guaranteed by Central/State Govts.	1.79	1.77	
(iii) Against Promissory Notes and Usance Bills accepted/Guaranteed by Banks	301.23	197.04	
(iv) Against pledge of shares	6,264.47	7,040.37	
(v) Unsecured	97.09	97.09	
TOTAL	15,594.54	16,179.81	

32. The Company has applied the Securities Premium account in writing off the expenses incurred during the year on issue of Bonds amounting to ₹ 25.93 crore (Previous Year - ₹ 5.99 crore charged to the Revenue) in line with Section 78 of the Companies Act, 1956.

33. During the year, the Company has obtained valuation of certain long term unquoted investments by an independent valuer. The report of the said expert has been considered for the purpose of assessment of decline other than temporary in the value of said long term unquoted investments.

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

35. Expenditure in Foreign Currencies:

		(₹ crore)	
Year ended	31.03.2012	31.03.2011	
Interest on borrowings	4.29	4.04	
Other matters	0.19	0.80	
TOTAL	4.48	4.84	

36. Earnings in Foreign Currency

	-	-	
37. Auditors' Remuneration:			
– Fee (including Service Tax)	0.35	0.23	
– Out of Pocket Expenses	0.01	0.01	
TOTAL	0.36	0.24	

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

39. 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, 2012. 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.

40. The Company has, during the year, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme.

ESOP A	2011-12		2010-11	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	45,73,312	17.55	-	-
Cancelled during the year	18,612	17.55	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	45,54,700	17.55	-	-

The charge towards ESOP Compensation included under Salaries is (₹) 0.45 crore (Previous Year - Nil).

ESOP B	2011-12		2010-11	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	26,23,681	23.40	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	26,23,681	23.40	-	-

41. 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.

42. Defined Benefit Plans/Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2012 and recognized in the financial statements in respect on Employee Benefit Schemes.

	(₹ crore)			
	31.03.2012		31.03.2011	
	Gratuity Funded	Leave Encashment Un-funded	Gratuity Funded	Leave Encashment Un-funded

I. Components of Employer Expense:

1. Current Service Cost	0.71	1.25	0.30	0.33
2. Interest Cost	0.75	1.39	0.64	1.01
3. Expected Return on Plan Asset	-	-	-	-
4. Curtailment Cost/(Credit)	-	-	-	-
5. Settlement Cost/(Credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial (gain)/loss recognized	(1.35)	(0.25)	1.07	3.46
8. Expense Recognized in Statement of Profit/Loss	0.11	2.40	1.32	4.80

II. Actual Returns for the year

	0.87	-	0.70	-
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III. Net (Asset)/Liability recognized in Balance Sheet:

1. Present Value of Defined Benefit Obligation	9.46	18.69	8.10	17.42
2. Fair Value on Plan Assets	9.50	-	7.01	-
3. Status (Surplus/Deficit)	0.04	18.69	(1.09)	17.42
4. Unrecognised Past Service Cost	-	-	-	-
5. Net (Asset)/Liability recognized in Balance Sheet	0.04	18.69	(1.09)	17.42

IV. Change in Defined Benefit Obligations (DBOs):

1. Present Value of Obligation at the beginning of the year	9.37	17.42	8.10	12.61
2. Current Service Cost	0.71	1.25	0.30	0.33
3. Interest Cost	0.75	1.39	0.64	1.01
4. Curtailment cost	-	-	-	-

For the year ended	(₹ crore)					
	31.03.2012			31.03.2011		
	Gratuity	Leave Encashment	Gratuity	Leave Encashment		
	Funded	Un-funded	Funded	Un-funded		
5. Settlement Cost	-	-	-	-	-	-
6. Plan Amendments	-	-	-	-	-	-
7. Acquisitions	-	-	-	-	-	-
8. Actuarial (gain)/loss on obligation	(0.47)	(0.25)	1.07	3.46		
9. Benefits Paid	(0.90)	(1.13)	(0.75)			
10. Present Value of Obligation at the end of the Year	9.46	18.69	9.37	17.42		
V. Change in Fair Value of Assets during the year:						
1. Fair Value of Plan Asset at the beginning of the year	9.38	-	8.35	-		
2. Acquisition Adjustment	-	-	-	-		
3. Expected Return on Plan Asset	-	-	-	-		
4. Actuarial (gain)/loss on Plan Asset	0.88	-	0.70	-		
5. Contributions	0.14	-	1.66	-		
6. Benefits Paid	(0.90)	-	(0.75)	-		
7. Fair Value of Plan Asset at the end of the year	9.50	-	9.38	-		
VI. Actuarial Assumptions:						
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%	8.50%	8.50%		
5. Return on Asset	8.00%		8.00%			
VII. Major Category of Plan Assets as a % of the Total Plan Assets:						
1. Government Securities	8.01%		8.11%			
2. Special Deposit Scheme	-		-			
3. High Quality Corporate Bonds	-		-			
4. Insurance Companies	91.99%		91.89%			
5. Cash & Cash Equivalents	-		-			
43. 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.						
44. Disclosure of details pertaining to related party transactions in terms of Accounting Standard-18, issued by the ICAI - "Related Party Disclosures" is as under:						
1. Name of the related party and nature of relationship:						
Nature of Relationship	Name of the Related Party					
Subsidiaries	IFCI Financial Services Ltd (IFIN)					
	IFCI Venture Capital Funds Ltd (IVCF)					
	IFCI Infrastructure Development Ltd (IIDL)					
	IFCI Factors Ltd (IFL)					
	MPCON Ltd					
	IFIN Commodities Ltd (indirect control through IFIN)					
	IFIN Credit Ltd (indirect control through IFIN)					
	Narayan Sriram Investment Pvt Ltd (indirect control through IFIN)					
IIDL Realtors Pvt Ltd (IRPL) (indirect control through IIDL)						
Associates	Assets Care & Reconstruction Enterprise Ltd (ACRE)					
	Tourism Finance Corporation of India Ltd (TFCI)					
	HIMCON Ltd					
	NITCON Ltd					
Joint Ventures	HARDICON Ltd					
	Stock Holding Corporation of India Ltd (SHCIL) (w.e.f. August 30, 2011)					
Key Managerial Personnel	- Shri Atul Kumar Rai (CEO & MD)					
	- Shri Sujit K Mandal (Whole-Time Director)					
Relative of Key Personnel	- Shri Siddharth Mandal (son of Whole Time Director)					
2. Transaction with the related party during the period:						
Subsidiaries:	(₹ crore)					
Nature of Transaction (Year ended 31.03.2012)*	IFIN	IVCF	IIDL	IFL	MPCON	IRPL
Infusion of Equity - Cash	76.25	-	1.02	-	-	-
	(-)	(-)	(118.00)	(-)	(-)	(-)
Infusion of Equity - Other than Cash	-	-	-	-	-	-
	(-)	(-)	(36.68)	(-)	(-)	(-)

Nature of Transaction (Year ended 31.03.2012)*	(₹ crore)					
	IFIN	IVCF	IIDL	IFL	MPCON	IRPL
Application Money pending Allotment	(76.25)	(-)	(-)	(-)	(-)	(-)
Dividend Received	-	5.95	-	5.54	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Rent & Maintenance received	0.98	1.46	1.46	3.06	-	-
	(0.97)	(1.40)	(1.45)	(1.76)	(-)	(-)
Rent & Maintenance Paid	-	-	-	-	-	5.57
	(-)	(-)	(-)	(-)	(-)	(1.54)
Brokerage/Professional Fee paid	0.81	-	0.73	-	-	-
	(1.30)	(-)	(-)	(-)	(-)	(-)
Professional Fee received	-	0.05	-	-	-	-
	(-)	(0.05)	(-)	(-)	(-)	(-)
Fee for Depository Services	(1.65)	-	-	-	-	-
Salaries/Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/recoverable from them	-	0.38	0.64	0.23	-	-
	(-)	(0.40)	(0.78)	(0.33)	(-)	(-)
Consideration for assets sold	-	-	-	-	-	-
	(-)	(-)	(36.68)	(-)	(-)	(-)
Loans given/bonds subscribed (outstanding) #	-	7.50	60.00	365.00	-	-
	(-)	(-)	(135.00)	(250.00)	(-)	(-)
Maximum amount outstanding (receivable) during the period	-	19.50	60.00	365.00	-	-
	(76.25)	(-)	(135.00)	(275.00)	(-)	(-)
Assignment of Debts by Subsidiaries	-	-	-	-	-	-
	(-)	(-)	(-)	(45.99)	(-)	(-)
Interest received/receivable on Loan/Bonds	-0.40	0.22	13.59	29.35	-	-
	(3.91)	(-)	(-)	(19.24)	(-)	(-)
Bonds issued by IFCI (outstanding)	-	-	75.00	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(-)
Maximum amount outstanding during the year	-	-	75.00	-	-	-
	(-)	(-)	(75.00)	(-)	(-)	(-)
Deposit Received - (Outstanding)	-	-	-	-	-	-
	(-)	(-)	(10.00)	(-)	(-)	(-)
Maximum amount outstanding during the period	-	-	10.00	-	-	-
	(-)	(-)	(35.00)	(-)	(-)	(-)
Interest paid/payable by IFCI	-	-	7.91	-	-	-
	(-)	(-)	(7.88)	(-)	(-)	(-)
Investment by IFCI in Portfolio Management Scheme (during the year)	(10.00)	(-)	(-)	(-)	(-)	(-)
Employees deputed/posted by IFCI as at 31.03.2012 (Nos.)	1	2	4	2	-	-
	(-)	(2)	(4)	(4)	(-)	(-)
Employees deputed in IFCI as at 31.03.2012 (No.)	-	-	1	-	-	-
	(-)	(-)	(1)	(-)	(-)	(-)

* figures in brackets represent previous years figures

In case of IFCI Factors Ltd, Loan outstanding includes ₹ 75.00 crore subordinate debt (Previous Year - ₹ 50 crore)

Type of Transaction (Year ended 31.03.2012)*	(₹ crore)					
	ACRE	TFCI	HIMCON	HARDICON	NITCON	SHCIL
Acquisition from market/ others	-	10.96	-	0.25	-	-
	(-)	(13.86)	(-)	(-)	(-)	(-)
Debt assigned to IFCI	-	-	-	-	-	-
	(20.31)	(-)	(-)	(-)	(-)	(-)
Debt/NPA assigned by IFCI	-	-	-	-	-	-
	(7.00)	(-)	(-)	(-)	(-)	(-)
Rent & Maintenance received by IFCI	-	0.80	-	-	-	-
	-	(0.01)	(-)	(-)	(-)	(-)
Loan (Outstanding)	71.22	-	-	-	-	-
	(62.57)	(-)	(-)	(-)	(-)	(-)
Interest received/receivable on loan	7.54	-	-	-	-	-
	(1.02)	(-)	(-)	(-)	(-)	(-)
Dividend Received	-	3.96	0.01	0.01	0.01	5.36
	(-)	(3.28)	(-)	(-)	(-)	(-)
Dividend Paid on Preference Shares	-	₹20,000	-	-	-	-
	(-)	(₹20,000)	(-)	(-)	(-)	(-)
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.15	-	-	-	-	-
	(0.18)	(-)	(-)	(-)	(-)	(-)

Type of Transaction (Year ended 31.03.2012)*	(₹ crore)					
	ACRE	TFCI	HIM- CON	HARDI- CON	NIT- CON	SHCIL
Professional Fee paid	-	-	-	-	-	0.38
	(-)	(-)	(0.02)	(0.04)	(0.20)	(-)
Employees deputed/posted by IFCI as at 31.03.2012 (No.)	1	1	1	1	-	-
	(1)	(-)	(1)	(1)	(1)	(-)

*figures in brackets represent previous year's figures

With Joint Ventures

Type of Transaction	ISCA
Employess deputed/posted by IFCI as at 31.03.2012 (Nos.)	6
	(-)

With Key Management Personnel & Relatives of Key Management Personnel

Type of Transaction	CEO & MD	WTD
Dividend Payment	₹ 78,000	-
	(₹ 20,000)	(-)
Managerial Remuneration (₹crore)	1.16	0.90
	(0.99)	(0.69)
Salary of Relative of Key Management Personnel (₹crore)	-	0.12
	(-)	(0.04)

*figures in brackets represent previous year's figures

45. Earnings per share: (₹ crore)

For the Year ended

31.03.2012 31.03.2011

I. Computation for Basic Earnings per Share

(a) Profit Computation for Equity Shareholders		
Net profit as per Profit & Loss Account	663.62	706.25
Less: Preference Dividend	(0.31)	(0.31)
Net profit for Equity Shareholders	663.31	705.94
(b) Weighted Average Number of Equity Shares outstanding during the year	73,78,37,331	73,87,37,331

II. Computation for Diluted Earnings per Share

(a) Profit Computation for Equity Shareholders (including potential shareholders)		
Net profit as per Profit & Loss Account	663.62	706.25
Less: Preference Dividend	(0.31)	(0.31)
Add: Interest on Convertible Debentures (net of MAT)	31.65	31.65
Net profit for Equity Shareholders (including potential shareholders)	694.96	737.59
(b) Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by GoI assuming conversion price as per SEBI Guidelines	96,09,16,575	88,86,05,054

III. Earnings Per Share

(Weighted Average)		
Basic (₹)	8.99	9.57
Diluted (₹)	7.23	8.30

46. In terms of Accounting Standard 19 on 'Leases' issued by ICAI,

- (a) The Company has entered into lease agreement at four centers and lease rent in respect of above is charged to Profit & Loss Account.
- (b) The year wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	(₹ crore)	
	31.03.2012	31.03.2011
Minimum Lease payments:		
(a) Not later than one year	5.73	5.72
(b) Later than one year but not later than five years	15.47	21.17
(c) Later than five years	-	-
Rentals charged during the year	6.55	2.02

47. In compliance with Accounting Standard 27 - on 'Financial Reporting of Interests in Joint Ventures' as notified by the Companies (Accounting Standards) Rules, 2006, the Company has 50% interests in one joint venture viz. IFCI Sycamore Capital Advisors (P) Limited incorporated in India in November 2011. The amounts invested at par were ₹ 0.01 crore Class A Equity Shares and ₹ 2.64 crore Fully Convertible Debentures. Required disclosure of Assets, Liabilities, Income, Expenditure and Contingent Liabilities has not been made as the period of 12 months has not been completed since the incorporation of the joint venture.

48. 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, 2012, there were no events or changes in circumstances which indicate any impairment in the assets.

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

Particulars	(₹ crore)			
	Opening Balance	Addition/ Transfer	Deduction/ Transfer	Closing Balance
Retirement Benefits	17.42	1.30	-	18.72
Income Tax	444.21	110.13	95.13	459.21
Fringe Benefit Tax	6.34	-	-	6.34
Assets	2,863.50	49.12	360.61	2,552.01

50. 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 31.03.2012		As on 31.03.2011	
	Outstanding	Overdue	Outstanding	Overdue
(a) Debentures:				
(i) Secured	-	-	-	-
(ii) Unsecured	1,218.19	-	1,218.19	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	8,685.84	-	8,166.67	-
(d) Inter Corporate Loans & Borrowings	961.20	-	134.89	-
(e) Commercial Paper	34.91	-	-	-
(f) Other Loans:				
(i) Funds placed with IFCI	57.66	-	52.87	-
(ii) Bonds	9,924.38	-	9,165.10	-

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	31.03.2012	31.03.2011
(i) Lease Assets including lease rentals:		
(a) Financial Lease	12.23	36.15
(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	31.03.2012	31.03.2011
1. Related Parties:		
(a) Subsidiaries	432.50	310.00
(b) Companies in same Group	-	-
(c) Other Related Parties	71.22	62.57
2. Other than Related Parties	16,514.26	15,720.01
TOTAL	17,017.98	16,092.58

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	31.03.2012		31.03.2011	
	Market/ Break-up/ Fair Value/NAV	Book Value	Market/ Break-up/ Fair Value/NAV	Book Value
1. Related Parties:				
(a) Subsidiaries	1,228.81	1,114.62	1,090.38	1,019.45
(b) Companies in same group	285.69	417.51	91.88	82.70
(c) Other Related Parties	-	-	0.24	0.03
2. Other than Related Parties	9,524.78	10,026.66	6,989.76	7,544.62
TOTAL	11,039.28	11,558.79	8,172.26	8,646.80

(E) Other Information: (₹ crore)

Particulars	31.03.2012	31.03.2011
1. Gross Non-Performing Assets:		
(a) Related Parties	-	-
(b) Other than Related Parties	2,607.66	2,643.63
2. Net Non-Performing Assets:		
(a) Related Parties	-	-
(b) Other than Related Parties	327.15	156.35
3. Assets acquired in satisfaction of debt	-	0.07

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

Particulars	31.03.2012	31.03.2011
Capital:		
(a) Capital to Risk Assets Ratio (CRAR)	21.26%	16.43%
(i) Core CRAR	12.82%	12.46%
(ii) Supplementary CRAR	8.44%	3.97%
(b) Subordinated debt raised, outstanding as Tier II Capital (₹ crore)	1,233.30	-
(c) Risk-weighted Assets (₹ crore):		
(i) On-Balance Sheet Items	23,412.37	21,185.28
(ii) Off-Balance Sheet Items	858.20	415.86

(G) Exposure to Real Estate Sector:

Category	₹ crore	
	31.03.2012	31.03.2011
(a) Direct Exposure		
(i) Residential Mortgages: Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual housing loans up to ₹ 15 lakh may be shown separately)	-	-
(ii) Commercial Real Estate: Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.). Exposure would also include non-fund based (NFB) limits	665.13	564.78
(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
Liabilities:									
Borrowings from Banks	126.35	150.91	250.29	1,477.72	1,366.16	5,016.83	1,255.27	2,607.67	12,251.20
Market Borrowings	16.59	25.44	2.95	33.62	159.20	1,198.46	441.30	6,189.94	8,067.50
TOTAL	142.94	176.35	253.24	1,511.34	1,525.36	6,215.29	1,696.57	8,797.61	20,318.70
Assets:									
Advances	210.37	533.16	298.71	1,474.89	1,913.99	5,123.06	1,575.13	2,538.20	13,667.51
Investments	235.49	321.84	761.27	254.12	452.68	696.51	1,809.60	6,230.80	10,762.31
TOTAL	445.86	855.00	1,059.98	1,729.01	2,366.67	5,819.57	3,384.73	8,769.00	24,429.82

(I) Assets sold to Securitization Company/Reconstruction Company (SC/RC):

Particulars	₹ crore	
	31.03.2012	31.03.2011
1. Number of Accounts	3	7
2. Aggregate outstanding of accounts sold to SC/RC	70.19	145.53
3. Aggregate consideration	27.05	46.33
4. Additional consideration realized in respect of accounts transferred in earlier years	-	-
5. Aggregate gain/(loss) over net book value	-	-

(J) Details of Non-performing Financial Assets purchased:

Particulars	₹ crore	
	31.03.2012	31.03.2011
1. (a) Number of accounts purchased during the year	26	6
(b) Aggregate Outstanding (₹ crore)	45.35	99.86
2. (a) Of the above number of accounts restructured during the year	-	-
(b) Aggregate Outstanding (₹ crore)	-	-

(K) Details of Non-performing Financial Assets sold:

Particulars	₹ crore	
	31.03.2012	31.03.2011
Number of accounts sold during the year	4	4
Aggregate outstanding (₹ crore)	40.32	27.04
Aggregate consideration received (₹ crore)	34.66	2.83

51. Total value of outstanding Currency Swaps was USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD (Previous Year - USD 41.90 million against INR and EURO 69 million against USD respectively) equivalent to ₹1,069.40 crore (Previous Year - ₹634.31 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 0.15 million against INR equivalent to ₹0.77 crore (Previous Year - USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹19.29 crore and ₹31.84 crore respectively).
52. Open Interest in the Currency Futures as at Balance Sheet:

Long Position

Particulars	Series of Future	Exchange	Number of Contracts	No. of Units Involved (USD)
1. USD/INR	April 26, 2012	NSE	1,800	1,800,000
2. USD/INR	April 26, 2012	MCX-SX	3,900	3,900,000

Previous Year - Nil

53. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.02 million (Previous Year - USD 0.25 million) and EUR 0.03 million (Previous Year - 0.0172 million), equivalent to ₹ 0.28 crore (Previous Year - ₹ 1.23 crore)

54. Details of securities sold and purchased under Repos and Reverse Repos Transactions: ₹ crore

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as on 31.03.2012
Securities sold under Repo:				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	-	-	-
Securities purchased under reverse repo:				
1. Govt. Securities	-	-	-	-
2. Corporate Bonds	-	28.50	1.64	-

(i) Previous Year - Nil

(ii) Minimum, maximum & average outstanding is based on face value of securities.

55. During the year, the Company has issued infrastructure bonds as defined u/s 80 CCF of the Income Tax Act, 1961 amounting to ₹571.89 crore. Of this, ₹446.36 crore has been utilized for the purpose of 'Infrastructure Lending' in terms of the CBDT Notification No. S.O.2060 (E) dated September 9, 2011. The balance amount of ₹125.53 crore, raised through issue of these bonds during March, 2012, shall be utilized during FY 2012-13.

56. Previous year/period figures have been re-grouped/re-arranged wherever necessary, to conform to current year presentation in terms of revised Schedule VI issued by Ministry of Corporate Affairs.

For and on behalf of Board

For CHOKSHI & CHOKSHI
Chartered Accountants

KANU S CHOKSHI
Partner
M. No.17085

Place : New Delhi
Dated : April 17, 2012

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

**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 Commodities 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)	IIDL Realtors Private Ltd (subsidiary of IFCI Infrastructure Development Ltd)
1. Financial Year of the Subsidiary Company ended on	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
2. (a) Issued, Subscribed and Paid up Capital of the Subsidiary Company	6,03,71,008 Equity Shares of ₹ 10/- each	4,15,33,709 Equity Shares of ₹ 10/- each	49,52,28,343 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	16,01,000 Equity Shares of ₹ 100/- each	10,000 Equity Shares of ₹ 10/- each
	-	-	-	-	-	-	-	-	73,700 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%)	39,363,809 Equity Shares of ₹ 10/- each (94.78%)	49,52,28,343 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 ₹ 10/- each (100%)	25,00,000 Equity Shares of ₹ 10/- each (100%)	16,01,000 Equity Shares of ₹ 100/- each (100%)	10,000 Equity Shares of ₹ 10/- each (100%)
	-	-	-	-	-	-	-	-	73,700 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									
(a) The Financial Year ended March 31, 2012 (₹ crore)	11.81	-19.27	10.28	25.05	0.30	(0.69)	(0.02)	(1.15)	3.09
(b) For the previous Financial Years of the Subsidiary since it became Subsidiary of IFCI (₹ crore)	27.26	8.52	8.84	32.48	1.79	0.24	(0.45)	0.05	0.75
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, 2012 (₹ 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)	6.85	2.72	Nil	5.54	0.03	Nil	Nil	Nil	Nil

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

SHASHI SHARMA
Executive Director
In-charge Finance

Place : New Delhi
Dated : April 17, 2012

MANJU JAIN
Vice President - Accounts

N K DUGGAL
Chief General Manager

RUPA SARKAR
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
IFCI LIMITED

1. Report on the Financial Statements

We have audited the accompanying Consolidated Financial Statements of IFCI Limited ("the Company") and its Subsidiaries, Associates (IFCI Group) which comprise the Consolidated Balance Sheet as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In respect of the financial statements and other financial information of all the five Subsidiaries, four step-down subsidiaries and of six associates, we did not carry out the Audit. The financial statements and other financial information of four 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 Assets	Total Revenue	Net Cash Inflows/ (Outflows)
Subsidiaries	2905.48	341.87	(16.24)

We further report that in respect of one subsidiary and six associates, for the year ended March 31, 2012, the un-audited financial statements

have been certified by the 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, 2012 which were compiled by the 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 one subsidiary and six associates, to the extent to which they are reflected in the consolidated financial statements is given below:

CERTIFIED BY MANAGEMENT:

	(₹ crore)		
	Net carrying cost of investment	Current year share of profit	
Associates	485.98	28.68	
	Total Assets	Total Revenue	Net Cash Inflows/ (Outflows)
Subsidiaries	8.68	8.94	(0.92)

4. 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 Accounting Standard-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.

5. Basis of qualified opinion:

- attention is invited to the Note No. 39 to the financial statements regarding payment of managerial remuneration in excess of maximum limit specified in schedule XIII to the Companies Act, 1956 to the extent of ₹0.28 crore. The company has filed the necessary application for the waiver of the excess remuneration which is awaited.
- Loan of ₹0.42 crore given to a relative of the Managing Director without prior approval of the Central Government given in earlier years. The loan amount was written off from the books of accounts during the year.

6. Opinion

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 and notes thereon *subject to the para 5 above* 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 Company as at March 31, 2012;
- in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Kanu S Chokshi
Partner

Camp : New Delhi
Date : April 17, 2012

Membership No.17085

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012	(₹ crore) As at March 31, 2011
EQUITY & LIABILITIES			
Shareholders' Funds			
- Share Capital	2	1,001.68	1,001.68
- Reserves and Surplus	3	4,804.21	4,199.55
Share Application Money pending Allotment		-	-
Minority Interest			
- Share Capital		3.43	3.43
- Reserves and Surplus		3.80	4.53
Non-current Liabilities			
(a) Long-term Borrowings	4	17,670.61	17,428.90
(b) Other Long-term Liabilities	5	56.35	51.64
(c) Long-term Provisions	6	149.00	142.44
Current Liabilities			
(a) Short-term Borrowings	7	1,074.46	440.22
(b) Trade Payables	8	585.90	339.51
(c) Other Current Liabilities	9	4,414.11	2,780.72
(d) Short-term Provisions	10	96.80	95.22
TOTAL		29,860.34	26,487.84
ASSETS			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	1,369.12	1,290.55
(ii) Intangible Assets	12	2.45	3.24
(iii) Capital work-in-progress		18.92	133.63
(b) Goodwill on Consolidation		99.45	83.34
(c) Non-current Investments	13	8,139.47	5,628.17
(d) Deferred Tax Assets (Net)	50	840.68	1,022.68
(e) Long-term Loans & Advances	14	9,694.47	10,677.07
(f) Other Non-current Assets	15	276.33	389.77
Current Assets			
(a) Current Investments	16	1,995.45	1,537.94
(b) Trade Receivables	17	1,375.75	915.95
(c) Cash and Cash Equivalents	18	968.12	615.11
(d) Short-term Loans and Advances	19	4,393.96	3,687.22
(e) Other Current Assets	20	686.17	503.17
TOTAL		29,860.34	26,487.84

Notes 1-57 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

KANU S CHOKSHI
Partner
M. No.17085

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

Place : New Delhi
Dated : April 17, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
Revenue from Operations	21	3,016.57	2,471.78
Other Income	22	114.20	153.77
Total Revenue		<u>3,130.70</u>	<u>2,625.55</u>
Expenses			
Cost of Borrowings	23	1,955.64	1,330.29
Payments to and Provisions for Employees	24	94.05	87.94
Establishment and Other Expenses	25	83.10	93.02
Cost of Stock in Trade Sold		53.11	15.40
Depreciation and Amortization (Net of transfer from Revaluation Reserve)		21.95	14.52
Preliminary/Preoperative/Misc Expenses written off		0.01	0.01
Total Expenses		<u>2,207.86</u>	<u>1,541.18</u>
Profit Before NPA Recovery, Provisions/Write-off		922.91	1,084.37
Provision for Bad & Doubtful Assets and Others (Net of Write-off)	26	(82.20)	(140.04)
Profit before Exceptional and Extraordinary Items and Tax		1,005.11	1,224.41
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		1,005.11	1,224.41
Extraordinary Items		-	-
Profit before Tax		<u>1,005.11</u>	<u>1,224.41</u>
Provision for Taxation			
- Current Tax		135.38	113.19
- Deferred Tax (Net)		182.00	365.69
Profit from continuing Operations		<u>687.73</u>	<u>745.53</u>
Profit/(Loss) from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit for the period		<u>687.73</u>	<u>745.53</u>
Basic Earnings per share of ₹10.00 each (₹)		9.32	10.10
Diluted Earnings per share of ₹10.00 each (₹)		7.48	8.74

Notes 1-57 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

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Chief Executive Officer &
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M. No.17085

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Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

Place : New Delhi
Dated : April 17, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,005.11	1,224.41
Adjustments for:		
Depreciation	21.95	14.52
Preliminary Expenses Written off	0.01	0.01
Provision/write offs	(82.20)	(140.04)
Bond issue Expenses charged to Share Premium Account	(25.94)	
(Profit)/Loss on Sale of Assets	(1.12)	(34.09)
Employee Stock Option Compensation Cost	0.45	-
Lease Equalisation	23.91	21.65
Operating Profit before Working Capital Changes	<u>942.17</u>	<u>1,086.46</u>
Adjustments for:		
(Increase)/Decrease in Investment	(2,978.78)	(1,949.27)
(Increase)/Decrease in Loans & Advances	205.79	(4,214.02)
(Increase)/Decrease in Borrowings	2,638.08	6,091.96
(Increase)/Decrease in Current Assets	(506.18)	(646.80)
Increase/(Decrease) in Current Liabilities	128.71	413.17
Cash Flow before Taxation	<u>429.78</u>	<u>781.50</u>
Income Tax (Paid)/Refund-Net	(5.85)	(125.10)
Appropriation for Corporate Social Responsibility and Staff Welfare Fund	-	(10.27)
Net Cash from operating activities	<u>423.92</u>	<u>646.13</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/Advance for Fixed Assets (including Leased Assets)	(29.38)	(125.35)
Sale proceed of Fixed Assets	1.85	40.16
Net cash used in/raised from Investing Activities	<u>(27.53)</u>	<u>(85.19)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(87.18)	(86.39)
Share Premium	43.80	-
Net Cash from Financing Activities	<u>(43.38)</u>	<u>(86.39)</u>
Net Change in Cash and Cash Equivalent (A+B+C)	<u>353.01</u>	<u>474.55</u>
Opening Cash & Cash Equivalent	615.11	140.56
Closing Cash & Cash Equivalent	968.12	615.11
Increase/(Decrease) in Cash and Cash Equivalent*	<u>353.01</u>	<u>474.55</u>

Note: Figures for previous year have been regrouped, wherever considered necessary
* Includes ₹3.70 crore (Previous Year - ₹3.79 crore) in Unclaimed Dividend Account

Notes 1-57 form an integral part of financial statements

In terms of our report of even date

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

KANU S CHOKSHI
Partner
M. No.17085

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary

Place : New Delhi
Dated : April 17, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The accompanying financial statements have been prepared on historical basis and conform in all material aspects to the Generally Accepted Accounting Principles in India which encompass 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.

1.2 Revenue Recognition

- (a) Interest and other dues are recognized on accrual basis except in the case of income on Non-Performing Assets (NPAs) which is recognized, as and when received, as per the prudential norms prescribed by the RBI.
- (b) Front-end Fee, Premium on pre-payment of loans/reduction in interest rates and LC Commission are accounted for on realization basis.
- (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.
- (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.
- (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.
- (f) Surplus on sale of investments is net of losses thereon.
- (g) Broking Income is recognised on the basis of settlement date of transactions.
- (h) Interest earned on fixed income bearing securities is accounted for on accrual basis.
- (i) Income from Merchant Banking/Loan Syndication Fee is recognized when the right to receive the income is established.
- (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.
- (k) Insurance Commission from Agency business is booked upon actual receipt of commission from the principal agent.
- (l) Commission from selling of Mutual Funds is accounted for on accrual basis.
- (m) Fee income from Portfolio Management and advisory services is recognized on accrual basis.
- (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.
- (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.
- (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.
- (q) Revenue from hospitality services is recognised on accrual basis. Selling price is determined on the basis of published rack rate less discount offered to customers.
- (r) Revenue from external project services is recognised based on the cost plus method. A fixed mark up percentage is added to the cost incurred towards construction and the total is recognised as revenue. The stage of completion is determined on the basis the work completion certificate obtain from the engineer/architect.
- (s) 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.
- (t) Income from factoring services is accounted on accrual basis except in the case of non-performing assets where income is accounted on realization.

1.3. STOCK-IN-TRADE

- (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.
- (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.
- (c) Inventory of Hospitality business comprises of consumables purchased. FIFO method is followed for ascertaining the cost price considered for valuation. Closing inventories are valued at cost or replacement value, whichever is less, after providing for obsolescence and damage.

1.4 INVESTMENTS

- (a) Investments are classified under two categories i.e. current and Long term and are 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' as notified by the Companies (Accounting Standard) Rules, 2006.
 - (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.
- (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.

1.5 DERIVATIVES

- (a) Equity Index/Stock Futures and Currency Futures are marked to market on daily basis. Debit or Credit Balances disclosed under Current Assets or Current liabilities respectively represent the net amount paid or received on the basis of movement of prices in the Index/Stock Futures and Currency Futures till the Balance Sheet date. Equity Index/Stock Options are recognized in the books to the extent of premium paid.
- (b) As at the Balance Sheet date, the profit or loss on open positions are accounted for as follows:
 - The unrealized profit determined Scrip wise/Index wise, being anticipated profit, is ignored and no credit is taken in the 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.

- (c) On final settlement or squaring-up of contracts for Equity Index/Stock Futures, the profit or loss is calculated as difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognized as profit or loss upon expiry/squaring-up of the contracts. When more than one contract in respect of the relevant series of Equity Index/Stock Futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of the contract so squared-up is determined using weighted average method for calculating profit/loss on squaring up.
- (d) Initial and additional margin paid over and above initial margin, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets.

1.6 Foreign Exchange Transactions

- (a) The expenses and income in foreign exchange transactions are accounted for at the rates prevailing on the date of transactions/at the forward rate, if booked, for such transaction.
- (b) Assets and liabilities held in foreign currencies and accrued income and expenditure in foreign currencies are translated into Indian Rupees at the rates advised by Foreign Exchange Dealers Association of India (FEDAI) prevailing towards the close of the accounting period. Gains/Losses, if any, on valuation of various assets and liabilities are taken to Profit & Loss Account.

1.7 Fixed Assets and Depreciation

- (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'.
- (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.
- (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.
- (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.
- (e) Leasehold Land is amortized over the lease period.
- (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.
- (g) Leasehold Improvements are amortized over the lease period.
- (h) Mobile phones are fully depreciated in the year of acquisition itself.
- (i) In case of IFCI Financial Services Ltd, intangible assets are recognised 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 & Loss Account. The Computer Software which is identified as intangible assets and has been amortized at the rate of 40% following WDV method.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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.
- (n) 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".

1.8 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.

1.9 Provisions/Write off against Loans and Other Credit Facilities

- (a) All credit exposures are classified into performing and non-performing assets (NPAs) as per the RBI Guidelines. 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.
- (b) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI.
- (c) Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable in terms of RBI Guidelines.
- (d) Provision in respect of purchase and sale of NPAs is accounted as per guidelines prescribed by RBI.

1.10 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.

1.11 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.

1.12 Miscellaneous Expenditure

- (a) Expenses on issue of Shares and Debentures are charged to Securities Premium Reserve in accordance with Section 78 of Companies Act, 1956.
- (b) Voluntary Retirement Scheme (VRS) expenses are charged off as and when incurred.

1.13 Employee Benefits

- (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.

- (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.
- (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.
- (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.
- (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. As such leave encashment liability for the period upto December 31, 2011 is fulfilled. Provision for the period from January 01, 2012 to March 31, 2012 is provided for in the Books for an amount of ₹ 0.08 crore.

1.14 Employee Stock Option Plan

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee share based payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortise over the vesting period of the option on a straight line method.

1.15 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.

1.16 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.

	As at March 31, 2012	(₹ crore) As at March 31, 2011
2. SHARE CAPITAL		
AUTHORISED		
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
	3,000.00	3,000.00
ISSUED		
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
SUBSCRIBED		
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
PAID UP		
(A) EQUITY		
73,78,37,331 (Previous Year - 73,78,37,331) Equity Shares of ₹ 10/- each	737.84	737.84
TOTAL (A)	737.84	737.84
(B) PREFERENCE		
26,38,43,100 (Previous year - 26,38,43,100) 0.10% Cumulative Redeemable Preference Shares of ₹ 10/- each (Redeemable at par on 31.03.2021 - ₹ 2.00 crore, 03.03.2021 - ₹ 8.00 crore, 02.03.2021 - ₹ 30.00 crore, 01.03.2021 - ₹ 10.00 crore, 31.10.2020 - ₹ 2.00 crore, 31.03.2019 - ₹ 30.00 crore, 17.09.2018 - ₹ 50.00 crore, 15.09.2018 - ₹ 93.00 crore and 02.08.2017 - ₹ 38.84 crore)	263.84	263.84
TOTAL (B)	263.84	263.84
TOTAL (A + B)	1,001.68	1,001.68

Foot-note

- 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.
- Life Insurance Corporation of India holds 8.39% (6,19,34,044 shares of ₹ 10 each) of Equity Share Capital of IFCI Ltd.

	As at March 31, 2012	(₹ crore) As at March 31, 2011
3. RESERVES AND SURPLUS		
(A) Capital Reserve		
Opening Balance	0.89	0.86
Additions/Transfers during the year	-	0.03
Deductions/Transfers during the year	-	-
Closing Balance	0.89	0.89
(B) Capital Redemption Reserve		
Opening Balance	193.14	193.08
Additions/Transfers during the year	-	0.06
Deductions/Transfers during the year	-	-
Closing Balance	193.14	193.14

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Note 3 (Contd..)

	As at March 31, 2012	(₹ crore) As at March 31, 2011
RESERVES AND SURPLUS		
(C) Capital Reserve on Consolidation		
Opening Balance	4.20	1.66
Additions/Transfers during the year	5.67	2.54
Deductions/Transfers during the year	-	-
Closing Balance	9.87	4.20
(D) Securities Premium Reserve (refer note 32)		
Opening Balance	1,041.08	1,032.80
Additions/Transfers during the year	43.79	8.28
Deductions/Transfers during the year	25.93	-
Closing Balance	1,058.94	1,041.08
(E) Debenture Redemption Reserve	5.00	5.00
(F) Revaluation Reserve		
Opening Balance	978.00	1,194.32
Additions/Transfers during the year	-	-
Deductions/Transfers during the year	19.71	216.32
Closing Balance	958.29	978.00
(G) Share Options Outstanding A/c (foot-note 1)		
Opening Balance	-	-
Additions/Transfers during the year	0.45	-
Deductions/Transfers during the year	-	-
Closing Balance	0.45	-
(H) Grant received from GoI under KfW Loans (foot-note 2)	184.48	184.48
(I) Special Reserve under Section 36(1) (viii) of the Income tax Act, 1961 (foot-note 3)		
- for the period upto 31.03.1997	1.74	1.74
- after 01.04.1997		
Opening Balance	20.00	10.00
Additions/Transfers during the year	15.00	10.00
Deductions/Transfers during the year	-	-
Closing Balance	35.00	20.00
(J) Reserve u/s 45IC of RBI Act (foot-note 3)		
Opening Balance	454.90	309.63
Additions/ Transfers during the year	137.75	145.27
Deductions/ Transfers during the year	-	-
Closing Balance	592.65	454.90
(K) Benevolent Reserve (foot-note 3)	4.11	4.11
(L) Statutory Reserve		
Opening Balance	0.12	-
Additions/ Transfers during the year	-	0.12
Deductions/ Transfers during the year	-	-
Closing Balance	0.12	0.12
(M) General Reserve		
Opening Balance	131.54	131.29
Additions/ Transfers during the year	-	0.25
Deductions/ Transfers during the year	-	-
Closing Balance	131.54	131.54
(N) Profit & Loss Account		
Opening Balance	1,199.77	694.40
Add: Profit for the year	687.73	745.59
Share of the profits in Associates	28.68	11.38
Less: Appropriations		
Reserve u/s 45IC of RBI Act	137.75	145.27
Special Reserve u/s 36(1)(viii)	15.00	10.00
Staff Welfare Fund	-	0.27
Corporate Social Responsibility Fund	-	10.00
Proposed Dividend		
- Equity @ ₹1 per share	73.78	73.78
- Preference @ ₹0.01 per share	0.26	0.26
Dividend proposed/paid to minorities by subsidiaries	0.13	-
Tax on Distributed Profits		
- Equity	11.97	11.97
- Preference	0.05	0.05
- Proposed/paid by Subsidiaries	2.79	-
Closing Balance	1,674.45	1,199.77
TOTAL	4,850.67	4,218.97
Less: Minority Interest	3.80	4.53
Less: Share of pre-acquisition reserves in Subsidiary Companies	42.66	14.89
TOTAL	46.46	19.42
	4,804.21	4,199.55

- Foot-note 1. Net of Deferred Employee Compensation Outstanding ₹2.21 crore
2. In terms of agreement governing the KfW loan, a part of the interest payable by Company to KfW amounting to ₹184.48 crore was made to be utilised for specific purposes and the said amount stands so utilised in earlier years
3. Special Reserve u/s 36(1)(viii) of Income Tax Act, Reserve u/s 45IC of RBI Act and Benevolent Reserve is created to meet a specific regulatory and legal requirement

	(₹ crore)	
	As at March 31, 2012	As at March 31, 2011
4. LONG-TERM BORROWINGS		
4.1 Rupee Loans-Unsecured		
(A) OPTIONALLY CONVERTIBLE DEBENTURES		
(i) 9.75% Government of India - Redeemable on 30.10.2021	400.00	400.00
SUB - TOTAL 'A' (refer foot note 1)	<u>400.00</u>	<u>400.00</u>
(B) NON-CONVERTIBLE DEBENTURES (NCDs)		
(i) 6.00% LIC - Redeemable on 28.12.2021	200.00	200.00
(ii) 6.00% SBI - Redeemable on 25.01.2022	200.00	200.00
(iii) 0.00% LIC - Redeemable on 01.04.2022	418.19	418.19
SUB - TOTAL 'B'	<u>818.19</u>	<u>818.19</u>
(C) Bonds		
(a) Guaranteed by Government of India and redeemable at par		
(i) 8.22% Bonds: Redemption - 03.03.2022	46.22	-
(ii) 8.19% Bonds: Redemption - 13.01.2022	138.25	-
(iii) 8.26% Bonds: Redemption - 19.08.2021	147.37	-
(iv) 7.90% Bonds: Redemption - 26.12.2020	56.85	56.85
(v) 7.87% Bonds: Redemption - 24.09.2020	110.70	110.70
(vi) 7.65% Bonds: Redemption - 26.06.2020	163.82	163.82
(vii) 7.69% Bonds: Redemption - 26.12.2019	58.38	58.38
(viii) 7.07% Bonds: Redemption - 19.09.2019	99.42	99.42
(ix) 6.70% Bonds: Redemption - 30.05.2019	153.40	153.40
(x) 6.02% Bonds: Redemption - 28.02.2019	26.12	26.12
(xi) 6.07% Bonds: Redemption - 13.12.2018	146.20	146.20
(xii) 8.41% Bonds: Redemption - 14.06.2018	133.85	133.85
(xiii) 7.50% Bonds: Redemption - 28.01.2018	9.40	9.40
(xiv) 7.96% Bonds: Redemption - 08.10.2017	176.43	176.43
(xv) 7.89% Bonds: Redemption - 14.09.2017	176.86	176.86
(xvi) 5.30% Bonds: Redemption - 24.09.2013	195.50	195.50
(xvii) 6.29% Bonds: Redemption - 17.02.2013	-	15.43
(xviii) 6.46% Bonds: Redemption - 24.11.2012	-	179.77
(xix) 7.79% Bonds: Redemption - 27.05.2012	-	102.21
(xx) 7.23% Bonds: Redemption - 01.04.2012	-	25.87
(xxi) 12.00% Bonds: Redemption - 03.03.2012 (₹45.72 crore) & 13.01.2012 (₹138.25 crore)	-	183.97
(xxii) 11.50% Bonds: Redemption - 19.08.2011	-	147.92
SUB-TOTAL 'C' (a) (refer foot note 2)	<u>1,838.77</u>	<u>2,162.10</u>
(b) Other Bonds		
(i) Privately Placed Bonds carrying maturity of One to Twenty years from date of placement	5,049.84	5,505.94
(ii) Privately Placed Zero Coupon Bonds carrying maturity of 10 years to 30 years from the date of issue. Unamortised discount - ₹919.11 crore (Previous year - ₹929.63 crore)	117.64	107.12
(iii) Infrastructure Bonds	964.40	370.75
(iv) Subordinate - Tier II Bonds	1,233.30	-
SUB-TOTAL 'C' (b) (refer foot note 3)	<u>7,365.18</u>	<u>5,983.81</u>
(D) Other Long Term Borrowings		
(i) Government of India under restructuring (refer foot note 4)	523.00	523.00
(ii) Banks and FIs (refer foot note 5)	5,926.00	6,894.18
(iii) Government of India under KfW Loans	23.13	23.13
(iv) Others	8.64	26.37
SUB-TOTAL 'D'	<u>6,480.77</u>	<u>7,466.68</u>
TOTAL (RUPEE) LOAN - UNSECURED {(A+B+C(a)+C(b)+D)}	<u>16,902.91</u>	<u>16,830.78</u>

Foot-notes

- GoI has the option of converting the debentures, 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 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.
- The bonds originally guaranteed by GoI have been rolled over for a period of 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.
- Put option applicable on ₹2,721.41 crore (Previous Year - ₹1,096.55 crore).
- Loan from GoI 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.
- Put/Call Option applicable on ₹465.00 crore (Previous Year - ₹1,433.33 crore).
 - Include loans of ₹300 crore (Previous Year - ₹300 crore), against escrow of cash flow/negative lien against certain identified loan assets.

IFCI Limited (Consolidated Financial Statements)



	As at March 31, 2012	As at March 31, 2011
(₹ crore)		
4.2 RUPEE LOANS-SECURED		
Term Loan		
– From Banks	151.47	93.63
Bonds	100.00	–
TOTAL RUPEE LOANS-SECURED	251.47	93.63
(i) Loan from Banks includes ₹102.35 crore secured by hypothecation of Book debts of IFCI Venture Capital Funds Ltd on pari passu basis between Lenders and the bank from which cash credit facilities have been availed and Investors in bonds.		
(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.		
(iii) Bonds are secured by paripassu charge on the receivables of IFCI Venture Capital Fund Ltd amounting to ₹367.46 crore to the extent of 125% of the outstanding bonds at any point of time during the currency of the bonds.		
4.3 FOREIGN CURRENCIES-UNSECURED		
KfW Line - Guaranteed by Government of India (repayment in half-yearly installments - earliest date of repayment 30.06.2012)	516.23	504.49
TOTAL FOREIGN CURRENCIES LOAN	516.23	504.49
TOTAL (4.1+4.2+4.3)	17,670.61	17,428.90
5. OTHER LONG-TERM LIABILITIES		
Funds placed with the Corporation		
(a) Jute Development Fund (placed by Government of India)	4.14	3.95
(b) Employees' Provident Fund	38.50	33.47
(c) Staff Welfare Fund	3.63	4.16
(d) Corporate Social Responsibility Fund	10.08	10.06
TOTAL	56.35	51.64
6. LONG-TERM PROVISIONS		
(a) Provision for Standard and Securitised Assets	129.42	123.58
(b) Employee Benefits as per Actuarial Valuations	19.58	18.86
TOTAL	149.00	142.44
7. SHORT-TERM BORROWINGS		
(a) Loans from Banks repayable on demand (refer foot-note 1)	61.50	244.00
(b) Loans		
– from Banks (refer foot-note 1)	155.00	121.00
– from Others (refer foot-note 2)	33.82	–
(c) Bank Overdraft (Unsecured)	49.99	–
(d) Collateralised Borrowings Lending Operations (CBLO) (refer foot-note 3)	299.54	–
(e) Commercial Paper (net of unamortised discount - ₹0.09 crore) (refer foot-note 4)	189.91	–
(f) Cash Credit - From Banks (refer foot-note 5)	284.70	75.22
TOTAL	1,074.46	440.22
Foot-note: 1. Secured by way of pari-passu charge on receivable of IFCI Factors Ltd by way of hypothecation.		
2. Includes ₹7.62 crore availed by IFCI Financial Services Ltd secured against shares.		
3. Secured against Treasury Bills.		
4. Unsecured		
5. Includes ₹245.27 crore availed by IFCI Factors Ltd secured by pari passu charge on the receivables by way of hypothecation.		
8. TRADE PAYABLES		
(a) Sundry Creditors		
(i) Total Outstanding dues to Micro, Small and Medium Enterprises	–	–
(ii) Total Outstanding dues of creditors other than Micro, Small and Medium Enterprises	283.30	166.70
(b) Contractual Liability against Sundry Debtors Collection	302.60	172.81
TOTAL	585.90	339.51
9. OTHER CURRENT LIABILITIES		
(a) Current maturities of Long-term Debt		
(i) Rupee (Put/Call Option applicable on ₹1,368.33 crore (Previous Year - ₹308.33 crore))*	3,522.00	1,766.18
(ii) Foreign Currencies	23.96	22.36
(b) Interest accrued but not due on Bonds and Borrowings	448.09	477.38
(c) Income received in Advance	59.93	5.68
(d) Unclaimed Dividend	3.71	3.79
(e) Unpaid Matured Debentures	2.62	4.56
(f) Interest accrued on Unpaid Matured Debentures	–	0.69
(g) Other Liabilities (Trade Deposits and Other Payables)	353.80	500.08
TOTAL	4,414.11	2,780.72
* includes amount guaranteed by Government of India (refer foot-note 2 of note 4)	297.41	108.11

	As at March 31, 2012	As at March 31, 2011
10. SHORT-TERM PROVISIONS		
(a) Expenses	8.98	8.90
(b) Employee Benefits	0.25	0.55
(c) Proposed Dividend	73.80	73.80
(b) Corporate Dividend Tax	13.77	11.97
TOTAL	96.80	95.22

11. FIXED ASSETS-TANGIBLE ASSETS (₹ crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 1.4.2011	Additions	Disposal	Aquisitions	Other Adjustments	As at 31.3.2012	As at 1.4.2011	For the year	Disposals	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
Freehold Land @	131.37	1.02	-	-	-	132.39	-	-	-	-	132.39	131.37
Leasehold Land @	298.97	-	-	-	-	298.97	20.25	4.95	-	25.20	273.77	278.72
Buildings @	890.12	97.02	0.82	-	-	986.32	87.58	20.98	0.10	108.46	877.86	802.54
Leasehold Improvements	-	3.29	-	-	-	3.29	-	0.66	-	0.66	2.63	-
Plant & Machinery	10.75	19.81	0.95	-	-	29.61	4.66	2.72	0.64	6.74	22.87	6.09
Furniture & Fixtures	15.62	17.85	0.04	-	-	33.43	5.87	4.40	0.04	10.23	23.20	9.75
Vehicles	3.67	0.90	0.58	-	-	3.99	1.78	0.50	0.29	1.99	2.00	1.89
Office Equipments	17.13	2.90	0.88	-	-	19.15	11.51	2.38	0.82	13.07	6.08	5.62
Electrical Installations and Equipments	24.49	0.48	0.23	-	-	24.74	6.07	2.79	0.21	8.65	16.09	18.42
Leased Assets - Plant & Machinery	217.32	-	19.40	-	-	197.92	217.32	-	19.40	185.69*	12.23	36.15
TOTAL	1,609.44	143.27	22.90	-	-	1,729.81	355.04	39.38	21.50	360.69	1,369.12	1,290.55
Previous Year	1,817.50	40.36	248.42	-	-	1,609.44	368.27	35.19	48.42	318.89	1,290.55	

Foot-notes: * Leased Assets (Accumulated Depreciation) is net of ₹12.23 crore on account of Lease Adjustment (Previous Year - ₹36.15 crore)

@ includes on account of revaluation:

- Freehold Land - Gross Block as on 01.04.2011 - ₹69.91 crore; Additions - ₹ Nil; Deductions - ₹ Nil; as on 31.03.2012 - ₹69.91 crore
- Leasehold Land - Gross Block as on 01.04.2011 - ₹277.36 crore; Additions - ₹ Nil; Deductions - ₹ Nil; as on 31.03.2012 - ₹277.36 crore
- Depreciation for the year - ₹4.69 crore (Previous Year - ₹5.94 crore)
- Building - Gross Block as on 01.04.2011 - ₹687.42 crore; Additions - ₹ Nil; Deductions - ₹0.71 crore as on 31.03.2012 - ₹686.71 crore; Depreciation for the year - ₹14.35 crore (Previous Year - ₹10.79 crore)

Gross Block includes ₹1,033.99 crore (Previous Year - ₹1,034.69 crore) on account of revaluation of Land & Buildings carried out in Financial Year 2009-10. The additional charge of depreciation of ₹19.04 crore for the year (Previous Year - ₹22.29 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.

12. FIXED ASSETS-INTANGIBLE ASSETS (₹ crore)

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at 1.4.2011	Additions	Disposal	Aquisitions	Other Adjustments	As at 31.3.2012	As at 1.4.2011	For the year	Disposals	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
Computer Software	5.71	0.82	0.18	-	-	6.35	2.90	1.18	0.18	3.91	2.44	2.81
Non Compete Fee	0.99	-	-	-	-	0.99	0.67	0.32	-	0.99	-	0.32
Membership Card	0.32	-	-	-	-	0.32	0.21	0.11	-	0.31	0.01	0.11
TOTAL	7.02	0.82	0.18	-	-	7.66	3.78	1.61	0.18	5.21	2.45	3.24
Previous Year	6.16	1.53	0.67	-	-	7.02	2.73	1.62	0.57	3.78	3.24	

	As at March 31, 2012 Amount	As at March 31, 2011 Amount
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13. NON-CURRENT INVESTMENTS

(1) LONG TERM

(A) QUOTED

1. Equity Shares

(a) Associates		
Tourism Finance Corporation of India Ltd	86.21	75.25
Add : Capital Reserve	9.57	4.00
Add : Other Adjustments/Distribution of Profits	(1.52)	-
Add : Share of accumulated profits/Reserves	70.90	50.65
[including share of current year's profit ₹20.25 crore (Previous Year - ₹8.13 crore)]	165.16	129.90
(b) Assistance under financing	872.55	632.60
(c) Others	784.75	371.30
	1822.46	1133.80

2. Bonds

3. UTI Balance Fund

	230.45	230.53
	0.51	0.51

IFCI Limited (Consolidated Financial Statements)



Note 13 (Contd..)

	As at March 31, 2012 Amount	As at March 31, 2011 Amount
B. UNQUOTED		
(a) Associates		
(i) Assts Care & Reconstruction Enterprise Ltd	7.33	7.33
Add : Share of accumulated profits/Reserves [including share of current year's profit ₹2.37 crore (Previous Year - ₹3.03 crore)]	6.88	4.51
	14.21	11.84
(ii) HIMCON Ltd	0.07	0.07
Add : Share of accumulated profits/reserves [including share in current year's profit ₹0.02 crore (Previous Year - ₹0.02 crore)]	0.56	0.54
	0.63	0.61
(iii) HARDICON Ltd	0.28	0.03
Add: Capital reserves	0.10	-
Add : Share of accumulated profits/reserves [including share in current year's profit ₹0.17 crore (Previous Year - ₹0.13 crore)]	0.51	0.34
	0.89	0.37
(iv) NITCON Ltd	0.13	0.13
Add : Capital Reserve	0.20	0.20
Add : Share of accumulated profits/reserve [including share in current year's profit ₹0.20 crore (Previous Year - ₹0.07 crore)]	0.42	0.22
	0.75	0.55
(v) Stock Holding Corporation of India Ltd (including goodwill ₹144.61 crore)	297.22	-
Add: Share of accumulated profits/reserve [including share in current year's profit ₹7.19 crore]	7.19	-
	304.41	-
(b) Joint Venture		
IFCI Sycamore Capital Advisors Pvt Ltd	0.01	-
(c) Assistance under financing	2,493.99	1,716.01
(d) Others	76.27	307.77
2. Preference Shares	386.61	489.93
3. Debentures/Bonds (under financing)	2,610.34	1,632.19
(a) Joint Venture [(refer Note No. 27(C)) - IFCI Sycamore Capital Advisors Pvt Ltd	2.64	-
(b) Others	2,607.70	1,632.19
4. Security Receipts	70.43	96.78
5. Warrants	0.06	0.06
6. Government Securities	400.01	400.01
7. Mutual Funds/Venture Capital Funds	363.61	234.92
(C) APPLICATION MONEY		
(a) Equity shares		
(i) Subsidiaries and Associates		
- IFCI Financial Services Ltd	0.02	0.02
- Assests Care & Reconstruction Enterprise Ltd	26.34	-
(ii) Others	114.59	159.16
(b) Preference shares	17.11	15.61
(c) Units	2.50	-
TOTAL APPLICATION MONEY	160.56	174.79
TOTAL	8,936.20	6,430.67
Less: Provision for Diminution in value	796.73	802.50
TOTAL	8,139.47	5,628.17
QUOTED		
(1) Total Book Value	2,053.42	1,364.84
- Equity Shares	1,822.46	1,133.80
- Others	230.96	231.04
(2) Total Market Value	1,746.45	1,422.75
- Equity Shares	1,520.37	1,194.95
- Others	226.08	227.80
UNQUOTED		
(1) Total Book Value	6,882.78	5,065.83
- Equity Shares	2,891.16	2,037.15
- Preference Shares	386.61	489.93
- Others	3,605.01	2,538.75

Note: The above balances include:

- Investments of ₹234.45 crore (Previous Year - ₹99.50 crore) in respect of equity shares which are subject to a lock-in period.
- Investments of ₹1.20 crore (Previous Year - ₹5.00 crore) in respect of equity shares which are subject to restrictive covenants.
- ₹ NIL (Previous Year - ₹26.12 crore) in equity under Portfolio Management Scheme of subsidiary.

Note 13 (Contd..)

- Investments of ₹38.06 crore (Previous Year - ₹ Nil) in respect of equity shares lent under Securities Lending & Borrowing Scheme within SEBI guidelines:

<u>Name</u>	<u>Quantity Lent</u>	<u>Cost (₹ crore)</u>	
ABB Ltd	46,811	3.88	
Oil and Natural Gas Corporation Ltd	5,000	0.33	
Punj Lloyd Ltd	1,85,000	7.15	
Ranbaxy Laboratories Ltd	2,00,000	9.30	
State Bank of India	66,075	17.40	
TOTAL		38.06	(₹ crore)
		<u>As at</u>	<u>As at</u>
		<u>March 31, 2012</u>	<u>March 31, 2011</u>
14. LONG-TERM LOANS & ADVANCES			
(a) Capital Advances		5.76	3.84
(b) Security Deposits		1.42	1.36
(c) Loans to Assisted Concerns			
(i) In Rupees and Foreign Currencies		11,200.72	12,481.25
(ii) Advance for Assets		80.56	134.30
(d) Loan to Associates		71.22	62.00
(e) Other Institutions		-	0.06
		<u>11,359.68</u>	<u>12,682.81</u>
Less: Allowance for bad and doubtful loans		1,665.21	2,005.74
TOTAL		9,694.47	10,677.07
Note : Out of the above:			
(i) Considered good		9,694.47	10,677.07
(ii) Considered doubtful		1,665.21	2,005.74
		<u>11,359.68</u>	<u>12,682.81</u>
15. OTHER NON-CURRENT ASSETS			
(a) Advance Tax paid (net of provisions)		62.87	192.40
(b) MAT Credit Entitlement		186.97	186.97
(c) Assets acquired in settlement of dues and held for sale		-	0.07
(d) Lease Rental Receivable			
- Less than 6 months		7.79	8.28
- More than 6 months		-	-
Less: Provision		(7.79)	(8.28)
(e) Other Loans and advances			
- Loans to Staff (Secured)		13.40	10.33
- Others (Unsecured)		6.11	-
(f) Pre-operating Expenses		6.98	-
TOTAL		276.33	389.77
16. CURRENT INVESTMENTS			
A. QUOTED			
1. Equity Shares		42.56	6.28
2. Government Securities		302.81	-
3. Investment in Mutual Funds		-	22.90
B. UNQUOTED			
1. Current maturities of Long-term Debentures		520.32	25.91
2. Corporate Bonds		48.00	50.85
3. Commercial Paper		140.11	205.26
4. Certificate of Deposit		947.72	1,227.44
TOTAL CURRENT		2,001.52	1,538.64
Less: Provision for Mark-to-Market		6.07	0.70
TOTAL		1,995.45	1,537.94
QUOTED			
(1) Total Book Value		345.37	29.18
- Equity Shares		42.56	6.28
- Others		302.81	22.90
(2) Total Market Value		342.70	29.18
- Equity Shares		37.23	6.28
- Others		305.47	22.90
UNQUOTED			
(1) Total Book Value		1,656.15	1,509.46
- Equity Shares		-	-
- Preference Shares		-	-
- Others		1,656.15	1,509.46

Note: The above balances include:
- ₹ Nil (Previous Year - ₹ 4.90 crore) in mutual funds units under Portfolio Management Scheme of subsidiary.

IFCI Limited (Consolidated Financial Statements)



	As at March 31, 2012	As at March 31, 2011
		(₹ crore)
17. TRADE RECEIVABLES		
(a) Secured (Less than six months)	163.12	54.28
(b) Unsecured		
– More than 6 months	51.74	57.07
– Others	1,182.72	807.72
Less: Allowance for Bad and Doubtful Debts	(21.83)	(3.12)
TOTAL	1,375.75	915.95
Note: Out of the above:		
(i) Considered good	1,375.75	915.95
(ii) Considered Doubtful	21.83	3.12
Less: Allowance for Bad and Doubtful Debts	(21.83)	(3.12)
TOTAL	1375.75	915.95
18. CASH & CASH EQUIVALENTS		
(a) Balances with Banks		
– Bank Balance	39.99	63.42
– Unclaimed Dividend Account	3.71	3.79
– Balances with Banks held as Margin Money/Security against Guarantees	22.95	8.87
– Bank Deposits *	873.14	512.44
(b) Cheques on hand & under collection and remittances in transit	28.30	26.53
(c) Cash in hand (including postage stamps)	0.03	0.06
TOTAL	968.12	615.11
* includes deposits with more than 12 months remaining maturity	12.41	11.03
19. SHORT-TERM LOANS & ADVANCES		
(a) Current maturities of Long-term Loans	4,335.09	3,475.64
(b) Other Loans and Advances	-	-
(i) Loans to Staff (Secured-considered good)*	3.36	5.97
(ii) Others (Unsecured)	-	-
– Considered good	55.51	205.61
– Considered doubtful	1.00	1.00
Less: Allowance for Bad and Doubtful Debts	(1.00)	(1.00)
TOTAL	4,393.96	3,687.22
* includes amount due from Directors	0.13	0.34
20. OTHER CURRENT ASSETS		
(a) Accrued Income		
(i) Interest and Commitment Charges on Loans	105.45	84.69
(ii) Interest on Investments	159.28	128.83
(iii) Other Income	21.21	33.57
(b) Stock-in-Trade	361.42	224.08
(c) Sundry Deposits	7.29	16.37
(d) Forward Deal Outstanding	19.99	13.40
(e) Pre-paid Expenses	2.37	2.21
(f) Advance receivable in cash or in kind	8.45	-
(g) Unamortised Share Issue Expenses/preliminary expenses	0.71	0.02
TOTAL	686.17	503.17
		(₹ crore)
21. REVENUE FROM OPERATIONS	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) On Lending Operations	2,078.86	1,755.31
(b) On Investment Operations		
(i) Interest (Gross)	331.47	195.76
(ii) Profit on sale of Shares/Units/Debentures (Net) on assistance under financing-Long term	106.59	303.12
(c) Leasing Operations		
(i) Lease Rentals etc	27.09	27.58
(ii) Lease Equalisation Account	(23.91)	(21.65)
(d) Business Services Fee and Commission (including Guarantee Commission)	99.49	79.63
(e) Income from Deployment of Funds	206.35	65.75
(f) Exchange Fluctuation Gains/(Loss)	(2.22)	(1.22)
(g) Provision/Write off/Liability no longer required written back	124.02	48.16
(h) Sale proceeds of stock in trade	68.83	19.34
TOTAL	3,016.57	2,471.78

	For the year ended March 31, 2012	(₹ crore) For the year ended March 31, 2011
22. OTHER INCOME		
(a) Interest on staff advances	0.98	2.57
(b) Dividend (Gross)		
– Long term	46.96	32.92
– current	0.45	0.74
(c) Profit on sale of Shares/Units/Debentures (Net)		
– Investments – Long term	24.57	33.54
– Investments – current	1.20	22.89
(d) Profit on sale of fixed assets (Net)	1.12	34.09
(e) Rental Income	21.75	22.95
(f) Miscellaneous Income	17.17	4.07
TOTAL	114.20	153.77
23. COST OF BORROWINGS		
(a) Interest on Rupee Bonds and Borrowings	1,919.84	1,299.60
(b) Interest on Foreign Currency Borrowings	22.57	10.72
(c) Interest on Bank Overdraft	0.68	0.95
(d) Interest on Funds placed with the Company	4.10	6.02
(e) Commitment Charges, Brokerage, Commission and Other Costs	8.45	13.00
TOTAL	1,955.64	1,330.29
24. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
(a) Salaries and Allowances	71.78	65.05
(b) Contribution to Retirement Funds	17.99	19.16
(c) Staff Welfare Expenses	3.83	3.73
(d) Employee Compensation Expenses (ESOP)	0.45	–
TOTAL	94.05	87.94
25. ESTABLISHMENT AND OTHER EXPENSES		
(a) Rent	2.09	2.06
(b) Rates and Taxes	3.57	3.28
(c) Insurance	0.49	0.55
(d) Repairs and Maintenance		
– Buildings	9.10	17.82
– Others	1.78	1.30
(e) Electricity	5.32	3.76
(f) Payment to Auditors	0.49	0.32
(g) Directors' Fee	0.11	0.08
(h) Advertisement	3.26	9.73
(i) Consultation and Law Charges	11.45	14.09
(j) Commission Paid	3.25	0.82
(k) Travelling & Conveyance	5.05	5.67
(l) Training & Development	10.92	4.03
(m) Postage & Telephone	2.46	2.42
(n) Other Miscellaneous Expenses	23.76	27.09
TOTAL	83.10	93.02
26. PROVISION FOR BAD & DOUBTFUL ASSETS AND OTHERS (NET OF WRITE-OFF)		
(a) Loans & Advances		
– Amount received in respect of assets provided for	177.51	186.23
– Write-off	(240.08)	(519.94)
Less: Transfer from provision held for Bad & Doubtful Debts	236.39	513.81
– Provision for Bad & Doubtful Assets	(57.71)	(18.97)
– Provision u/s 36(1)(viii)(c) of Income Tax Act, 1956	32.86	(21.81)
(b) Investments		
– Provision for diminution in Investments	(67.07)	(0.12)
– Provision Reversal – mark to market	0.30	0.84
TOTAL	82.20	140.04

IFCI Limited (Consolidated Financial Statements)



27(a) The consolidated financial statements comprise the individual financial statements of IFCI Ltd and its following subsidiaries as on 31.03.2012 and for the year ended on that date:

Name of the Subsidiary	Proportion of Ownership Interest (%)
IFCI Financial Services Ltd (IFIN)	94.78
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
IFIN Commodities Ltd - Wholly owned subsidiary of IFIN	
IFIN Credit Ltd - Wholly owned subsidiary of IFIN	
Narayan Sriram Investments Private Ltd - Wholly owned subsidiary of IFIN	
IIDL Realtors Pvt Ltd - Wholly owned subsidiary of IIDL	
All the subsidiaries are incorporated in India.	

27(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 (TFCI)	42.50
Stock Holding Corporation of India Ltd (SHCIL)	33.91
Assets Care & Reconstruction Enterprise Ltd (ACRE)	37.91
HARDICON Ltd	45.50
HIMCON Ltd	49.00
NITCON Ltd	48.75

Particulars of investments as on March 31, 2012 is as under:

Name of the Associates	TFCI	SHCIL	ACRE	HARDI-CON	HIM-CON	NIT-CON
Original Cost of Investments	75.25	4.46	7.25	0.03	0.07	0.13
Accumulated share in profit at the beginning of the year	50.65	-	4.51	0.34	0.54	0.22
Acquired during the year	10.96	292.76	-	0.25	-	-
Share of profit for the year/ other adjustments	18.73	7.19	2.37	0.17	0.02	0.20
Capital Reserve	9.57	-	-	0.10	-	0.20
Carrying cost of investments	165.16	304.41	14.13	0.89	0.63	0.75

27(c) The Company has formed a joint venture in November, 2011 and has made the investment of ₹0.01 crore in equity shares and ₹2.64 crore in fully convertible debentures appearing in Note. No. 13 of the financial statements, detail of the JV is given hereunder:

Name of the Joint Venture	IFCI's Interest
IFCI Sycamore Capital Advisors Pvt Ltd	50%

The same is not being consolidated as a period of twelve months has not completed.

27(d) 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.

28. Contingent Liabilities and Commitments (to the extent not provided for):

28.1 Contingent Liabilities (₹ crore)

As at	31.03.2012	31.03.2011
(i) Guarantees issued in Indian Currency	26.96	26.96
(ii) Bank Guarantees	14.63	15.41
(iii) Performance Guarantees issued	0.57	0.60
(iv) Export Obligations under EPCG Licenses	38.23	38.26
(v) Claims not acknowledged as debts	162.46	92.37
(vi) Tax Matters*		
- Income Tax	27.33	27.35
- Service Tax	5.66	5.36

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

(vii) Bank guarantees aggregating to ₹29.16 crore (Previous Year - ₹29 crore) to the Stock/Commodity Exchanges as on 31.03.2012 for meeting margin requirements.
Fixed deposits aggregating of ₹16.34 crore (Previous Year - ₹14.50 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 - ₹5 crore).

28.2 Commitments (₹ crore)

As at	31.03.2012	31.03.2011
(i) Estimated amount of contract (including lease Contract) remaining to be executed on capital account (Net of advances)	104.43	44.02
(ii) Undrawn Commitments	392.97	-

29. 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 fulfillment of certain conditions. The accounts for the year ended March 31, 2012 have been prepared in accordance therewith.

30. 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 March 31 st of	IFIN		IVCF		IIDL		IFL		MPCON	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Capital (incl. Appl. Money)	41.53	85.32	60.37	60.37	405.23	494.21	79.36	79.36	1.00	1.00
Reserves	35.73	12.26	87.17	75.19	19.11	9.61	67.41	43.20	2.68	2.31
Total Assets	108.07	148.78	464.52	185.67	727.02	666.38	1,523.18	1,073.77	8.68	6.99
Total Liabilities	30.81	42.06	316.98	48.50	212.68	137.00	1,376.41	75.77	5.00	-
Investments	45.46	21.13	89.52	59.90	125.55	75.00	-	18.00	0.09	0.09
Turnover (incl. Prior Period Income)	25.45	33.13	50.99	30.63	85.40	30.67	161.86	80.11	8.94	8.58
Profit before Taxation	(20.25)	0.26	27.53	18.95	11.70	7.65	37.50	30.28	0.55	0.69
Provision for Taxation	(0.07)	(0.02)	(8.53)	5.81	1.42	2.55	12.37	10.18	0.17	0.24
Profit after Taxation	(20.32)	0.28	19.00	13.14	10.28	5.10	25.13	20.10	0.38	0.45
Proposed Dividend (incl. CDT)	-	-	-	-	-	-	6.46	6.46	-	-

31. 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 FY 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 extraordinary 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.

32. IFCI Ltd applied the Securities Premium account in writing off the expenses incurred during the year on issue of Bonds amounting to ₹25.93 crore (Previous Year - ₹5.99 crore charged to the Revenue) in line with Section 78 of the Companies Act, 1956.

33. In case of IFCI Ltd, Company has during the year, got conducted valuation of certain long term unquoted investments by an independent valuer. The report of the said expert has been considered for the purpose of assessment of decline other than temporary in the value of said investments.

34. 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 ₹2.60 crore in 2011-12 (Previous Year - ₹1.34 crore).

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

36. In the case of IFCI Infrastructure Development Ltd (IIDL):

(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 (SARFAESI). 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) 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.
- (c) Inventory includes one property acquired during the financial year 2008-09 for ₹15.59 crore which has been notified for acquisition. Govt. of Haryana has issued a notice for acquisition of land under Land Acquisition Act for development against which company has filed a writ petition in the Hon'ble High Court of Punjab & Haryana at Chandigarh. The court has directed the company not to develop the said property till further order and to maintain status quo. Pending final outcome from the Court, no adjustment has been made in the books.
- (d) Certain properties acquired by the Company during auction under SARFAESI Act or for a consideration other than cash are accounted for in the books of the company on the basis of sales certificate or sale confirmation letter issued by the seller, pending vetting from legal angle.
37. IIDL is constructing a campus for MDI at Jangipur, Murshidabad, Distt. West Bengal. The financials relating to the contract are as under:

Contract	Amount (₹ crore)
Contract revenue recognized during the year	17.89
Contract expenses recognized during the year	15.97
Recognized Profits	1.91
Total Contract Costs (approx.)	29.90
Unbilled Contracts cost	2.45
Advances Received	19.46

Cost-plus contract method has been used to determine the contract revenue recognized in the period.

The stage of completion has been determined on the basis of work completion certificate obtained from the engineer/architect.

Contract Work in Progress as on the reporting date is ₹2,45,00,000 (Unbilled contract cost).

38. IFCI Financial Services Ltd has reclassified all long term investments in shares and securities as current investments. As required by Accounting Standard-13, the transfer is made at the lower of cost or the carrying amount. As a consequence to this reclassification, the company has valued the above investments at lower of cost or market value, which has resulted in diminution of the value of the said stock by ₹3,41,95,867/-.
39. IFCI Financial Services Ltd has paid remuneration of ₹85,41,021 to the Ex -Managing Director which is in accordance with the approval of the shareholders. Out of the same, amount paid in excess of the limits specified in Schedule XIII to the Companies Act, 1956 is ₹28,70,793. The Company has filed necessary application to the Central Government for waiver of the excess remuneration paid, which is awaited.

	(₹ crore)	
Year ended	31.03.2012	31.03.2011
40(a) Expenditure in Foreign Currencies:		
- Interest on Borrowings	4.29	4.04
- Other Matters	0.84	1.34
	5.13	5.38
40(b) Earnings in Foreign Currency:		
Interest	0.42	-
Others	0.03	0.12
	0.45	0.12

41. Balances appearing under loans, sundry debtors and sundry creditors are subject to confirmation in certain cases.
42. 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, 2012. 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.
43. IFCI Ltd has, during the year, granted options for 71,96,993 shares under Employees Stock Option Scheme 2011, subject to the vesting conditions mentioned in the Scheme.

ESOP A	2011-12		2010-11	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	45,73,312	17.55	-	-
Cancelled during the year	18,612	17.55	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	45,54,700	17.55	-	-

The charge towards ESOP Compensation included under Salaries is ₹0.45 crore (Previous Year - ₹ Nil).

ESOP B	2011-12		2010-11	
	Number of Options	Weighted Average Exercise Price (₹)	Number of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	26,23,681	23.40	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	26,23,681	23.40	-	-

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

45. Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2012 and recognized in the financial statements in respect on Employee Benefit Schemes.

For the year ended	31.03.2012		31.03.2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Components of Employer Expense				
1. Current Service Cost	0.92	1.39	0.62	0.42
2. Interest Cost	0.78	1.43	0.64	1.05
3. Expected Return on Plan Asset	-	-	-	-
4. Curtailment Cost/(Credit)	-	-	-	-
5. Settlement Cost/(Credit)	-	-	-	-
6. Past Service Cost	-	-	-	-
7. Actuarial (gain)/loss recognized	(1.41)	(0.24)	0.38	3.63
8. Expense Recognized in Statement of Profit/Loss	0.29	2.59	1.64	5.10
II. Actual Returns for the year	0.87	-	0.70	-
III. Net (Asset)/Liability recognized in Balance Sheet				
1. Present Value of Defined Benefit Obligation	10.00	19.32	9.74	17.97
2. Fair Value on Plan Assets	9.82	-	9.61	-
3. Status Surplus/(Deficit)	0.18	(19.32)	(0.13)	17.97
4. Unrecognised Past Service Cost	-	-	-	-
5. Net (Asset)/Liability recognized in Balance Sheet	0.18	19.32	0.13	17.97
IV. Change in Defined Benefit Obligations (DBOs)				
1. Present Value of Obligation at the beginning of the year	9.73	17.97	8.16	13.01
2. Current Service Cost	0.92	1.39	0.62	0.42
3. Interest Cost	0.78	1.43	0.64	1.05
4. Curtailment cost	-	-	-	-

IFCI Limited (Consolidated Financial Statements)



(₹ crore)

For the year ended	31.03.2012		31.03.2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
5. Settlement Cost	-	-	-	-
6. Plan Amendments	-	-	-	-
7. Acquisitions	-	-	-	-
8. Actuarial (gain)/loss on Obligations	(0.51)	(0.24)	1.08	3.64
9. Benefits Paid	(0.92)	(1.23)	(0.76)	(0.15)
10. Present Value of Obligation at the end of the Year	10.00	19.32	9.74	17.97
V. Change in Fair Value of Assets during the year				
1. Fair Value of Plan Asset at the beginning of the year	9.60	-	8.35	-
2. Acquisition Adjustment	-	-	-	-
3. Expected Return on Plan Asset	-	-	-	-
4. Actuarial (gain)/loss on Plan Asset	0.88	-	0.12	-
5. Contributions	0.20	-	1.88	-
6. Benefits Paid	(0.86)	-	(0.75)	-
7. Fair Value of Plan Asset at the end of the year	9.82	-	9.60	-
VI. Actuarial Assumptions				
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%	8.50%	8.50%
5. Return on Asset	8.00%		8.00%	

46. 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.

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

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

Nature of Relationship	Name of the Related Party
Associates	Assets Care & Reconstruction Enterprise Ltd (ACRE)
	Tourism Finance Corporation of India Ltd (TFCI)
	HIMCON Limited
	Stock Holding Corporation of India Ltd (SHCIL) (w.e.f. August 30, 2011)
	NITCON Limited
Joint Ventures	HARDICON Limited
	IFCI Sycamore Capital Advisors Pvt Ltd (ISCA) (w.e.f. November 16, 2011)
Key Managerial Personnel	Shri Atul Kumar Rai (CEO & MD)
	Shri Sujit K Mandal (Whole Time Director)
Relative of Key Managerial Personnel	Shri Siddharth Mandal

2. Transaction with the related party during the year:

(₹ crore)

Type of Transaction (year ended 31.03.2012)*	ACRE	TFCI	HIM-CON	HARDI-CON	NIT-CON	SHCIL
Acquisition from Market/ Others	-	10.96	-	0.25	-	-
	(-)	(13.86)	(-)	(-)	(-)	(-)

(₹ crore)

Type of Transaction (year ended 31.03.2012)*	ACRE	TFCI	HIM-CON	HARDI-CON	NIT-CON	SHCIL
Debt assigned to IFCI	-	-	-	-	-	-
	(20.31)	(-)	(-)	(-)	(-)	(-)
Debt/NPA assigned by IFCI	-	-	-	-	-	-
	(7.00)	(-)	(-)	(-)	(-)	(-)
Rent & Maintenance received by IFCI	-	0.80	-	-	-	-
	-	(0.01)	(-)	(-)	(-)	(-)
Loan (outstanding)	71.22	-	-	-	-	-
	(62.57)	(-)	(-)	(-)	(-)	(-)
Interest received/receivable on loan	7.54	-	-	-	-	-
	(1.02)	(-)	(-)	(-)	(-)	(-)
Dividend Received	-	3.96	0.01	0.01	0.01	5.36
	(-)	(3.28)	(-)	(-)	(-)	(-)
Dividend Paid on Preference Shares	-	₹20,000	-	-	-	-
	(-)	(₹20,000)	(-)	(-)	(-)	(-)
Salaries/Other Estt. Exp. recovered/recoverable for employees deputed by IFCI	0.15	-	-	-	-	-
	(0.18)	(-)	(-)	(-)	(-)	(-)
Professional Fee paid	-	-	-	-	-	0.38
	(-)	(-)	(0.02)	(0.04)	(0.20)	(-)
Employees deputed/posted by IFCI as at 31.03.2012 (No.)	1	1	1	1	-	-
	(1)	(-)	(1)	(1)	(1)	(-)

*figures in brackets represents previous year's figures

With Key Management Personnel & Relatives of Key Management Personnel

Type of Transaction	CEO & MD	WTD
Dividend Payment	₹78,000	-
	(₹20,000)	(-)
Managerial Remuneration (₹crore)	1.16	0.90
	(0.99)	(0.69)
Salary of Relative of Key Management Personnel (₹ crore)	-	0.12
	(-)	(0.04)

*figures in brackets represents previous year's figures

48. Earnings per share (₹ crore)

For the year ended	31.03.2012	31.03.2011
I. Computation for Basic Earnings per Share		
(a) Profit Computation for Equity Shareholders:		
Net profit as per Profit & Loss Account	687.73	745.53
Less: Preference Dividend	(0.31)	(0.31)
Net profit for Equity Shareholders	687.42	745.22
(b) Weighted Average Number of Equity Shares outstanding during the year	737,837,331	737,837,331
II. Computation for Diluted Earnings per Share		
(a) Profit Computation for Equity Shareholders (including Potential Shareholders):		
Net profit as per Profit & Loss Account	687.73	745.53
Less: Preference Dividend	(0.31)	(0.31)
Add: Interest on Convertible Debentures (net of MAT)	31.65	31.65
Net profit for Equity Shareholders (including Potential Shareholders)	719.07	776.87
(b) Weighted Average Number of Equity Shares outstanding during the year including Convertible Debentures held by GoI assuming conversion price as per SEBI Guidelines	960,916,575	888,605,054
III. Earnings Per Share (Weighted Average, not annualised):		
Basic (₹)	9.32	10.10
Diluted (₹)	7.48	8.74

49. (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 centres and lease rent in respect of above is charged to Profit and Loss Account.
- (c) The year - wise break up of future minimum lease payments in respect of leased premises are as under:

Particulars	₹ crore)	
	31.03.2012	31.03.2011
Minimum Lease Payments:		
(a) Not later than one year	5.73	5.72
(b) Later than one year but not later than five years	15.47	21.17
(c) Later than five years	-	-

50. 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:

As at	₹ crore)	
	31.03.2012	31.03.2011
Unabsorbed Business Loss	-	30.57
Unabsorbed Depreciation	-	55.43
Provision against Loans/Advances & Other Assets	845.91	955.02
Timing difference in Depreciable Assets	(39.39)	(49.16)
Other Timing Differences	34.26	30.92
Deferred Tax Assets (Net)	840.78	1,022.78

51. Fixed Assets possessed by the Company are treated as 'Corporate Assets' and not 'Cash Generating Units' as defined by Accounting Standard-28 - "Impairment of Assets" issued by the ICAI. As on March 31, 2012, there were no events or changes in circumstances which indicate any impairment in the assets.
52. Total value of outstanding Currency Swaps was USD 98.70 million against INR, EURO 0.60 million against INR and EURO 79.50 million against USD (Previous Year - USD 41.90 million against INR and EURO 69 million against USD respectively) equivalent to ₹1,069.40 crore (Previous Year - ₹634.31 crore) whereas total value of outstanding Forex Deals other than Currency Swaps was USD 0.15 million against INR equivalent to ₹0.77

crore (Previous Year - USD 4.30 million against INR and EUR 5 million against USD equivalent to ₹19.29 crore and ₹31.84 crore respectively).

53. Open interest in the Currency Futures as at Balance Sheet:

Particulars	Series of Future	Exchange	Number of Contracts	No. of Units Involved (USD)
1. USD/INR	April 26, 2012	NSE	1,800	1,800,000
2. USD/INR	April 26, 2012	MCX-SX	3,900	3,900,000

Previous Year - Nil

54. Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.02 million (Previous Year - USD 0.25 million) and EUR 0.03 million (Previous Year - 0.0172 million), equivalent to ₹0.28 crore (Previous Year - ₹1.23 crore)

55. Details of securities sold and purchased under Repos and Reverse Repos Transactions: (₹crore)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as on 31.03.2012
Securities sold under Repo:				
1. Govt. Securities	Nil	Nil	Nil	Nil
2. Corporate Bonds	Nil	Nil	Nil	Nil
Securities purchased under reverse repo:				
1. Govt. Securities	Nil	Nil	Nil	Nil
2. Corporate Bonds	Nil	28.50	1.64	Nil

(i) Previous Year - ₹ Nil

(ii) Minimum, maximum & average outstanding is based on face value of securities.

56. During the year, the company had issued infrastructure bonds as defined u/s 80 CCF of the Income Tax Act, 1961 amounting to ₹571.89 crore. Of this, ₹446.36 crore has been utilized for the purpose of 'Infrastructure Lending' in terms of the CBDT Notification No. S.O.2060 (E) dated September 9, 2011. The balance amount of ₹125.53 crore, raised through issue of these bonds during March, 2012, shall be utilized during FY 2012-13.

57. Previous year/period figures have been re-grouped/re-arranged wherever necessary, to conform to current year presentation in terms of revised Schedule VI issued by Ministry of Corporate Affairs.

For and on behalf of Board

For **CHOKSHI & CHOKSHI**
Chartered Accountants

KANU S CHOKSHI
Partner
M. No.17085

Place : New Delhi
Dated : April 17, 2012

ATUL KUMAR RAI
Chief Executive Officer &
Managing Director

SUJIT K MANDAL
Whole Time Director

SHASHI SHARMA
Executive Director
In-charge Finance

MANJU JAIN
Vice President
Accounts

RUPA SARKAR
Company Secretary



NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

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

FORM FOR NATIONAL ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND ON EQUITY SHARES

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Name of First Holder												
Bank Name												
Branch Name												
Branch Code	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> <td style="width: 20px; height: 20px;"><input type="text"/></td> </tr> </table> <p style="font-size: small; margin-top: 5px;">(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank) Please attach a Xerox copy of a cheque or a blank cheque of your bank, duly cancelled for ensuring accuracy of the bank's name, branch name and code number.</p>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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A/c. No. (as appearing in the cheque book)	→	<input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>				
Effective date of this mandate	→	<input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>				

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 Wednesday, July 18, 2012 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 Wednesday, July 18, 2012 or at any adjournment thereof.

Affix
Revenue
Stamp

Signed thisday of2012

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@ifciltld.com; complianceofficer@ifciltld.com

Regional Offices

AHMEDABAD	701 Satkar Complex Near Lal Bunglow C G Road, Navrangpura PIN-380 006 Tel: 91-(079)-2640 5984, 2644 5376 Fax: 91-(079)-2640 4980	BANGALORE	No.7, (1st Floor), II Cross CSI Compound, Mission Road PIN-560 027 Tel: 91-(080)-2221 0882, 2223 2349 Fax: 91-(080)-2227 1802
BHOPAL	Paryawas Bhawan Block 2 (3rd Floor) Mother Teresa Road PIN-462 011 Tel: 91-(0755)-427 9113	CHANDIGARH	IFCI Bhawan 1-C, Sector 27-A, Madhya Marg PIN-160 019 Tel: 91-(0172)-265 6096, 265 0878 Fax: 91-(0172)-265 6734
CHENNAI	Continental Chambers (2nd Floor), 142, M G Road Nungambakkam PIN-600 034 Tel: 91-(044)-2833 4110-12 Fax: 91-(044)-2833 4109	HYDERABAD	Taramandal Complex (8th Floor), 5-9-13, Saifabad PIN-500 004 Tel: 91-(040)-6662 3642-44/46 Fax: 91-(040)-2324 1138
JAIPUR	Anand Bhawan (1st Floor) Sansar Chandra Road PIN-302 001 Tel: 91-(0141)-236 3448, 236 4684 Fax: 91-(0141)-237 8387	KOLKATA	Chatterjee International Center (3rd Floor) 33-A, Jawaharlal Nehru Road PIN-700 071 Tel: 91-(033)-2265 3344/2226 2672 Fax: 91-(033)-2217 1618
LUCKNOW	Regency Plaza 5 Park Road PIN-226 001 Tel: 91-(0522)-223 9610 Fax: 91-(0522)-223 9057	MUMBAI	Naman Centre (10th Floor) Plot No.C-31, 'G' Block Bandra Kurla Complex, Bandra East PIN-400 051 Tel: 91-(022)-6129 3400, 2283 5047/5373 Fax: 91-(022)-6129 3440-41

Other Offices

BHUBANESWAR	HIG 4/8, BDA Colony Chandrasekharpur PIN-751 016 Tel: 91-(0674)-230 2266 Fax: 91-(0674)-230 2266	GUWAHATI	Christian Basti Guwahati Shillong Road PIN-781 005 Tel: 91-(0361)-234 3757 Fax: 91-(0361)-234 0846	KOCHI	IFCI Bhawan Panampilly Nagar PIN-682 036
PATNA	Maurya Lok Commercial Complex, Block 'C' (3rd Floor) Dak Bungalow Road PIN-800 001	PUNE	1146, B-C, Surashree Co-op. Housing Society Ltd Flat No. 3/3A (1st Floor) Lakaki Road, Model Colony Shivaji Nagar PIN-411 016		

REGISTRAR & TRANSFER AGENTS

For Equity Shares & Family Bonds: 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: adminreply@mcsdel.com admin@mcsdel.com	For Infrastructure Bonds (Series I & II): Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre Near Dada Harsukhdas Mandir New Delhi -110 062 Tel: 91-(011)-2996 1281-3 Fax: 91-(011)-2996 1284 E-mail: ifci@beetalfinancial.com	For Infrastructure Bonds (Series III, IV & V): Karvy Computershare Pvt Ltd Plot Nos. 17-24 Vittal Rao Nagar, Madhapur Hyderabad -500 081 Tel: 91-(040)-4465 5000 Fax: 91-(040)-2342 0814 E-mail: ifcibond@karvy.com einward.ris@karvy.com	For Subordinate Bonds (Series I, III & IV): Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (W) Mumbai - 400 078 Tel: 91-(022)-2596 0320 Fax: 91-(022)-2596 0329 E-mail: ifcitier2@linkintime.co.in
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Visit us at: www.ifciltld.com

BOOK-POST

If undelivered, please return to:

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