IFCI LIMITED

आई एफ सी आई लिमिटेड

(A Government of India Undertaking)

(भारत सरकार का उपक्रम)

ANNUAL REPORT 2020-21

TWENTY-EIGHTH ANNUAL GENERAL MEETING

DATE	:	December 17, 2021
DAY	:	Friday
TIME	:	11:30 A.M.
PLACE	:	Auditorium, First Floor, IFCI Tower 61 Nehru Place, New Delhi - 110 019

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

CONTENTS

(As on 11.11.2021)

BOARD OF DIRECTORS

Shri Manoj Mittal	Managing Director & CEO
Shri Sunil Kumar Bansal	Deputy Managing Director
Dr. Bhushan Kumar Sinha	
Ms. Anindita Sinharay	
Prof N Balakrishnan	
Prof Arvind Sahay	
Shri MML Verma	

(As on 22.11.2021)

CHIEF VIGILANCE OFFICER

Shri Dinesh Kumar Namdeo

PRINCIPAL OFFICERS

CHIEF GENERAL MANAGERS

Shri Prasoon
(Chief Financial Officer)

Shri Sachikanta Mishra

GENERAL MANAGERS

Shri Shivendra Tomar
(Additional charge as MD, IFCI Venture Capital Funds Ltd.)

Shri Suneet Shukla

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

Shri Pawan Kumar

Shri Bikash Kanti Roy
(On deputation to IFCI Factors Ltd. as MD)

Shri Atul Saxena
(Secretary to the Board)

Shri Vijay Pal

Ms. Rita Jan

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

Shri Rajeev Ahluwalia
(Chief Risk Officer)

Shri Deepak Mishra

Shri Samik Dasgupta
(On deputation to IIFCL)

Shri V Anish Babu
(Additional charge as ED, Institute of Leadership Development)

Shri Rajesh Kumar Gupta
(On deputation to IBBI)

Shri Alok Sabharwal

Ms. C Santhi

Shri Shakti Kumar

Shri V K Deshraj

Shri Manoj Kumar Parida

Shri Debashish Gupta
(On deputation to MPCON Ltd., as MD, Additional charge as MD, IFCI Infrastructure Development Ltd.)

Shri V Sreekumaran Nair

Shri B B Sahu

STATUTORY AUDITORS

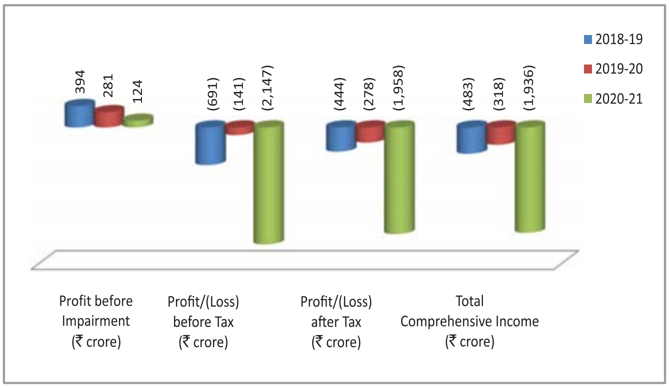
M. K. AGGARWAL & CO.
Chartered Accountants

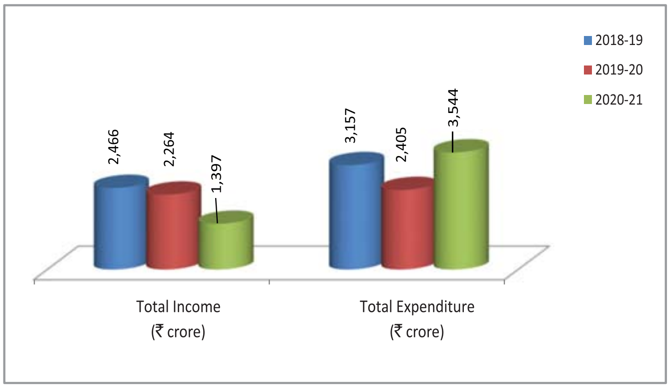
FINANCIAL HIGHLIGHTS

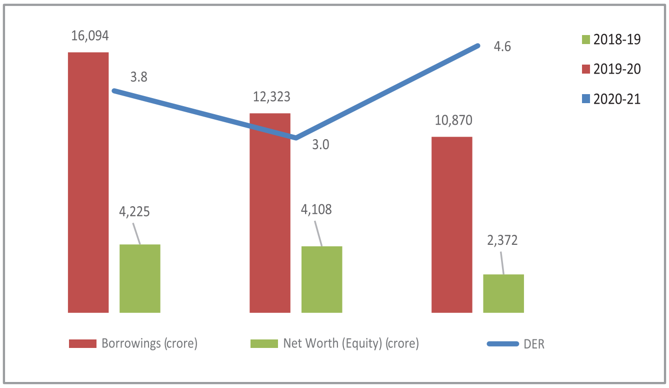
(₹ crore)

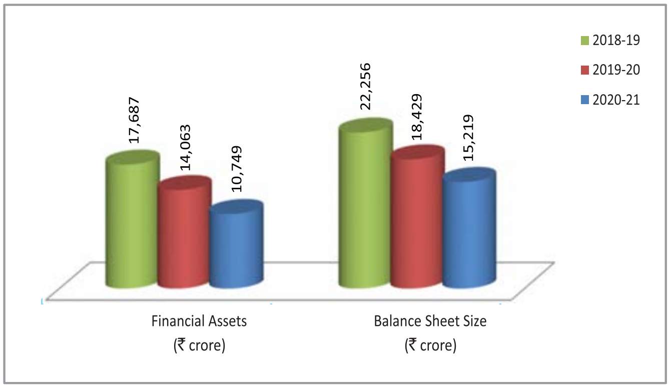
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
LIABILITIES AND EQUITY			
Financial Liabilities	**12,764.68**	14,195.64	17,945.78
Non-financial Liabilities	**82.60**	125.87	84.47
Share Capital	**1,895.99**	1,695.99	1,695.99
Other Equity	**476.11**	2,411.78	2,529.31
	15,219.38	18,429.28	22,255.55
ASSETS			
Non-financial Assets	**4,470.59**	4366.44	4,522.63
Financial Assets	**10,748.75**	14062.84	17,687.46
Assets Classified as held for sale	**0.04**	-	45.46
	15,219.38	18,429.28	22,255.55
	2020-2021	2019-2020	2018-2019
EARNINGS			
Total Income	**1,396.92**	2,264.06	2,466.20
Profit before Impairment	**124.40**	281.05	393.54
Profit/(Loss) before Tax	**(2,147.23)**	(140.91)	(691.29)
Profit/(Loss) after Tax	**(1,957.81)**	(277.88)	(443.83)
Total Comprehensive Income	**(1,935.68)**	(317.53)	(483.18)
RATIOS			
Capital to Risk Assets Ratio	**-10.8%**	13.5%	8.0%
Debt-Equity Ratio	**4.6**	3.0	3.8

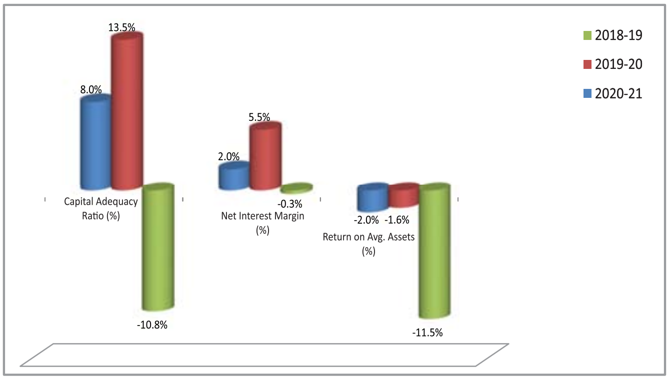
ANNUAL PERFORMANCE TRENDS

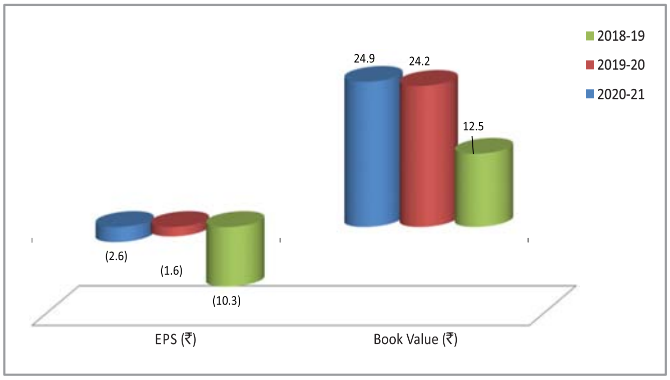


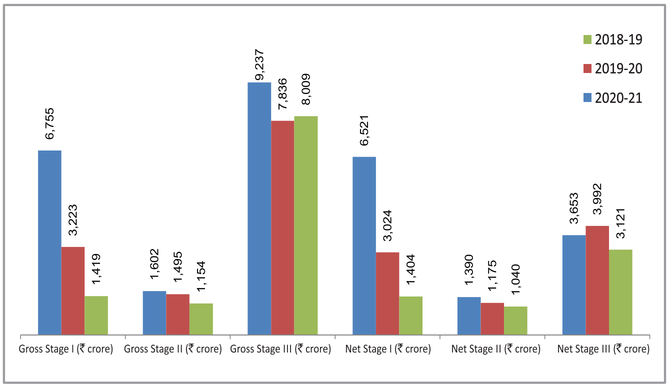


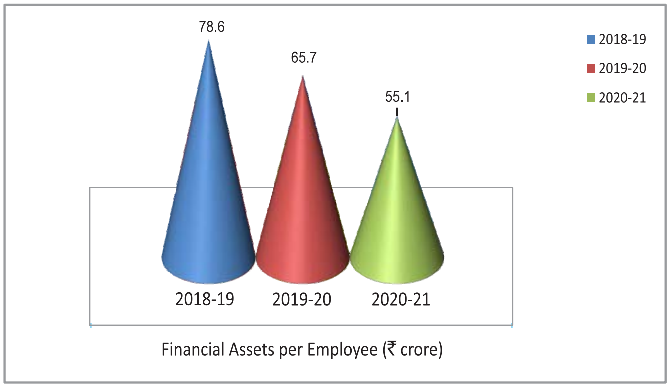












NOTICE

NOTICE is hereby given that the Twenty-Eighth (28th) Annual General Meeting (AGM) of the Members of IFCI Limited will be held on Friday, December 17, 2021 at 11:30 A.M. (IST) at Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019, through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements and Consolidated Financial Statements of the Company for the year ended March 31, 2021 and the reports of the Auditors' and Boards' thereon.

2. To appoint a Director in place of Prof Narayanaswamy Balakrishnan (DIN: 00181842), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

3. To fix remuneration of the Statutory Auditor(s) of the Company in terms of the provisions of Sections 139(5) and 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section(s) 139(5) and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company, be and is hereby authorized to decide and fix the remuneration of the Statutory Auditor(s) of the Company appointed by Comptroller and Auditor General of India (C&AG) for the Financial Year 2021-22, as may be deemed fit."

Special Business

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

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

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

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

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

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

(Priyanka Sharma)
Company Secretary

Dated: November 11, 2021

NOTES:

1. Pursuant to the Circular No. 20/2020 dated 5 May 2020 read with Circular No. 14/2020 dated 8 April 2020, Circular No. 17/2020 dated 13 April 2020 and Circular No. 02/2021 dated 13 January 2021, issued by the Ministry of Corporate Affairs and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), the 28th AGM of the Company shall be conducted through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ('SEBI Listing Regulations') (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM ('Venue Voting') will be provided by CDSL.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020 read with Circular No. 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, Proxy form donot form part of this Notice. However, pursuant to the Section(s) 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 28th AGM has been uploaded on the website of the Company at www.ifciltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
5. The 'Deemed Venue' for 28th AGM shall be 'Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi – 110019'.
6. As per the MCA Circular No. 20/2020 dated 5 May 2020 read with SEBI circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, no physical copy of the Notice calling 28th AGM or the Annual Report for the FY 2020-21 will be sent in physical form. The Annual Reports of the Company inter-alia including the Notice calling 28th AGM will be sent in electronic mode to those Members who have registered their e-mail ID either with the Company or the Registrar & Share Transfer Agent (R&STA) or their respective Depository Participants.
7. Those shareholders who have not registered their e-mail ID are requested to register or update their e-mail ID with their Depositories Participants (in case shares are held in dematerialised form)/R&STA (in case shares are held in physical form). The R&STA may be contacted at admin@mcsregistrars.com, helpdeskdelhi@mcsregistrars.com.
8. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the AGM Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis.

   This will however not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
9. The Institutional shareholders are requested and encouraged to attend and vote at the 28th AGM of the Company.
10. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at complianceofficer@ifciltd.com.
12. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out material facts in respect of the Item No. 4 is annexed hereto.
13. All documents referred to in the accompanying Notice and the explanatory statement as well as other documents as required under the provisions of the Companies Act, 2013 are open for inspection through electronic mode on all working days except Saturdays, Sundays and holidays between 11:00 am to 01:00 pm upto the date of this AGM. The register required to be maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the AGM through electronic mode.
14. Register of Members and Share Transfer Books for equity shares shall remain closed from Saturday, December 11, 2021 to Friday, December 17, 2021 (both days inclusive).
15. Brief details of the director, who is being re-appointed, is annexed hereto as per requirements of regulation 36(3) of SEBI Listing Regulations and as per provisions of the Act.
16. As per the SEBI requirements, Members holding shares in demat form are requested to submit PAN details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to R&STA.
17. In case of joint holders attending the Meeting, only such joint holder whose name is registered as first holder will be entitled to vote through Remote e-voting or e-voting at AGM.

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

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

(i) The remote e-voting period begins on Tuesday, December 14, 2021 at 09:00 A.M. (IST) and ends on Thursday, December 16, 2021 at 05:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, December 10, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective E-Voting Service Provider ('ESP') i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to ESPs, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or ESP name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or ESP name and you will be redirected to ESP's website for casting your vote during the remote e-Voting period or joining virtual Meeting & voting during the Meeting.

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

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

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at E-Mail - helpdesk.evoting@cdslindia.com or Contact - 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at E-Mail - evoting@nsdl.co.in or Toll Free No. - 1800 1020 990 and 1800 22 44 30

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

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

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

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

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

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

(viii) Click on the EVSN for IFCI.

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

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

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

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

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

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

(xv) Facility for Non – Individual Shareholders and Custodians – Remote Voting

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

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

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

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

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

If you have any queries or issues regarding attending AGM or e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43. All grievances connected with the facility for e-Voting may be addressed to:

Mr. Rakesh Dalvi
Manager
Central Depository Services (India) Limited
A Wing, 25^{th} Floor
Marathon Futurex, Mafatlal Mill Compounds
N M Joshi Marg, Lower Parel (East)
Mumbai - 400013
E-mail - helpdesk.evoting@cdslindia.com
Contact No. - 022-23058542/43.

OTHER INFORMATION:

1) Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Friday, December 10, 2021), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
2) The remote e-voting period begins on Tuesday, December 14, 2021 at 9:00 A.M. (IST) and ends on Thursday, December 16,

2021 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter.

3) The Members who have cast their vote by remote-evoting may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.

4) The shareholders can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered.

5) The Board of Directors has appointed Shri Devesh Vasisht (Membership No. F8488, COP-13700), Practising Company Secretary, New Delhi and failing him Ms. Priyanka (Membership No. A41459, COP No.16187), Practising Company Secretary, New Delhi of M/s Sanjay Grover & Associates, as Scrutinizer to scrutinize the remote e-voting and Venue Voting in a fair and transparent manner and to submit report thereon.

6) The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.ifciltd.com and on the website of CDSL at www.evotingindia.com immediately and on the Notice Board of the Company at its registered office after the result is declared. The Voting Results along with Scrutinizer's Report will also be submitted with the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

7) IFCI is not including the financial statements of its subsidiaries on standalone basis in its Annual Report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Audited Accounts of these companies for the FY 2020-21 will be available at the website of the Company at www.ifciltd.com. The Annual Accounts of these Companies are open for inspection at the Registered Office of IFCI and at the Registered Offices of the respective companies upto the date of this AGM on any working day during business hours. The Company will also provide copy of separate audited financial statements in respect of each of its subsidiaries to any of the shareholder of the Company who ask for it.

8) The Members holding equity shares in physical form are requested to intimate to the R&STA i.e. MCS Share Transfer Agent Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020, regarding change of address, if any, at the earliest, quoting their registered folio number. Change of address in respect of shares held in dematerialized form is required to be intimated to the concerned Depository Participant.

9) Members holding shares in more than one folio in identical order of names are requested to write to R&STA enclosing their share certificates to enable them to consolidate the holdings in one folio to facilitate better service.

10) Members seeking any information with regard to accounts or operations are requested to write to the Company at an early date, preferably **at least 7 days prior to the date of the AGM,** so as to enable the management to keep the information ready.

11) As per the MCA Circular 17/2020 dated April 13, 2020 read with MCA Circular 20/2020 dated May 05, 2020 and MCA Circular 02/2021 dated January 13, 2021, the Notice of the 28th AGM has been sent through electronic mode to only those Members whose email IDs are registered with the Company/ Depository participant. Further, updation if any, will be provided on the website of the Company at www.ifciltd.com.

12) Pursuant to Section 205A of the Companies Act 1956, the Company has already transferred all unclaimed dividend declared upto the financial year ended March 31, 1994 to the General Revenue Account of the Central Government as required by the Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Consequent upon amendment to Section 205A and introduction of Section 205-C of the Companies Act, 1956, the unclaimed dividend for the financial years 1994-95 to 1998-99 has been transferred to the Investor Education & Protection Fund. The Company had not declared any dividend for the financial years 1999-2000 to 2007-08. The unclaimed dividend for the years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 have already been transferred to IEPF, pursuant to the provisions of Section 124 of the Act, read with other applicable Law / Rules / Regulation in this regard.

13) The dividend for the Financial Years 2014-15, (interim & final) and 2015-16 (interim) that remained unclaimed after 30 days from the date of declaration of dividend has been transferred to the Unpaid Dividend Accounts [2014-15 (interim & final), and 2015-16(Interim), respectively] 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 the Investor Education and Protection Fund (IEPF). The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2014-15 (Interim)	30.03.2022
2014-15 (Final)	27.10.2022
2015-16 (Interim)	16.03.2023

14) Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to seek issuance of demand draft from IFCI. It may be noted that once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof. For the dividend declared for the year 2014-15 (Interim), Members who have not yet encashed their dividend warrants or are not in receipt of the dividend warrants are requested to contact the Company/ R&STA well before time i.e. well before the due date of transferring the amount to IEPF as stated above.

Pursuant to section 124 read with section 125 of the Companies Act, 2013, the dividend amounts and the equity shares already transferred to the Investors Education and Protection Fund may be claimed by the Investors vide filing of form IEPF-5, available on the IEPF's website at www.iepf.gov.in.

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

Item No. 4

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder, a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. The relevant provisions of the Companies Act, 2013, also provide that such an approval by way of special resolution can be obtained once a year for all the issues, offers and invitations made for such NCDs during the year. Members of the Company at the 27th Annual General Meeting held on December 22, 2020, approved by way of Special Resolution issuance of securities by private placement for an amount not exceeding ₹ 3,000 crore in the year commencing from December 22, 2020 i.e. the date of approval by shareholders. However, the above approval of the shareholders is valid only upto a period of 1 year, thereby completing on December 21, 2021.

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

The Board of Directors at their Meeting held on August 10, 2021 had subject to the approval of the shareholders, accorded approval for raising of funds by way of Private Placement of unsecured/secured non-convertible bonds/ debentures in India or Outside India to the extent of ₹1,000 crore, in one or more tranches.

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

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

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

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

IFCI Tower
61 Nehru Place
New Delhi - 110 019
CIN: L74899DL1993GOI053677
Tel: 011 - 41732000
Fax: 011 - 26230201
Website: www.ifciltd.com
Email: complianceofficer@ifciltd.com

(Priyanka Sharma)
Company Secretary

Dated: November 11, 2021

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

Prof. N Balakrishnan

Prof. N. Balakrishnan received his B.E. (Hons.) in Electronics and Communication from the University of Madras in 1972 and Ph.D. from the Indian Institute of Science in 1979. He then joined the Department of Aerospace Engineering as an Assistant Professor. He was a Professor at the Department of Aerospace Engineering and at the Supercomputer Education and Research Centre, till July 2015. Thereafter, he was Honorary Professor at the Supercomputer Education and Research Centre, Indian Institute of Science till July 2020. He is currently INSA senior scientist at the Indian Institute of Science. He has held the positions of Associate Director of the Indian Institute of Science during September 2005 to March 2014; Chairman, Division of Information Sciences during 1999-2005; Chairman, Supercomputer Education and Research Centre during 1994-2001.

His areas of research where he has several publications in the international journals and international conferences include Numerical Electromagnetics, High Performance Computing and Networks, Polarimetric Radars, Aerospace Electronic Systems, Information Security Complex Social Networks and Digital Library.

He was earlier a member of the council of CDAC, a member of the council of the Indian Statistical Institute, Kolkata, a member of the National Security Advisory Board and the Board of Governors of IIT Delhi and IIT Madras, and Director of the Central Bank of India and CDOT-Alcatel Research Centre at Chennai. He was also one of the Directors of Bharat Electronics Ltd. (BEL), and a Part-Time member of the Joint Advisory Board of Carnegie Mellon University at Qatar and Member of the Board of Governors of IIT Kharagpur and member of the council of the International Knowledge Centre for Engineering Sciences and Technology, Beijing, China.

Besides IFCI, Prof. N. Balakrishnan is also on the Board of Indian Institute of Information Technology and Management, Kerala and Equitas Small Finance Bank Limited.

Prof N Balakrishnan is also Member on the following Board Level Committees of IFCI Ltd.:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Risk and Asset Liability Management Committee
4) Review Committee on Wilful Defaulters
5) Executive Committee
6) IT Strategy Committee

Further, Prof N Balakrishnan is also Member of the following Board Level committee in Equitas Small Finance Bank Ltd.

1) Nomination and Remuneration Committee
2) Risk Management Committee

Prof N Balakrishnan is on the Board of the Company since October 30, 2017. He has attended all the Board Meetings held during the FY 2020-21.

Prof. N Balakrishnan is interested in the said resolution as it is related to his appointment. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the appointment of Prof N Balakrishnan on the Board of the Company. He does not have any shareholding (including beneficial owneship) in IFCI Ltd.

LISTING AT STOCK EXCHANGES

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

The Company has paid the annual listing fees to the Stock Exchanges for the Financial Year 2021-22.

ROUTE MAP OF THE VENUE

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

In view of the extraordinary circumstances due to COVID-19 pandemic prevailing in the country, MCA vide its Circular No. 14/2020 and Circular 20/2020 had clarified that social distancing is a pre-requisite in the current scenario and in reference to clarifications/ Guidance on applicability of Secretarial Standards on General Meetings (SS-2) dated April 15, 2020, the Company will hold the AGM through VC/ OAVM, without the physical presence of the Members at Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi-19. In view of the directions from MCA, the Meeting is being convened through VC/ OAVM and physical presence of the Members are not required at the venue and that the proceedings of the AGM conducted shall be deemed to be made at this venue. Hence, Route Map and Attendance slip do not form part of this Notice.

BOARD'S REPORT

To the Members

The Board of Directors of Your Company ("Your Company" or "IFCI") presents the 28th (Twenty Eighth) Annual Report of IFCI Ltd., together with the audited financial statements for the year ended March 31, 2021.

FINANCIAL SUMMARY AND STATE OF COMPANY'S AFFAIRS

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

(₹ in crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	**2020-21**	2019-20
Total Income	**1,397**	2,264	**2,094**	2,906
Less:				
Total Expenses before Impairment Allowance, Depreciation & Amortisation	**1,243**	1,952	**1,803**	2,441
Impairment on financial instruments	**2,272**	422	**2,305**	473
Depreciation and amortisation	**29**	31	**72**	81
Total Expenses	**3,544**	2,405	**4,181**	2,996
Exceptional Items	**–**	–	**(2)**	4
Profit/(Loss) before tax	**(2,147)**	(141)	**(2,085)**	(94)
Tax expense	**(189)**	137	**(173)**	129
Profit/(Loss) before share in profit of associates	**(1,958)**	(278)	**(1,912)**	(223)
Total Expenditure Share in Profit of associates	**–**	–	**–**	**–**
Profit/(Loss) for the year	**(1,958)**	(278)	**(1,912)**	(223)
Other comprehensive income (net of tax)	**22**	(40)	**416**	(116)
Total Comprehensive Income	**(1,936)**	(318)	**(1,495)**	(339)
Net profit/(Loss) attributable to -				
Owners of the Company	**N.A.**	N.A.	**(1,942)**	(230)
Non-controlling interest	**N.A.**	N.A.	**30**	7
Total Comprehensive Income attributable to -				
Owners of the Company	**N.A.**	N.A.	**(1,711)**	(311)
Non-controlling interest	**N.A.**	N.A.	**216**	(29)
Earnings per share				
Basic Earnings per share of ₹10 each	**(10.33)**	(1.64)	**(10.24)**	(1.36)
Diluted Earnings per share of ₹10 each	**(10.33)**	(1.64)	**(10.24)**	(1.36)

The above numbers are extracted from the financial statements prepared in accordance with the Indian Accounting Standards (Ind AS), in compliance with the Companies (Accounts) Rules, 2014 and Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. Any application guidance/ clarification(s)/ direction(s) issued by Government of India, RBI or by any other Regulator(s) of Your Company would be implemented by Your Company as and when they are issued or become applicable.

FINANCIAL PERFORMANCE

As the overall economic environment,especially the credit offtake was subdued during FY 2020-21, IFCI's performance was also affected in line with the overall financial sector.

During the year, there was reduction in operational income on account of decline in loan assets, caused by prepayment of certain loans and increase in stage-3 assets and during the current year stage 3 income has been written off in certain cases. No amount has been transferred to the General Reserve of the Company during the FY 2020-21.

SANCTIONS, DISBURSEMENTS AND RECOVERY

During the FY 2020-21, while keeping in view the macroeconomic situation and impact of COVID pandemic, Your Company adopted a cautious approach and did not sanction any new loans. Also, keeping in view the liquidity position of the company, the disbursements were very low during the FY 2020-21, at ₹77 crore vis-à-vis disbursements of ₹742 crore in previous FY 2019-20.

During the year, Your Company made all out efforts to ensure timely implementation of various Covid related relief schemes of RBI, in order to stabilize the portfolio and to avoid undue stress with a view to minimize slippages.

Your Company actively pursued settlements and restructuring, as recovery through legal route was delayed on account of Covid pandemic and recovered ₹209 crore approx. Vigorous follow-up with defaulting companies led to recovery of ₹162 crore approx. while recovery from NCLT cases was at ₹72 crore approx. Various other modes of recovery viz. DRT, Official Liquidator, change of investor, SARFAESI etc. also contributed to the overall recovery of ₹520 crores during FY 2020-21.

Though the overall economic growth and cash flows are expected to remain muted, on account of the ongoing pandemic, Your Company remains committed to continue its aggressive approach for recovery from NPAs and stressed assets through multi-pronged resolution modes and strategies.

TREASURY, INVESTMENT AND FOREX OPERATIONS

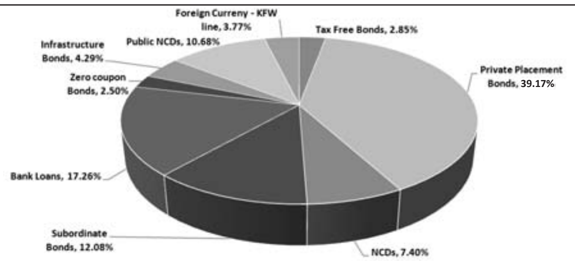
Your Company has been cautious in investing the surplus funds across diversified instruments with focus on safety while making every effort towards maximising yield in consonance with liquidity management.

Your Company invested in Treasury Bills, Government Securities, Certificate of Deposit, Commercial Papers, Inter-Corporate Deposit / Short Term Deposit (STD), Fixed Deposits / Bonds and Mutual Fund Schemes. Average Deployment during the year was ₹ 851.70 crore against ₹ 546.97 crore in FY 2019-20 and annualized return on fund deployed was 5.42%. The return during FY 2020-21 from Treasury operations was lower than previous year due to deployment of funds in relatively safer portfolio like fixed deposit, liquid mutual funds for judicious asset liability management. The objective was to ensure safety and liquidity. During the year under report, Your Company registered an Interest income of ₹ 79.83 crore from investments as against ₹ 84.45 crore during the previous year.

In view of weak sentiments prevailing in market due to uncertainties on account of weakening global growth and impact of Covid-19 in later part of the year, Your Company continued with the prudent strategy of selective disinvestment of slow moving/illiquid stocks and booking profits from investments in blue chip stocks. Net investment portfolio of Your Company as on March 31, 2021 stood at ₹ 4,294 crore as against ₹ 3,235 crore at the end of previous Financial Year. The Foreign Currency (FC) operations were confined to servicing of FC liabilities and containing the exchange risk arising due to mismatch in the outstanding amount of FC assets and liabilities.

RESOURCE MOBILISATION AND BORROWING PROFILE:

During the year under report, Your Company mobilized an amount of ₹ 200 crore at competitive rate through Non-Convertible Bonds in the nature of Debentures. The Principal liability outstanding of Your Company was at ₹ 10,869.78 Crore as on March 31, 2021 comprising of Rupee borrowings of ₹ 10,459.95 crore and foreign currency loan of ₹ 409.83 crore. Interest liability outstanding as on March 31, 2021 was ₹ 1,061.12 crore including annual and cumulative interest. The broad instrument wise break-up of outstanding borrowing as at March 31, 2021 is indicated below:



SUMMARY OF BORROWING AS ON 31ST MARCH 2021

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

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

Technology Absorption - During the FY 2020-21, the existing software applications were upgraded with enhanced/added features. New Modules were developed in-house for different functions. Your Company is maintaining proper Data Backup and has setup Disaster Recovery Site (DRS) to protect data and business information systems. Video Conferencing Facility/ WebEx Meetings setup was also enhanced to provide streamlined video communication and live content sharing.

The IT System of Your Company enabled employees during pandemic to work from home and attend and conduct regular meetings using collaboration tools. Your Company enabled shareholders to attend EGM through WebEx.

FOREIGN EXCHANGE EARNINGS

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

(₹ in crore)

Particulars	**Year End 31.03.2021**	Year End 31.03.2020
Expenditure in Foreign Currencies:		
Interest on borrowings	**3.43**	3.32
Other Matters	**0.00**	0.00
TOTAL	**3.43**	3.32
Earning in Foreign Currencies:		
Earning in Foreign Currency	**NIL**	NIL

INTERNAL FINANCIAL CONTROL

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

VIGILANCE

The Company has a dedicated Vigilance Department headed by Chief Vigilance Officer who has been appointed by DFS, GoI in April, 2020. Vigilance Department at Head Office takes care of all vigilance matters of IFCI, its Regional Offices & subsidiaries. The comprehensive functioning of the department is divided into three categories viz. Preventive Vigilance, Punitive Vigilance and Surveillance & Detection.

With amplified prominence given to preventive vigilance, the department conducts inspection of various offices from time to time through vigilance officers. These officers submit reports of such visits/inspections. If irregularities/ lapses are observed, the same is shared with Regional In-charges and concerned departments of Head Office for taking various steps to initiate the corrective measures or to take actions towards systemic improvements or penal action etc. based on the nature of case. Vigilance Department as per findings of investigation, sensitizes the management for systemic improvement and also to initiate further action. Vigilance Deptt ensures the completion of Disciplinary Proceedings to decide the matter within the set time lines. Vigilance Department examines various complaints and other referred cases as per CVC guidelines.

Vigilance Department has also sensitized various functionaries of Head Office through suitable communication by arranging meetings in various sensitive matters. IFCI Limited with the help of Vigilance Dept. ensures disposal of Vigilance Cases, Non Vigilance cases in time bound manner. Endeavors of Vigilance Dept. is to promote ethical practices and sensitization through trainings, vigilance Awareness Week etc. An Internal Advisory Committee (IAC) has been setup at Head office constituting General Managers and Deputy General Manager to scrutinize the NPA Cases, Fraud related Cases and complaint received and to determine the staff accountability etc. in all such cases referred to IAC. During 2020-21, Vigilance Department organized online workshop / training session on Ethics to promote ethical practices / Vigilance Matters / to sensitize the employees of IFCI Limited.

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

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

1. Ms. Veenu Kakkar – External Member
2. Ms. C Santhi, General Manager
3. General Manager (HR) - Presiding Officer
4. Ms. Trina Tejaswini, DGM (Law)
5. Mr. Rahul Agrawal, DGM

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

No. of complaints pending at the start of the Financial Year 2020-21	1
No. of complaints received during the Financial Year 2020-21	Nil
No. of complaints resolved during the Financial Year 2020-21	Nil
No. of Complaints pending at the end of the Financial Year 2020-21	1 (same was disposed-off on April 05, 2021)
Number of workshops or awareness programs against sexual harassment carried out during the Financial Year 2020-21	3
Nature of action taken by the employer	Based on the recommendation of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Competent Authority disposed-off the complaint

One complaint forwarded by one of the IFCI's subsidiary pertaining to an employee of IFCI has also been disposed-off by the Competent Authority in FY 2020-21.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Developments

The Indian Economy which registered contraction in the first half of FY 2020-21 bounced back in second half of FY 2020-21 by registering a growth of 0.5% and 1.6% in Q3 and Q4 of FY 2020-21, respectively. However, due to huge contraction of 22.4% in Q1 of FY 2020-21, the overall GDP contracted by (-)7.3% in FY 2020-21. The Economy which started picking up momentum in Second Half of FY 2020-21 again saw a slackness in Industrial activity in April and May, 2021 on account of second wave of Pandemic. Government consumption and net exports have cushioned the economy from diving further downwards.

As per Reserve Bank of India's (RBI) monthly bulletin released in May, 2021, there were 9,507 NBFCs registered with the RBI as on January 31, 2021. In terms of distribution of number of companies, Non-Systemically Important Non-Deposit Taking NBFCs (NBFCs-ND) with an asset size of less than ₹500 crore have a preponderant share. A non- deposit taking NBFC with asset size greater than ₹500 crore is considered systemically important (NBFCs-ND-SI). In terms of total assets, NBFCs-ND-SI constituted around 83% of the total assets of the sector at end-March 2020.

As per monthly bulletin, India's NBFCs grew at a slower pace in second and third quarters of financial year 2020-21, on annual basis due to COVID-19-led disruptions and muted demand but continued to disburse credit. Wading through the thick of pandemic shows the resilience of the sector.

The profitability of NBFCs dipped in the immediate aftermath of the COVID-19 in Q1:2020-21, as businesses suffered economic losses due to nation-wide lockdowns. Both Return on Assets (RoA) and Return on Equity (RoE) deteriorated in Q1:2020-21 compared to the corresponding period in 2019-20. However, the situation improved marginally in Q2:2020-21 as NBFCs' expenditures registered a steeper fall than income.

Asset quality of NBFCs witnessed improvement in FY 2020-21 till the third quarter. Nevertheless, the true extent of NPAs in the sector may be gauged in the upcoming quarters as the interim order by the Hon'ble Supreme Court of India on asset classification standstill was lifted in March 2021.While the NBFC sector continued to grow during the first wave of coronavirus pandemic, the impact of the second wave will unfold only in the future.

2. Opportunities & Threats

In the Union Budget 2021-22, presented on February 01, 2021, the Finance Minister announced an outlay of INR 1.97 lakh crore for the Production-Linked Incentive (PLI) Schemes for 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country's youth. PLI Schemes are a cornerstone of the Government's push for achieving an Atmanirbhar Bharat. They have been specifically designed to boost domestic manufacturing in sunrise and strategic sectors, curb cheaper imports and reduce import bills, improve cost competitiveness of domestically manufactured goods, and enhance domestic capacity and exports.

IFCI has been appointed as the nodal agency/ Project Management Agency (PMA) under following PLI and other Schemes of Government of India :

S. No.	Particulars of PLI Scheme
1.	Scheme for Promotion of manufacturing of Electronics Components and Semiconductors (SPECS)
2.	Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing (PLI-LSEM)
3.	PLI Scheme for critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs)/ Active Pharmaceutical Ingredients (API) (PLI-Bulk Drugs)
4.	PLI for Medical Devices (PLI-MD)
5.	Scheme for Promotion of Bulk Drugs Parks
6.	Scheme for Promotion of Medical Devices Parks
7.	PLI Scheme for Food Processing Industry (PLISFPI)
8.	PLI for IT Hardware (PLI-ITHW)
9.	PLI for White Goods (PLI-WG)

Over the years of its existence, Your Company has channelized financial assistance across all major sectors of economy and built a well-diversified portfolio in infrastructure, real estate, manufacturing, services and NBFC sectors. Government of India is the Promoter and the largest equity shareholder of Your Company and it offers sufficient comfort and confidence to the stakeholders. Government of India has consistently infused funds in Your Company through equity participation.

Your Company is struggling with high NPA level, stressed Capital Adequacy and consequential pressure on profitability and downward revision in credit rating. The immediate objective of Your Company is to reduce the level of NPAs through aggressive recovery efforts and improvement in asset quality. Your Company is also optimistic about speedy resolution of non-performing accounts, considering time bound and efficient resolution process under Insolvency and Bankruptcy Code, 2016.

3. Segment-Wise or Product-Wise Performance

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

4. Outlook

The provisional estimates of national income released by the National Statistical Office (NSO) on May 31, 2021 placed India's real Gross Domestic Product (GDP) contraction at (-) 7.3 % for FY 2020-21, with GDP growth in Q4 at 1.6 % year-on-year (y-o-y) basis. This contraction was due to the daunting impact of pandemic COVID-19. However, the prospects for a high growth trajectory in the coming quarters are significantly promising on the back of economic reforms undertaken by the government since March 2020 onwards. Going ahead, the continued economic reforms is expectedto result in a strong GDP growth in FY 2021-22.

Till recently, economic activity seemed to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. However, Covid second wave has altered the pace of growth momentum in the Industrial and Urban Sector. Rural demand remain strong and expected normal monsoon bodes well for sustainability going forward; the increase spread of COVID-19 infection in rural areas however poses downside risk. Urban demand has been dented by the second wave, but adoption of new COVID-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive.

The Government of India's relief measures comprising direct benefit transfer to the poor and vulnerable segment of the society; loan and guarantee extensions; RBI's accommodative liquidity measures including but not limited to loan moratorium have had direct and visible impact in the recovery of both industrial and service sector.

5. Risks and Concerns

Risk is an inherent part of business of any Financial Institution, including Your Company, which makes it susceptible to Credit Risks that arise when a borrower is expecting future cash flows to pay a current debt. Effective management of Credit Risk is a critical component of Comprehensive Risk Management and necessary for long term success of a Financial Institution. The goal of Credit Risk Management is to maximize a FI's risk-adjusted rate of return by maintaining Credit Risk exposure within acceptable parameters. In order to address risks, Your Company has put in place an Integrated Risk Management Policy (IRMP) which addresses Credit Risk, Market Risk, Operational Risk and Asset-Liability Management, as a part of Comprehensive Risk Management Framework which is integrated with its business model.

The Risk Management Vision Statement and Qualitative Risk Appetite Statements of IFCI have also been put in place. Parameters included in the Qualitative Risk Appetite statement are tested periodically.

The Risk and Asset Liability Management Committee of Executives (RALMCE), analyses the Dynamic Liquidity Position, Structural Liquidity Gaps and Interest Rate Sensitivity positions, on a periodic basis, based on extant regulatory prescriptions. To manage the Operational Risks, there are adequate internal controls and systems in place, aided and assisted by Internal Audit, Internal Financial Controls, remote back-up of data, Disaster Management Policy, IT security, physical security and suitable insurance of insurable assets of Your Company, as well as of the assets mortgaged to Your Company. Besides mechanism for stress testing of loan portfolio and measurement of liquidity position is also in place, to assess likely impact on CRAR, profitability and liquidity.

In line with the industry best practices and to ensure proper credit evaluation and monitoring standards, Your Company carries out Credit Audit of all Standard exposures, as well as monitoring of cases which serves as a tool for senior management to assess portfolio quality with constant endeavour for asset quality improvement. To further strengthen the existing systems, Standard Operating Procedures for various Risk Management processes are in place.

Risk Management is expected to play a more prominent role in future because of ongoing liberalization, deregulation and global integration of financial markets, which would add newer dimensions to risks faced by the Banks and NBFCs. Interrelationships and associations amongst various risk categories and mushrooming of new risks, will require more proactive and efficient management of risks which will determine the strength and resilience of Financial Institutions. Your Company would continue to work on various initiatives aimed at strengthening credit risk standards, post sanction monitoring of the portfolio to mitigate any adverse impact on the loan portfolio. Your Company would also strive to develop a strong culture for risk management and awareness within the organisation.

6. Internal Control Systems, their adequacy and Internal Audit

Your Company has adequate Internal Control System commensurate with size, scale and complexity of its business and allied operations. The efficacy of these internal controls is being verified by the Internal Audit Department on a regular basis. From Financial Year 2018-19, the internal audits are being carried in-house by a team of experienced personnel. The periodicity of such audits varied from quarterly to yearly depending upon the criticality and materiality of transactions based on the scope approved by the Audit Committee of Directors. Besides this, exercise to ensure adequacy of Internal Financial Controls (IFCs) with a periodicity in line with the Internal Audit is also done by the Internal Audit Department. Based on the observations of Internal Audit Department, corrective actions are undertaken by the process owners in their respective areas thereby strengthening the control systems.

Your Company is also in the process of transition to Risk Based Internal Audit commencing from April 01, 2022 in line with the recent guidelines issued by the Reserve Bank of India.

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

Development of Human Resources pool is central to IFCI's HR Policies and practices. Employees are the most important factors for sustainable performance of the organization. Hence, Your Company strives to create an organizational culture which can develop and harness the potential of its employees. During the year, the threat posed by COVID-19 pandemic, required special HR measures to ensure productivity of employees without compromising on safety. Arrangements such as "Work from Home", staggered office timings, robust IT support architecture, productivity monitoring mechanisms, medical consultancy facilities, COVID isolation center, sanitization measures, employee sensitization about COVID appropriate behaviour, were made.

Structured approach to various training & development interventions was carried out in virtual mode for the development of employees. Accordingly, the employees were nominated to virtual/online training & development programmes organized by leading institutes/agencies. Employees were also nominated to participate in various conferences, webinars, discussion forums organized by industry on digital platforms for keeping them abreast with latest developments and also to explore business opportunities. Your Company covered around 90% of its employees in various trainings/conferences/seminars etc. during the FY 2020-21. In all there were 255 nominations, in the in-house training/ workshops and external trainings, covering topics of functional and behavioral nature. Further, Your Company has also exposed its employees to various challenging assignments for their development.

Your Company continues to focus on employee health and wellness. New hospital has been empanelled for employees' regular health check-up. Your Company also shows promptness in resolving grievances of employees through a well-established system. Your Company has settled various issues of employees which were registered during the period. The total number of permanent employees of Your Company as on March 31, 2021 was 195. Your Company has managed its operations with reduced number of human resources, despite entering into new advisory assignments.

Reservation to Weaker Sections

The polices related to the upliftment of certain categories viz. Scheduled Castes/ Scheduled Tribes/ Other Backward Classes/ Economically Weaker Section/ Person with Disabilities etc. issued by Govt. of India are followed by Your Company as applicable from time to time. The guidelines pertaining to reservation/relaxations to these categories are adhered to as per Govt. of India orders. Further, Your Company also ensures due participation of the employees belonging to such categories in various activities viz. recruitment, training, appraisal and promotion etc. The total manpower strength of Your Company as on March 31, 2021 was 195 employees of which 25 belonged to Other Backward Classes, 17 belonged to Scheduled Castes and 01 belonged to Scheduled Tribes.

Annual Statement showing the representation of SCs, STs, OBCs & EWS as on First January of the Year 2021 and Number of Appointments made during the preceding Calendar Year is as under:

Sl. No.	GRADES	Number of Employees (as on 01.01.2021)					Number of appointments made during the preceding year										
							By Direct Recruitment (On contract)*					By Promotion			By Deputation		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Associates/ Contractual	8	-	-	1	-	8	-	-	1	-	-	-	-	-	-	-
9	Class III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Class IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**0**	**0**	**1**	**0**	**8**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* Total number of Associates engaged on contract during the year 2020 is 8 exclusively for the various schemes viz. PLI & SPECS awarded by Govt. of India to IFCI Ltd.

Annual Statement Showing the Representation of SCs,STs, OBCs & EWS in Various Services as on First January of the Year 2021

Sl. No.	GRADES	Number of Employees (as on 01.01.2021)					Number of appointments made during the preceding year										
							By Direct Recruitment (On contract)*					By Promotion			By Deputation		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	26	2	-	2							-	-				
4	D	35	2	-	3	-	-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	70	7	1	8	-	-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	50	5	-	8	-	-	-	-	-	-	-	-	-	-	-	-
7	A	9	1	-	4	-	-	-	-	-	-	-	-	-	-	-	-
8	Associates/ Contractual	10		-	1		8	-	-	1	-	-	-	-	-	-	-
9	Class III	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Class IV	1		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**206**	**18**	**1**	**26**	**0**	**8**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* Total number of Associates engaged on contract during the year 2020 is 8 exclusively for the various schemes viz PLI & SPECS awarded by Govt. of India to IFCI Ltd.

Group-wise Representation of Persons with Disabilities (PwD) up to 31.12.2020

Sl. No.	Group	Nature of Employees (as on 31.12.2020)					Number of appointments/ promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.12.2020)																			
							Appointment by Direct Recruitment										Promotion									
							No. of vacancies reserved					No. of Appointments made					No. of vacancies reserved				No. of Appointments made					
		Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	Total	VH	HH	OH	ID	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
1	Class I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Class-III	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Class-IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	2	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	**2**	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

Note: (i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)
(iv) ID stands for Intellectual Disability

8. Details of Significant Changes in Key Financial Ratios

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

Particulars	FY 2021	FY 2020	Remarks	Significant Changes*
Interest Coverage Ratio	-0.92	0.90	Earnings before interest and taxes / Total Interest expense (Profit before Tax + finance cost)/finance cost	Yes (>25%)
Current Ratio	0.81	1.23	Current asset / current liability	Yes (>25%)
Debt Equity Ratio	4.58	3.00	Total borrowings / net worth	Yes (>25%)
Operating Profit Margin (%)	8.91%	12.41%	Operating profit / total revenue (Profit before tax + impairment) / Total Revenue	Yes (>25%)
Net Profit Margin (%)	-138.57%	-14.02%	Total comprehensive income / total revenue	Yes (>25%)
Return on Net Worth	-59.74%	-7.62%	Total comprehensive income / average net worth	Yes (>25%)

* Explanation:
The change in the ratios were due to decrease in operational income which was impacted on account of prepayment of loans, decline in standard assets and reversal of Stage 3 income. Further, as Debtor Turnover Ratio and Inventory Turnover Ratios are not applicable on the company, hence, the same has not been incorporated in Table above.

9. Corporate Social Responsibility

The Corporate Social Responsibility Committee of Directors formulates the CSR Policy and recommends to the Board of Directors on activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee recommends the amount to be incurred on the activities and earmarks funds for the envisaged priority areas, as per vision of the Company. To associate with the CSR Activities a Trust, by the name of "IFCI Social Foundation" (ISF) has also been established. The investment in CSR activities is project based and for every project, time frame and periodic milestones are set at the outset. In view of the losses incurred by the company and pursuant to the provisions of Section 135(9) of the companies Act, 2013, the Corporate Social Responsibility Committee has been discontinued with and the functions of the committee are now being discharged by the Board of Directors, w.e.f. June 23, 2021.

The Disclosure of contents of Corporate Social Responsibility Policy in the Board's Report pursuant to the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 is at Annexure - I. The extant CSR Policy of the Company is available on the website of the Company at https://www.ifciltd.com/?q=en/content/our-csr-policy

Cautionary Statement

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

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

Following were the changes in Directors and Key Managerial Personnel during the FY 2020-21 and till the date of signing of this Board's Report:

a) Dr. Emandi Sankara Rao (DIN: 05184747), Managing Director & Chief Executive Director, ceased to be on the Board of the Company w.e.f. August 17, 2020 upon completion of his tenure;

b) Shri Sunil Kumar Bansal (DIN: 06922373) was appointed as Whole Time Director designated as Deputy Managing Director w.e.f. June 04, 2020;

c) Shri MML Verma (DIN: 07610648) was appointed as Non-Executive Director on the Board of Your Company w.e.f. July 31, 2020.

d) Shri Anand Madhukar (DIN: 08563286) ceased to be on the Board of the Company w.e.f. December 15, 2020 upon withdrawal of nomination by Government of India.

e) Government of India had nominated Ms. Anindita Sinharay (DIN: 07724555) on the Board of Directors of Your Company. Accordingly, she was appointed as Non-Executive Government Nominee Director w.e.f. January 05, 2021

f) Prof. N. Balakrishnan (DIN: 00181842) will retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

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

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

CORPORATE GOVERNANCE & COMPLIANCES

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

a) The credit ratings assigned to the various financial facilities / instruments of the Company during the Financial Year 2020-21 is provided in the Corporate Governance Report forming part of this Annual Report.

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

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

d) Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to place various Policies / Documents / Details on the Website of the Company. The Company has a functional website www.ifciltd.com and all the requisite information are being uploaded thereat.

e) As on March 31, 2021, there are no Independent Directors on the Board of Your Company.

f) As stipulated under the Listing Regulations, the Business Responsibility Report ('BRR') has been prepared and forms part of the Annual Report for the FY 2020-21. The Report provides an overview of initiatives taken by Your Company from Environmental, Social and Governance perspectives.

g) During the Financial Year 2020-21, neither the Statutory Auditors nor the Secretarial Auditors have reported any fraud in their respective Audit Reports.

h) The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Companies Act, 2013. Further, during the Financial Year 2020-21, all returns / data / statements as advised by RBI, SEBI and other Regulatory Authorities have been submitted.

OTHER DISCLOSURES:

a) In view of the loss incurred during the financial year 2020-21, no dividend has been recommended on equity shares. As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which is available on the website of Your Company at www.ifciltd.com.

b) During the FY 2020-21, there was no Company which have become or ceased to be Subsidiaries, Joint Venture or Associate Company of IFCI Ltd. The Company as on March 31, 2021 has 2 'Material Subsidiaries' viz. Stock Holding Corporation of India Ltd. and IFCI Infrastructure Development Ltd. Policy on Determining Material Subsidiary is available on the website of the Company at www.ifciltd.com. Details on performance and financial position of subsidiaries, associates and joint venture during the FY 2020-21 can be referred from **Form AOC-1** forming part of this Annual Report.

c) During the financial year 2020-21, 20 crore number of Equity Shares at Face Value i.e. ₹10/- each were allotted to the Promoters of the Company i.e. Government of India (GOI). Consequent to the allotment of equity shares, the shareholding of GOI increased from 56.42% to 61.02% of the Total Paid-Up Share Capital of the Company (as on May 21, 2020).

Further, the GOI during the Financial Year infused ₹200 crore towards subscription to the share capital of the Company. Accordingly, 14,59,85,401 number of equity shares were allotted to the GOI on April 23, 2021. Consequent to the allotment, the shareholding of GOI increased to 63.81% of the Total Paid-Up Share Capital of the Company. Apart from above, there was no change in the capital structure of the Company during the Financial Year under report.

Change in the debt structure of the Company during the FY 2020-21 is as under:

Total number of securities at the beginning of the year	Issued during the year	Redemption made during the year	Total number of securities at the end of the year
420,32,82,418	2,000	38,05,379	419,94,79,039

d) During the Financial Year 2020-21, Your Company had transferred 11,55,340 number of equity shares to IEPF. Further, an amount of ₹ 2,44,75,504 pertaining to the unclaimed dividend for Financial Year 2012-13 was also transferred to IEPF. Further Your Company has also transferred 978386 number of Equity Shares to IEPF and an amount of ₹2,28,92,262 pertaining to the unclaimed dividend for Financial Year 2013-14 to IEPF, as on the date of the Board's Report. Shareholders whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5, available on www.iepf.gov.in.

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

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

g) During the FY 2020-21, there were no significant or material orders passed by Regulators or Court impacting the going concern status of the Company. Further, there has been no change in the business of the Company during the reporting period. Further, there have been no material changes and commitments which affect the financial position between the end of financial year and date of Board's Report.

h) Pursuant to notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from the disclosure requirements of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included in Board's Report. Further, no Director of the Company, including MD&CEO, was paid any commission during the FY 2020-21 from any of the subsidiary of Your Company, on whose Boards they were Directors as nominees of Your Company.

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

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

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

l) The performance evaluation of the Board, its Committees and individual Directors was conducted by the Nomination and Remuneration Committee and the Board. Some of the areas of improvements metioned by the Directors included appointment of Independent Directors, Directors' training etc. Since, there was no Independent Director on the Board of the Company during the financial year 2020-21 hence, no Meeting of the Independent Directors could be held. Communications requesting appointment of requisite number of Independent Directors have been sent to the Department of Financial Services being the Administrative Ministry In-Charge and the appointments are awaited.

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

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

Name of Debenture Trustee	Contact Details
Axis Trustee Services Limited	The Ruby, 2nd Floor, SW 29 Senapati Bapat Marg, Dadar West Mumbai – 400028 E-mail: debenturetrustee@axistrustee.com Website: www.axistrustee.com
IDBI Trusteeship Services Limited	Asian Building, Ground Floor 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.in
Centbank Financial Services Limited	3rd Floor (East Wing) Central Bank of India, MMO Building 55 M G Road, Mumbai – 400 001 E-mail: info@cfsl.in Website: www.cfsl.in

Auditors

M/s M K Aggarwal & Co. (DE0500) (Firm Reg. No. 001411N) was appointed by the Comptroller & Auditor General of India (C&AG) as Statutory Auditors of Your Company for Financial Year 2020-21. C&AG has appointed M/s M K Aggarwal & Co. (DE0500) (Firm Reg. No. 001411N) as Statutory Auditors of Your Company for FY 2021-22 as well. As per the requirement of Section 148 of the Companies Act, 2013, the requirement of Cost Audit is not applicable on the Company.

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

The Standalone and Consolidated Financial Results of the Company for the Financial Year 2020-21 were unqualified by the Statutory Auditors of the Company. However, the Statutory Auditors provided for certain 'Emphasis of Matter'. The complete Auditors' Report on the Standalone and Consolidated Financial Statements forms part of the Annual Report.

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

M/s Agarwal S. & Associates, Company Secretaries was appointed as Secretarial Auditor of the Company for the Financial Year 2020-21. The observations of the Secretarial Auditor along with Management Reply is as under:

S. No.	Observations of Secretarial Auditor	Management Reply
a.	Non-compliance of Second Proviso to Section 149 (1) of Companies Act, 2013 and Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least one-woman director on the Board of Company during the period from April 01, 2020 to January 04, 2021 and at least one independent woman director during the period from April 01, 2020 to March 31, 2021.	As per the applicable provision of Section 149 of the Companies Act, 2013 read with Regulation 17 of SEBI Listing Regulation, 2015, the Board of Directors shall at all times have one Woman Director. Further, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall also consist of at-least 1 Woman Independent Director. In this regard, this is to submit that as per the provisions of Regulation 149(6)(a) of the Companies Act, 2013, the power to appoint Independent Directors including Woman Independent Director vests with the Ministry administratively in-charge of the Company i.e. Department of Financial Services, MOF. Once the appointment of Woman Independent Director is made by the Department of Financial Services, the abovementioned provisions will be complied with.

b.	Non-Compliance of Section 149 (4) of Companies Act, 2013 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Independent Director on the Board of Company from April 01, 2020 to March 31, 2021.	In the absence of Independent Directors on the Board of the Company, the Company is not in compliance of the provisions of Section 149 (4) of Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As mentioned in point (a) above, In terms of Section 149(6)(a) of the Companies Act, 2013, IFCI being a Government Company, the power to appoint the Independent Directors vest with the Administrative Ministry in-Charge i.e. Ministry of Finance (MOF), Department of Financial Services (DFS). MOF, DFS is seized of the matter as request for appointment of Independent Directors, has already been sent to MOF, DFS. The appointment of Independent Directors is awaited. Once the requisite number of Independent Directors are appointed, the provisions will be complied with.
c.	Non-compliance of Regulations 17(10) and 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the absence of Independent Directors, no separate meeting was held during the financial year. Accordingly performance evaluation for/by the independent directors was not carried out.	In the absence of Independent Directors on the Board of the Company, the performance evaluation of and by Independent Directors as envisaged under Regulation 17(10) & 25(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, could not be carried out.
d.	Non-Compliance of Section 135(1), 177(2) & 178(1) of Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c) and 20(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee were not complied with the statutory requirements during the period from April 01, 2020 to March 31, 2021.	Due to the absence of Independent Directors on the Board of the Company, the Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee were constituted without the Independent Directors and the Company was not in compliance of Section 135(1), 177(2) & 178(1) of Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c) and 20(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Once the Independent Directors are appointed by Department of Financial Services, the Committees will accordingly be constituted.

The Secretarial Audit Report of the Company along with the Secretarial Audit Reports of the 'Material Subsidiaries' i.e. M/s IFCI Infrastructure Development Limited and M/s Stock Holding Corporation of India Limited for the Financial Year ended March 31, 2021, are enclosed at

Annexure – II.

Comments of Comptroller & Auditor General of India

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

Directors Responsibility Statement

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

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

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

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

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

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

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

Appreciation

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

Sunil Kumar Bansal
Deputy Managing Director
DIN: 06922373
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019
Dated: November 11, 2021

Manoj Mittal
Managing Director & Chief Executive Officer
DIN: 01400076
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

ANNEXURE - I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. **Brief outline on CSR Policy of the Company.**

   (i) IFCI Ltd. (IFCI) since its inception in 1948 had a vision to empower the community through socio-economic development of the country as a whole.The objective of IFCI CSR Policy is mainly as under:

   - Support activities which aim at creating physical infrastructure/assets (comprising at least upto 70% of its total funds entrusted to ISF), so as to ensure better monitoring and sustainability.
   - Support activities to drive measurable change in the communities, we work with and strive to create a positive impact through our initiatives on hunger & malnutrition, poverty, health & sanitation, education & skill development, employment & technology incubation, rural development, women empowerment and elderly care.

   (ii) During FY 2020-21, as the Average Net Profit of IFCI for immediate three preceding years was negative, IFCI was not required (under Companies Act, 2013) to allocate any amount for CSR activities. However, looking at the need during the pandemic, ₹ 0.15 crore was earmarked by IFCI and entrusted to ISF for contributing the same to PM CARES Fund. Further an unavailed amount of ₹ 0.055 crore only carried forward from previous year was allocated to another CSR project. The CSR Policy for FY 2018-19 was continued to be followed in FY 2020-21 as was done in the previous FY 2019-20. No separate Policy was drafted in 2020-21.

2. Composition of CSR Committee (as on March 31, 2021)

Sl. No.	Name of Director	Designation/Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1.	Shri Sunil Kumar Bansal	Deputy Managing Director	NIL	N/A
2.	Prof N Balakrishnan	Non-Executive Director	NIL	N/A
3.	Shri MML Verma	Non-Executive Director	NIL	N/A

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

Sl. No.	Particulars	Web-Link
1.	CSR Committee	As per Section(s) 135(5) and 135(9) of Companies Act, 2013 and in view of the losses in the previous Financial Years and negligible CSR Spending of the Company, the CSR Committee of Directors has been discontinued w.e.f. June 23, 2021 and the responsibilities of the Committee will vest with the Board of Directors. Accordingly, the Annual Report on CSR is being signed by Shri Sunil Kumar Bansal, DMD and Chairman of the Committee and Shri Manoj Mittal, MD&CEO.
2.	CSR Policies	https://www.ifciltd.com/?q=en/content/our-csr-policy
3.	CSR Projects	https://www.ifciltd.com/?q=en/content/our-csr-policy

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount available for set-off for the financial year, if any (in ₹)
1.	2020-21	NIL	NIL

6. Average net profit of the company as per Section 135(5) – ₹ (1140.35) crore

7. (a) Two percent of average net profit of the company as per Section 135(5) - **NIL**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**

   (c) Amount required to be set off for the financial year, if any - **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c) - **NIL**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)*		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in ₹)	Date of Transfer	Name of the Fund	Amount (In ₹)	Date of Transfer
29,59,734/-	92,53,283/- (Refer Note Below)	28-4-2021	NA	NIL	NA

***Note: Break-Up of the Total Amount Transferred to Unspent CSR Account by IFCI Social Foundation:**

Financial Year	Amount (in ₹)
2018-19	45,70,533
2019-20	41,32,750
2020-21	5,50,000
Total	92,53,283

(b) Details of CSR amount spent against ongoing projects for the financial year: - **NIL**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Y/N)	Location of the Project		Project Duration	Amount Allocated for the Project (in ₹)	Amount spent in the current F.Y. (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imple-mentation - Direct (Y/N)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Reg. No.
1.	Installation of Tubewell for Safe Drinking Water in AMPHAN Cyclone Area of Sagar Block in Sundarban Area	Water Conservation	N	West Bengal	South 24 Parganas	08 months	5,50,000	NIL	5,50,000	N	ISF	CSR00005110

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Y/N)	Location of the Project		Amount spent for the Project (in ₹)	Mode of Implementation-Direct (Y/N)	Mode of Implementation-Through Implementing Agency	
				State	**District**			**Name**	**CSR Reg. No.**
1.	PM CARES Fund - Relief for COVID-19	Healthcare	N	All India	All India	15,25,000/-	Y	ISF	CSR00005110

(d) Amount spent in Administrative Overheads-**NIL**

(e) Amount spent on Impact Assessment, if applicable **-NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)-**₹ 15,25,000/-(₹ 0.15 Cr)**

(g) Excess amount for set off, if any-**Nil**

Sl. No.	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the company as per Section 135(5)	NIL
2.	Total amount spent for the Financial Year	29,59,734*
3.	Excess amount spent for the Financial Year (2-1)	15,25,000
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years (3-4)	NIL

* Out of the above, ₹ 14,34,734/- belong to the CSR projects sanctioned during the year 2019-20 and spent during FY 2020-21 on completion of projects as detailed at 9(b) and ₹ 15,25,000/-sanctioned in FY 2020-21 is towards the PM CARES Fund and spent during the year 2020-21.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting F.Y. (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding F.Y. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	45,70,533/-	-	-	-	-	45,70,533/-
2.	2019-20	41,32,750/-	-	-	-	-	41,32,750/-
3.	2020-21	5,50,000/-	-	-	-	-	5,50,000/-

(b) Details of CSR amount spent in the financial year for the ongoing projects of the preceding financial years:

Sl. No.	Project ID	Name of the Project	F.Y. in which the project was commenced	Project Duration*	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting F.Y. (in ₹)	Cumulative amount spent at the end of reporting F.Y. (in ₹)	Status of the project (Completed/ Ongoing)
1.	–	Making A Difference Foundation - Vikramgadh, Maharashtra - Support for construction of a Toilet block at second floor of the Swapna Shrushti Shelter Home at Vikshramgadh, Maharashtra	2019-20	3 months	12,500/-	12,500/-	12,500	Completed
2.	–	Indian Association of Blood Cancer and Allied Diseases, Kolkata - Support for purchase of Brand new 5 seater AC Maruti EECO Van	2019-20	2 months	4,81,560/-	96,560/-	4,81,560	Completed
3.	–	Navashrushti International Trust - Dharma Bharathi Mission - Infrastruture Support to DBM & TISS Library cum Study Centre at Deonar, Mumbai	2019-20	1 Year	7,05,000/-	7,05,000	7,05,000	Completed
4.	–	Ramkrushna Temple Trust (RTT) –Support for upliftment of socially and economically backward people of village Tunda, District Cuttack, Odisha by setting up Computer training and Tailoring classes.	2019-20	1 year	2,65,000/-	2,65,000	2,65,000	Completed
5.	–	Rural India Development Foundation (RIDF) – Support for 3 “Vananchal Vidyalayas” run by RIDF in Naugarh Tehsil, District Chandauli, Uttar Pradesh	2019-20	1 year	3,15,500/-	1,57,750/-	1,57,750	Ongoing
6.	–	COVID-19 Relief - Support to approximately 400 poor and needy families/elderly people affected by COVID-19 through Employees of IFCI Group/ other Trusts & Implementing Agencies	2019-20	–	1,97,924/-	1,97,924/-	1,97,924	Completed

* The Project Duration of the above projects have been taken from the date of sanction till the last date of disbursement.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)
    (a) Date of creation or acquisition of the capital asset(s)-NIL
    (b) Amount of CSR spent for creation or acquisition of capital asset-NIL
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.-NIL
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)-NIL

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) –
    As the average net profit of the Company for last three preceding years was negative, The Company was not required to allocate any CSR Budget, hence Not Applicable.

Shri Sunil Kumar Bansal
Deputy Managing Director
(Chairman of the Committee)
DIN: 06922373
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019
Dated: November 11, 2021

Shri Manoj Mittal
Managing Director & Chief Executive Officer
DIN: 01400076
Address: IFCI Tower
61 Nehru Place
New Delhi - 110 019

ANNEXURE – II

SECRETARIAL AUDIT REPORT

[For the financial year ended on 31st March, 2021]

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

To,
The Members

IFCI LIMITED
Regd. Office: IFCI Tower
61, Nehru Place, New Delhi - 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IFCI LIMITED (hereinafter called 'the Company' or 'IFCI). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

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

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

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

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

  (a) Non-compliance of Second Proviso to Section 149 (1) of Companies Act, 2013 and Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have at least one-woman director on the Board of Company during the period from April 01, 2020 to January 04, 2021 and at least one independent woman director during the period from April 01, 2020 to March 31, 2021.

  (b) Non-Compliance of Section 149 (4) of Companies Act, 2013 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall have requisite no. of Independent Directoron the Board of Companyfrom April 01, 2020 to March 31, 2021.

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

(d) *Non-Compliance of Section 135(1), 177(2) & 178(1) of Companies Act, 2013 and Regulation 18(1)(b), 19(1)(b) & (c) and 20(2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of Corporate Social ResponsibilityCommittee, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee were not complied with the statutory requirements during the period fromApril 01, 2020 to March 31, 2021.*

We further report that the Board of the Company is required to be constituted as per provisions of the Companies Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the period under review, there was no Independent Director on the Board of the Company. Being a company falling under top 1000listed companies by market capitalization, the Board should comprise of atleast six directors. However, during the interim period from December 16, 2020 to January 04, 2021, there were only 5 Directors and the appointment of Director was under process. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Generally, adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting from Directors.

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

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

We further report that the National Stock Exchange of India Limited and BSE Limited have levied monetary fines for non-compliance under Regulation 17/ 17(2A), 18, 19 & 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 against which the Company has submitted replies along with the request towaive fines imposed on the Company and to not take any other action on the Company. Considering the submissions of the Company, BSE hadcommunicated waiver of fines for the quarters ended upto December 2020.

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

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

CS Anuradha Jain
Partner
ACS No.: 36639
CP No.: 14180

Place: New Delhi
Date: : 21st June, 2021
UDIN:A036639C000492875

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

ANNEXURE –“A”

To,
The Members

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

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

(1) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.

(4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

(5) The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.

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

(7) The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

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

CS Anuradha Jain
Partner
ACS No.: 36639
CP No.: 14180

Place: New Delhi
Date: : 21st June, 2021

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
[FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021]

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

To,
The Members

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

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **IFCI Infrastructure Development Limited** (hereinafter called '**the Company**') for the Financial Year ended on 31st March, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2021 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in themanner and subject to the reporting made hereinafter:

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of (as amended):

(i) The Companies Act, 2013 ('the Act') and the Rules made there under read with notifications, exemptions and clarifications thereto;

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

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings-[Not Applicable to the Company during the Audit Period under review];

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011– [Not Applicable to the Company during the Audit Period under review];

  (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015– [Not Applicable to the Company during the Audit Period under review];

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018–[Not Applicable to the Company during the Audit Period under review];

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014–[Not Applicable to the Company during the Audit Period under review];

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008– [Not Applicable to the Company during the Audit Period under review];

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client– [Not Applicable to the Company during the Audit Period under review];

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009– [Not Applicable to the Company during the Audit Period under review];

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018– [Not Applicable to the Company during the Audit Period under review];

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015–[Not Applicable to the Company during the Audit Period under review];

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

(i) Real Estate (Regulation and Development) Act, 2016;

(ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

(iii) The Employer's Provident fund & Miscellaneous Provisions Act, 1952;

(iv) The Maternity Benefit Act, 1961.

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

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

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

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

We further report that during the audit period under review:

1. The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Except in case of meetings convened at a shorter notice, adequate Notice was given to all Directors to schedule the Board meetings and the agenda and detailed notes on agenda was sent at least seven days in advance. However, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.
4. There seems to be adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.
5. No specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company other than mentioned above.

For VAPN & Associates
Practicing Company Secretaries
Firm Registration No.: P2015DE045500

Prabhakar Kumar
Partner
Membership No.: F5781
CP. No.: 10630
UDIN: F005781C000703038

Place: New Delhi
Date: : 29th July, 2021

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

ANNEXURE –"A"

To,
The Members

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

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

Management's Responsibility:

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

Auditor's Responsibility:

(2) Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respects to Secretarial Compliances.

(3) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Verification was done on test basis to ensure that correct facts are reflected in secretarial records.We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(4) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

(5) Wherever required, we have obtained the Management representations about the compliance of laws, rules and regulations & happening of events etc.

(6) Our examination was limited to the verification of procedures on test basis.

Disclaimer

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

For VAPN & Associates
Practicing Company Secretaries
Firm Registration No.: P2015DE045500

Prabhakar Kumar
Partner
Membership No.: F5781
CP. No.: 10630
UDIN: F005781C000703038

Place: New Delhi
Date: : 29th July, 2021

FORM NO. MR – 3
SECRETARIAL AUDIT REPORT
[FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021]

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

To,
The Members

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings[1];

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011[2];
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009[3];
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999[4];
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008[5];
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009[6];
- (h) TheSecurities and Exchange Board of India (Buyback of Securities) Regulations,1998[7];
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015[8];and

(vi) Other laws as may be applicable specifically to the company,namely-

- (i) SEBI (Intermediaries) Regulations,2008
- (ii) SEBI (Depositories and Depositories Participants) Regulations,2021
- (iii) SEBI (Research Analysts) Regulations, 2014
- (iv) SEBI (Custodian of Securities) Regulations 1996
- (v) Byelaws, Rules, Regulations and Circulars issued by Stock Exchanges
- (vi) Byelaws, Rules, Regulations and Circulars issued byDepositories
- (vii) Code of Conduct for Mutual Fund Advisor as per the requirement ofAMFI

1 Not applicable to the Company during the Audit Period
2 ibid
3 ibid
4 ibid
5 ibid
6 ibid
7 ibid
8 ibid

(viii) Guidelines for Operational Activities – to be followed by Point of Presence (PoP) issued by Pension Fund Regulatory and DevelopmentAuthority
(ix) Pension Fund Regulatory and Development Authority (Custodian of Securities) Regulations 2014
(x) Pension Fund Regulatory & Development Authority (Retirement Adviser) Regulations, 2016
(xi) IRDA (Registration of Corporate Agents) Regulations, 2015
(xii) Guidelines issued by RBI with respect to distribution of GOI Relief Bonds.
(xiii) Prevention of Money laundering Act, 2002

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with Stock Exchange(s)[9].

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleasts even days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes[10].

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

We further report that during the audit period, the company has not accomplished/encountered any specific events /actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

CS. Suresh Viswanathan
Designated Partner
UDIN: F004453C000728022
FCS: 4453
CP No :11745

Place: Mumbai
Date: : 04th August, 2021

[Note: This report is to be read with the list of Applicable Laws and our letter of even date which are attached as Annexure A and Annexure B respectively and form an integral part of this report].

ANNEXURE –"A"

To,
The Members

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for ouropinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of eventsetc.
6. The compliance with the provisions of Corporate and other applicable laws rules, regulations the responsibility of management, our examination was limited to the verification of procedures on test basis.

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9 Not applicable to the Company during the Audit Period

10 All resolutions were carried unanimously

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. Audit of the compliance with Other Laws has been undertaken based on scope of audit and the applicability of such Laws as as certained by the Company and informed to us.
9. We have relied on reports of Internal Audit, Regulatory Inspection/Audit to the extent made available to us and the observations, if any, contained in such reports shall hold good for the purpose of this auditreport.
10. We are informed that SEBI/Stock Exchanges/Depositories had conducted an inspection of the books of the Company during the financial year 2019-20 and their recommendations & observations have been complied by the Company.

CS. Suresh Viswanathan
Designated Partner
UDIN: F004453C000728022
FCS: 4453
CP No : 11745

Place: Mumbai
Date: : 04th August, 2021

ANNEXURE –"B"

The following laws have been taken into account to verify if that there are adequate systems and processes to monitor and ensure compliance with, in the Company, commensurate with the size and operations

No. Laws applicable to the Company

1. Companies Act 2013 and the applicable Rules there under
2. SEBI (Intermediaries) Regulations, 2008
3. SEBI (Depositories and Depositories Participants) Regulations, 2020
4. SEBI (Research Analysts) Regulations, 2014
5. SEBI (Custodian of Securities) Regulations 1996
6. SEBI (Prevention of Insider Trading) Regulations, 2020
7. SEBI (FPI) Regulation 2020
8. Byelaws, Rules, Regulations and Circulars issued by Stock Exchanges
9. Byelaws, Rules, Regulations and Circulars issued by Depositories
10. Code of Conduct for Mutual Fund Advisor as per the requirement ofAMFI
11. Guidelines for Operational Activities – to be followed by Point of Presence (PoP) issued by Pension Fund Regulatory and Development Authority
12. Pension Fund Regulatory and Development Authority (CustodianofSecurities) Regulations2014
13. Pension Fund Regulatory & Development Authority (Retirement Adviser) Regulations,2016
14. IRDA (Registration of Corporate Agents) Regulations,2015
15. Guidelines issued by RBI with respect to distribution of GOI Relief Bonds.
16. Prevention of Money laundering Act,2002
17. The Maternity Benefit Act,1961
18. The Payment of Bonus Act,1965
19. The Maharashtra Labour Welfare Fund Act,1953
20. Employee's Provident Fund & Miscellaneous Provisions Act, 1952
21. The Payment of Gratuity Act, 1972
22. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
23. The Maharashtra Security Guards Board (Regulation of Employment & Welfare) Act, 1981 & Maharashtra Security Agencies Regulation Act,2005
24. Employees' State Insurance Act,1948
25. The Shops and Establishments Act.

ADDENDUM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED MARCH 31, 2021

The preparation of financial statements of IFCI Limited for the year ended 31 March, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of IFCI Limited for the year ended 31 March, 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Profitability

A.1 Assets: Financial Assets Loans (Note 7) ₹6479.71 crore

Loan has been overstated and loss for the year has been understated by ₹415.88 crore as detailed below:

(i) Madhucon Infrastructure limited submitted One Time Settlement (OTS) in July, 2019 amounting to ₹70 crore on principal outstanding (₹165 crore). The Company worked out the maximum recoverable amount as ₹31.43 crore only, on the basis of securities available with it. Accordingly, the Company agreed (January 2020) for OTS of ₹70 crore. MIL failed to honour the OTS after payment of ₹10.50 crore and, therefore, the Company revoked the OTS (December 2020) and resumed legal action. However, it showed the entire principal of ₹154.50 crore as loan asset and created loss allowance at the rate of 57.59 per cent. MIL again offered (January 2021) OTS of ₹ 30 crore which was also not accepted by the Company. As the maximum recoverable amount from MIL is ₹31.43 crore only, the balance amount of ₹123.07 crore (₹154.50 crore - ₹31.43 crore) should have been written off.

Not writing off the balance amount of ₹123.07 crore has resulted in understatement of loss by ₹52.19 crore (after adjustment of impairment loss allowance of ₹70.88 crore) and overstatement of loan by same amount.

(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding amount of ₹135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹10.37 crore. However, IFCI has recognized ₹135.81 crore as principal instead of liquidation value. As the maximum recoverable amount is ₹10.37 crore only against the total outstanding of ₹135.81 crore, the balance amount of ₹125.44 crore (₹135.81 crore - ₹10.37 crore) should have been written off.

Not writing off the balance amount of ₹125.44 crore has resulted in understatement of loss by ₹53.20 crore (after adjustment of impairment loss allowance of ₹72.24 crore (57.59 per cent)) and overstatement of loan by same amount.

(iii) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 per cent) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹70.31 crore against the outstanding dues of ₹650.36 crore (Principal ₹383.50 crore and Interest ₹266.86 crore). Further as per Management understanding, an amount of ₹125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹4.40 crore (1.03 per cent of ₹427 crore). Thus the maximum recoverable from VIL worked out to ₹74.71 crore only (₹70.31 crore+ ₹4.40 crore) against the total outstanding amount of ₹650.36 crore, therefore balance amount of ₹575.65 crore (₹650.36 crore - ₹74.71 crore) should have been written off.

Not writing off the balance amount of ₹575.65 crore has resulted in understatement of loss by ₹ 244.13 crore (after adjustment of impairment loss allowance of ₹331.52 crore (57.59 per cent)) and overstatement of loan by same amount.

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

Not writing off the balance amount of ₹75.73 crore has resulted in understatement of loss by ₹32.12 crore (after adjustment of impairment loss allowance of ₹43.61 crore (57.59%)) and overstatement of loan by same amount.

(v) The Loan amount of ₹105.58 crore (Principal of ₹78.21 crore and Stage 3 interest income of ₹27.37 crore) has been recognized as receivable as on 31.03.2021 from Khed Sinnar Expressway Ltd (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. ILFS Group filed Resolution plan in NCLT and the same was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹63 crore. However, the other consortium lenders filed an appeal with Hon'ble Supreme Court to get higher recovery of amount than approved by NCLT. Even if the case in Supreme Court is decided in favour of consortium lenders, IFCI's recovery may increase to approximately ₹75 crore. As the maximum expected recovery is ₹75 crore, the balance amount of ₹30.58 crore (₹105.58- ₹75 crore) should have been written off.

Not writing off the balance amount of ₹30.58 crore has resulted in understatement of loss by ₹12.97 crore (after adjustment of impairment loss allowance of ₹17.61 crore (57.59 per cent)) and overstatement of loan by same amount.

(vi) A reference is invited to C&AG's Comment No. A.1 (iii) and Comment No. A1(v)(c) on the accounts of IFCI for the years 2018-19 and 2019-20, respectively, wherein it was pointed out that the Company's loan assets in respect of IL&FS Transportation Network Limited were overstated and loss understated due to recognition of entire outstanding (after loss allowance) as loan asset instead of writing off the entire outstanding not covered by security.

Despite it being pointed out, the Company did not write off the outstanding amount of ₹24.62 crore (₹33.75 crore- ₹9.13 crore) not covered by any security.

This has resulted in overstatement of loan by ₹10.44 crore (₹24.62 crore minus ₹14.18 crore towards impairment allowance) and loss for the year has been understated to the same extent.

(vii) The Company approached NCLT for recovery of outstanding amount of ₹45 crore from M/s KSK energy Ventures Ltd. Based on the three resolution plans received by KSK Energy Venture Ltd from its corporate debtor i.e VS Lignite Power Pvt. Limited, IFCI can receive a maximum of ₹15.75 crore. Further, ₹3.71 crore was also allocated to IFCI by liquidator from liquidation proceeds of KSK Energy Venture Ltd. Thus, the maximum amount recoverable from KSK Energy Venture Ltd. worked out to ₹19.46 crore. Accordingly, the balance amount of ₹25.54 crore (₹45 crore - ₹19.46 crore) should have been written off.

Not writing off the balance amount of ₹25.54 crore has resulted in understatement of loss by ₹10.83 crore (after adjustment of impairment loss allowance of ₹14.71 crore (57.59%)) and overstatement of loan by same amount.

(viii) Loan of ₹300 crore (Outstanding as on 31.03.2021 ₹135.05 crores) sanctioned to M/S RCOM Limited in October 2013 was declared as NPA on 31 March, 2018. Due to default by RCOM towards repayment of loan to IFCI and other lenders, SBI (one of the lenders) assigned forensic audit of RCOM to BDO Limited in May, 2019. Based on the finding of the BDO Limited submitted in October 2020, the lenders concluded that the borrowed funds were diverted by RCOM.

Misappropriation is one of the parameters to declare the account as fraud as per RBI circular. Thus, the account of RCOM was declared (December 2020) as fraud by many lenders including SBI. The Fraud Risk Management committee of IFCI also recommended (May 2021) to classify the loan given to RCOM as fraud.

However, Company has shown loan extended to RCOM as stage 3 loan and provided ECL on it @ 57.59% instead of treating the loan account as fraud account which resulted in non-compliance with RBI guidelines which stipulates that suitable disclosures with regard to number of frauds reported, amount involved in such frauds, quantum of provision made during the year and quantum of unamortised provision debited from 'other reserves' as at the end of the year shall be made.

A.2 Assets: Investment (Note 8) ₹2950.34 crore

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

However, in four case's[1] investment value was shown at ₹340.75 crore. This was based on Fair Valuation on 31 March, 2019 and 31 March, 2020 and not as on reporting date viz. 31 March, 2021.

B. Comments on Cash Flow Statement

B.1 Cash Flow from investing activities

Para 21 of Ind AS 7 "Statement of Cash Flow", suggests that "An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities". However, Audit observed the following deficiencies:

(a) An amount of ₹4.58 crore towards depreciation, which was to be reduced from Purchases of/Advance for property, plant and equipment (including Leased property) has , been incorrectly shown as proceeds from sale of Investment property under Investing activities in Cash Flow Statement. This has resulted in overstatement of sale of investment property and understatement of Purchase of Advance for property, plant and equipment (including Leased property) by ₹4.58 crore.

(b) Impairment Loss in investment in subsidiaries amounting to ₹11.34 crore has been incorrectly shown as 'Investment in subsidiaries' depicting sale of investment under Investing activities in Cash Flow statement. This has resulted in overstatement of cash flow from Investing activities and understatement of cash flow from operating activities by ₹11.34 crores.

(c) The company has a policy for profit from Sale of Shares/securities to be reported under the head Capital Gains and accordingly income from two GL Heads (57012004 & 82015013) have been reported under Income from Capital gains in Income Tax Return (to be filed). However, the company has reported an income of (-) ₹101.73 crore from the above said GL heads under Operating Activities instead of showing under Investing activities. This has resulted in understatement of Cash Flow from Operating Activity and overstatement of cash flow from Investing Activity by ₹101.73 crore.

C Comments on Disclosure

C.1 Accounting Policies and Notes to Accounts

(a) The company has changed the criteria estimation for computation of Probability of Default (PD) by taking 07 years rating migration instead of 5 years. However, the Company neither disclosed this fact in the financial statements nor quantified its impact as required under para 39 of Ind AS 8.

1 Coastal Energen Private Limited (31 March, 2019), Gujarat State Energy Generation Ltd. (31 March, 2020) Gujarat State Petroleum Corporation (31 March, 2020) and HPCL Mittal Energy Ltd (31 March, 2019)

(b) In FY 2019-20, company gave a shock of 15% to GDP in the model for calculation of PD and adopted ECL at worst case scenario of (-)15% of GDP, due to unascertainable impact of covid. Whereas, during the year 2020-21, company gave a shock of 10% to GDP in the model for calculation of PD and adopted ECL on weighted average of base/best/worst scenario at + (-)10% of GDP.

However, the Company neither disclosed this fact in the financial statements nor quantified the overall impact of ₹47.18 crore as required under para 39 of Ind AS 8.

C.2 Accounting policy No 6 (a) (i) of the financial statements stipulates that the Company has changed its Accounting Policy whereby income on stage 3 assets shall not be recognized in books of accounts with effect from 1 April, 2021.

However, as per para no. 5.4.l(b) and 5.4.2 of the Ind AS 109, Company shall recognize income on credit impaired financial assets. Thus, the accounting policy framed by the Company does not comply with the provisions of Ind AS 109.

C.3 Reference is invited to the Note No. 40 of the financial statements which states "that the Company has derecognized stage 3 income on cases categorized as C3 & D as per Income Recognition and Asset Classification norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to profit & loss account. Thus, the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹ 1447.08 crore".

However, the Company has written off stage 3 income of ₹2535.84 crore on cases categorized as C3 & D during the entire year 2020-21. The amount of ₹1447.08 crore (disclosed in above said note) pertains only to the amount written off during the fourth quarter of the FY2020-21. Besides above amount, de-recognition of stage 3 income was done on some fraud and NCLT cases also for which no disclosure has been made in the Notes to accounts.

Hence, Notes to accounts of the financial statements are deficient to that extent.

D. Comment on Independent Auditor's Report

D.1 Independent Auditor's Report dated 28 June 2021

Reference is invited to Annexure-A of Independent Auditors Report which pertains to the regulatory requirement under Companies (Auditor's Report) Order, 2016 (CARO).

Audit observed the following discrepancies:

1. In point no. (vii) (b) following discrepancies were noticed:
   - A disputed case of penalty (₹1.23 crore) pertaining to assessment year 2015-16 is pending in CIT (A) instead of ITAT, New Delhi.
   - In case of Income tax demand for assessment year 2016-17, disputed amount is ₹43.40 crore instead of ₹2.61 crore.
2. In point no. (xiv), it has been stated that company has allotted 20 crores number of equity shares @ ₹10 each to the President of India (Govt. of India) on preferential basis on May 21,2020. However, report is silent about the compliance of section 42 of the Companies Act, 2013 and whether the amount raised has been used for the purposes for which the funds were raised.
3. In point no. (i) (b), Auditor has pointed out that the management has carried out the physical verification of fixed assets during the year and according to the information and explanations given to them, no material discrepancies were noticed on such verification. However, no record was available for the physical verification conducted during the year prior to date of signing of the financial statements.

   Hence, Independent Auditors' report is deficient to that extent.

D.2 Independent Auditors in Point no. 3 under Emphasis of Matter para has stated that loss for the year is higher by ₹613.71 crore due to change in accounting policy towards de-recognition of income on certain stage-3 assets. However, the change in accounting policy was not for the year 2020-21. Infact, loss of the company for the year is higher by ₹1180.36 crore due to write off of stage 3 income on certain cases categorized as C3 & D except in cases where there is adequate security. Hence Independent Auditors' report is deficient to that extent.

D.3 Company has written off an interest income (Stage 3 Income) of ₹3038.03 crore during the year whereas Independent Auditor in SI. No. 02 of Part-A - Directions (Annexure B) mentioned that the Company has written off an interest income (Stage 3 Income) of ₹ 1424.07 Crore. Hence Independent Auditors' report is deficient to that extent.

D.4 Independent Auditor in SI. No. 1 of Part B- Sub Direction (Annexure B) mentioned that as per Management, shares of 94 companies either in Demat or Physical form, with some exception, have been transferred by the company in the past and the beneficiaries did not get these shares transferred owning to various reasons. However, no documents showing transfer of shares by the Company is available with the Company.

Hence, Independent Auditors' report is deficient to that extent.

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

(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 13.10.2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IFCI LIMITED FOR THE YEAR ENDED MARCH 31, 2021

The preparation of consolidated financial statements of IFCI Limited for the year ended 31 March, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of IFCI Limited for the year ended 31 March, 2021 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of IFCI Limited (the Company) and subsidiaries as mentioned in Annexure-A, but did not conduct supplementary audit of MPCON Limited (the subsidiary) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Consolidated Profitability

A.1 Assets: Financial Assets Loan (Note No. 7) ₹6840.83 crore

Loan has been overstated and loss for the year has been understated by ₹ 415.88 crore as detailed below:

(i) Madhucon Infrastructure limited submitted One Time Settlement (OTS) in July, 2019 amounting to ₹70 crore on principal outstanding (₹165 crore). The Company worked out the maximum recoverable amount as ₹31.43 crore only, on the basis of securities available with it. Accordingly, the Company agreed (January 2020) for OTS of ₹70 crore. MIL failed to honour the OTS after payment of ₹10.50 crore and, therefore, the Company revoked the OTS (December 2020) and resumed legal action. However, it showed the entire principal of ₹154.50 crore as loan asset and created loss allowance at the rate of 57.59 per cent. MIL again offered OTS of ₹30 crore which was also not accepted by the Company. As the maximum recoverable amount from MIL is ₹31.43 crore only, the balance amount of ₹123.07 crore (₹154.50 crore - ₹31.43 crore) should have been written off.

Not writing off the balance amount of ₹123.07 crore has resulted in understatement of loss by ₹52.19 crore (after adjustment of impairment loss allowance of ₹70.88 crore) and overstatement of loan by same amount.

(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding amount of ₹135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹10.37 crore. However, IFCI has recognized ₹135.81 crore as principal instead of liquidation value. As the maximum recoverable amount is ₹10.37 crore only against the total outstanding of ₹135.81 crore, the balance amount of ₹125.44 crore (₹135.81 crore - ₹10.37 crore) should have been written off.

Not writing off the balance amount of ₹125.44 crore has resulted in understatement of loss by ₹53.20 crore (after adjustment of impairment loss allowance of ₹72.24 crore (57.59 per cent)) and overstatement of loan by same amount.

(iii) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 per cent) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹70.31 crore against the outstanding dues of ₹650.36 crore (Principal ₹383.50 crore and Interest ₹266.86 crore). Further as per Management understanding, an amount of ₹125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹4.40 crore (1.03 per cent of ₹427 crore). Thus the maximum recoverable from VIL worked out to ₹74.71 crore only (₹70.31 crore+ ₹4.40 crore) against the total outstanding amount of ₹650.36 crore, therefore balance amount of ₹575.65 crore (₹650.36 crore - ₹74.71 crore) should have been written off.

Not writing off the balance amount of ₹575.65 crore has resulted in understatement of loss by ₹244.13 crore (after adjustment of impairment loss allowance of ₹331.52 crore (57.59 per cent)) and overstatement of loan by same amount.

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

Not writing off the balance amount of ₹75.73 crore has resulted in understatement of loss by ₹32.12 crore (after adjustment of impairment loss allowance of ₹43.61 crore (57.59 per cent)) and overstatement of loan by same amount.

(v) The Loan amount of ₹105.58 crore (Principal of ₹78.21 crore and Stage 3 interest income of ₹27.37 crore) has been recognized as receivable as on 31.03.2021 from Khed Sinnar Expressway Ltd (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. ILFS Group filed Resolution plan in NCLT and the same was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹63 crore. However, the other consortium lenders filed an appeal with Hon'ble Supreme Court to get higher recovery of amount than approved by NCLT. Even if the case in Supreme Court is decided in favour of consortium lenders, IFCI's recovery may increase to approximately ₹75 crore. As the maximum expected recovery is ₹75 crore, the balance amount of ₹30.58 crore (₹105.58 crore-₹75 crore) should have been written off.

Not writing off the balance amount of ₹30.58 crore has resulted in understatement of loss by ₹12.97 crore (after adjustment of impairment loss allowance of ₹17.61 crore (57.59 per cent)) and overstatement of loan by same amount.

(vi) A reference is invited to C&AG's Comment No. A.1 (iii) and Comment No. A1(v)(c) on the accounts of IFCI for the years 2018-19 and 2019-20, respectively, wherein it was pointed out that the Company's loan assets in respect of IL&FS Transportation Network Limited were overstated and loss understated due to recognition of entire outstanding (after loss allowance) as loan asset instead of writing off the entire outstanding not covered by security.

Despite being pointed out, the Company did not write off the outstanding amount of ₹24.62 crore (₹33.75 crore- ₹9.13 crore) not covered by any security.

This has resulted in overstatement of loan by ₹10.44 crore (₹24.62 crore minus ₹14.18 crore) and loss for the year has been understated to the same extent.

(vii) The Company approached NCLT for recovery of outstanding amount of ₹45 crore from MIS KSK energy Ventures Ltd. Based on the three resolution plans received by KSK Energy Venture Ltd from its corporate debtor i.e VS Lignite Power Pvt. Limited, IFCI can receive a maximum of ₹15.75 crore. Further, ₹3.71 crore was also allocated to IFCI by liquidator from liquidation proceeds of KSK Energy Venture Ltd. Thus, the maximum amount recoverable from KSK Energy Venture Ltd. worked out to ₹19.46 crore. Accordingly, the balance amount of ₹25.54 crore (₹45 crore - ₹19.46 crore) should have been written off.

Not writing off the balance amount of ₹25.54 crore has resulted in understatement of loss by ₹10.83 crore [after adjustment of impairment loss allowance of ₹14.71 crore (57.59%)] and overstatement of loan by same amount.

(viii) Loan of ₹300 crore (Outstanding as on 31.03.2021 ₹135.05 crores) sanctioned to M/s RCOM Limited in October 2013 was declared as NPA on 31 March, 2018. Due to default by RCOM towards repayment of loan to IFCI and other lenders, SBI (one of the lenders) assigned forensic audit of RCOM to BDO Limited in May, 2019. Based on the finding of the BDO Limited submitted in October 2020, the lenders concluded that the borrowed funds were diverted by RCOM.

Misappropriation is one of the parameters to declare the account as fraud as per RBI circular. Thus, the account of RCOM was declared (December 2020) as fraud by many lenders including SBI. The Fraud Risk Management committee of IFCI also recommended (May 2021) to classify the loan given to RCOM as fraud.

However, Company has shown loan extended to RCOM as stage 3 loan and provided ECL on it @ 57.59 per cent instead of treating the loan account as fraud account which resulted in non-compliance with RBI guidelines which stipulates that suitable disclosures with regard to number of frauds reported, amount involved in such frauds, quantum of provision made during the year and quantum of unamortised provision debited from 'other reserves' as at the end of the year shall be made.

A.2 Assets

Investment (Note 8) ₹5504.10 crore

A reference is invited to the Note No. 55 of Notes to Accounts which stipulates that, "The respective operational departments perform the valuation of financia1 assets and liabilities required for financial reporting purposes, either externally or internally for every quarterly reporting period.

However, in four cases[1] investment value was shown at ₹340.75 crore. This was based on Fair Valuation on 31 March, 2019 and 31 March, 2020 and not as on reporting date viz. 31 March, 2021.

B. Comments on Consolidated Cash Flow Statement

B.1 Cash Flow from investing activities

Para 21 of Ind AS 7 "Statement of Cash Flow", suggests that "An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities". However, Audit observed the following deficiencies:

(a) An amount of ₹4.58 crore on account of Purchase of / Advance for property, plant and equipment (including Leased property) has been incorrectly shown as proceeds from sale of Investment property under Investing activities in Cash Flow Statement. This has resulted in overstatement of sale of investment property and understatement of Purchase of Advance for property, plant and equipment (including Leased property) by ₹4.58 crore.

(b) The company has a policy for Sale of Shares/ securities to be reported under the head Capital Gains and accordingly income from two GL Heads (57012004 & 82015013) have been reported under Income from Capital gains in Income Tax Return (to be filed). However, the company has reported an income of (-) ₹101.73 crore from the above said GL heads under Operating Activities instead of showing under Investing activities. This has resulted in understatement of Cash Flow from Operating Activity and overstatement of cash flow from Investing Activity by ₹101.73 crore.

C. Comments on Disclosure

C.1 Accounting Policies and Notes to Accounts

(a) The company has changed the criteria/estimation for computation of Probability of Default (PD) by taking 07 years rating migration instead of 5 years. However, the Company neither disclosed this fact in the financial statements nor quantified its impact as required under para 39 of Ind AS 8.

1 Coastal Energen Private Limited (31 March, 2019), Gujarat State Energy Generation Ltd. (31 March, 2020) Gujarat State Petroleum Corporation (31 March, 2020) and HPCL Mittal Energy Ltd (31 March, 2019)

(b) In FY 2019-20, company gave a shock of 15% to GDP in the model for calculation of PD and adopted ECL at worst case scenario of (-)15% of GDP, due to unascertainable impact of covid. Whereas, during the year 2020-21, company gave a shock of 10% to GDP in the model for calculation of PD and adopted ECL on weighted average of base/best/worst scenario at + (-)10% of GDP.

However, the Company neither disclosed this fact in the financial statements nor quantified the overall impact of ₹47.18 crore as required under para 39 of Ind AS 8.

C.2 Accounting policy No 2(F) (a) (i) of the consolidated financial statements of the Company inter alia stipulates, that during FY21 the company has derecognized income on certain stage 3 Assets. However, no such accounting policy was noticed in standalone financial statements of IFCI Limited or in financial statements of any of its subsidiaries. Hence, the significant accounting policy of consolidated financial statements of the company is not in line with the financial statements of IFCI Limited or any of its subsidiaries.

C.3 Accounting policy No 2(F) (a) (i) of the Consolidated financial statements stipulates that the Company has changed its Accounting Policy whereby income on stage 3 assets shall not be recognized in books of accounts with effect from 1 April, 2021.

However, as per para no. 5.4.l(b) and 5.4.2 of the Ind AS 109, Company shall recognize income on credit impaired financial assets. Thus, the accounting policy framed by the Company does not comply with the provisions of Ind AS 109.

C.4 Reference is invited to the Note no. 39 (iv) of the Consolidated financial statements which states "that the Company has derecognized stage 3 income on cases categorized as C3 & D as per Income Recognition and Asset Classification norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to profit & loss account. Thus the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹1447.08 crore".

However, the Company has written off stage 3 income of ₹2535.84 crore on cases categorized as C3 & D during the entire year 2020-21. The amount of ₹1447.08 crore (disclosed in above said note) pertains only to the amount written off during the fourth quarter of the FY 2020-21. Further, no disclosure regarding de-recognition of stage 3 income on fraud cases (₹502.80 crore) & NCLT cases (₹455.30 crore) has been made in the Notes to accounts.

Hence, Notes to accounts of the financial statements are deficient to that extent.

D. Comment on Independent Auditor's Report

Independent Auditor's Report dated 28 June, 2021

D.1 Independent Auditors in Point No. A. 3 under Emphasis of Matter para has stated that loss for the year is higher by ₹613.71 crore due to change in accounting policy towards de-recognition of income on certain stage-3 assets. However, the change in accounting policy was not for the year 2020-21. Infact, loss of the company for the year is higher by ₹1180.36 crore due to write off of stage 3 income on certain cases categorized as C3 & D except in cases where there is adequate security. Hence Independent Auditors' report is deficient to that extent.

D.2 Company has written off an interest income (Stage 3 Income) of ₹3038.03 crore during the year whereas Independent Auditor in SI. No. 02 of Part-A - Directions (Annexure A) mentioned that the Company has written off an interest income (Stage 3 Income) of ₹1424.07 Crore. Hence Independent Auditors' report is deficient to that extent.

D.3 Independent Auditor in SI. No. 1 of Part B- Sub Direction (Annexure A) mentioned that as per Management, shares of 94 companies either in Demat or Physical form, with some exception, have been transferred by the company in the past and the beneficiaries did not get these shares transferred owning to various reasons. However, no documents showing transfer of shares by the Company is available with the Company.

Hence, Independent Auditors' report is deficient to that extent.

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

(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 18.10.2021

ANNEXURE A:

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

SI. No.	Name of the Joint Venture/Subsidiary	Type of the Company
I.	IFCI Venture Capital Funds Limited	Subsidiary
2.	IFCI Factors Limited	Subsidiary
3.	IFCI Infrastructure Development Limited	Subsidiary
4.	Stock Holding Corporation of India Limited	Subsidiary
5.	IFCI Financial Services Limited	Subsidiary

CONSOLIDATED IFCI'S COMMENTS ON CAG SUPPLEMENTARY AUDIT OBSERVATIONS ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS CONDUCTED FOR FINANCIAL YEAR 2020-21

CAG Observations	IFCI Management Comments
A. Comments on Consolidated Profitability **A.1 Assets** **Financial Assets Loan (Note No. 7) ₹6840.83 crore** Loan has been overstated and loss for the year has been understated by ₹415.88 crore as detailed below: (i) Madhucon Infrastructure limited submitted One Time Settlement (OTS) in July 2019 amounting to ₹70 crore on principal outstanding (₹165 crore). The Company worked out the maximum recoverable amount as ₹31.43 crore only, on the basis of securities available with it. Accordingly, the Company agreed (January 2020) for OTS of ₹70 crore. MIL failed to honour the OTS after payment of ₹10.50 crore and, therefore, the Company revoked the OTS (December 2020) and resumed legal action. However, it showed the entire principal of ₹154.50 crore as loan asset and created loss allowance at the rate of 57.59 per cent. MIL again offered OTS of ₹30 crore which was also not accepted by the Company. As the maximum recoverable amount from MIL is ₹31.43 crore only, the balance amount of ₹123.07 crore (₹154.50 crore - ₹31.43 crore) should have been written off. Not writing off the balance amount of ₹123.07 crore has resulted in understatement of loss by ₹52.19 crore (after adjustment of impairment loss allowance of ₹70.88 crore) and overstatement of loan by same amount.	**(i) Madhucon Infrastructure Ltd. (MIL)** OTS of ₹70.00 crore was approved by IFCI out of which only ₹10.50 crore was paid by MIL. Since the borrower did not honour the full OTS commitment, the OTS was revoked vide letter dated 31st December, 2020.MIL has again approached IFCI with a revised OTS offer for which negotiations are in progress.In the OTS cases, the write-off of balance non-recoverable amount is done after receipt of entire OTS amount.
(ii) On approaching the National Company Law Tribunal (NCLT) for recovery of outstanding amount of ₹135.81 crore towards loan given to Gran Electronics Private Limited (GEPL), NCLT ordered (February 2021) liquidation process. Accordingly, the liquidation value was assessed to be ₹10.37 crore. However, IFCI has recognized ₹135.81 crore as principal instead of liquidation value. As the maximum recoverable amount is ₹10.37 crore only against the total outstanding of ₹135.81 crore, the balance amount of ₹125.44 crore (₹135.81 crore - ₹10.37 crore) should have been written off. Not writing off the balance amount of ₹125.44 crore has resulted in understatement of loss by ₹53.20 crore (after adjustment of impairment loss allowance of ₹72.24 crore (57.59 per cent)) and overstatement of loan by same amount.	**(ii) Gran Electronics Private Limited (GEPL)** Gran Electronics Pvt Ltd (GEPL) is a group company of Videocon Industries Ltd. (VIL). Loan to GEPL was part secured by exclusive mortgage of land at Shahjahanpur – which was mortgaged by VIL. VIL is undergoing CIRP under IBC. The Resolution Plan submitted by Twin Star Technologies Limited (A Vedanta Group Company) along with the Distribution Mechanism so worked out to accommodate the Creditors (IDBI Bank and IFCI) with exclusive security was approved by 98.17% of the COC. IFCI had dissented to all the Resolutions Plans including the above. IFCI's voting share in COC is 1.03%. Accordingly, it was held by the H'ble NCLT to pay the dissenting creditor i.e IFCI an amount of ₹70.31 crores, through upfront payment in cash. However, due to difference in calculation of liquidation value to the dissenting Financial Creditor and envisaged haircut of 90-96% for financial creditors, IFCI filed an appeal before NCLAT for a stay in the execution of the above resolution plan. The NCLAT on the appeal of IFCI, has stayed the implementation/approval of resolution plan. Hence, the amount recoverable for IFCI has not been crystallised. Moreover, the recovery amount, in future, will also include consideration towards the aforesaid mortgaged land in the case of GEPL and thereby to be adjusted in the loan account of GEPL. For the cases getting resolved under a Resolution Plan approved by NCLT, the write-off of balance non-recoverable amount is done after receipt of entire amount as envisaged under the Resolution Plan approved by NCLT.
(iii) As per the NCLT decision and Resolution plan, IFCI's claim (1.03 per cent) from Videocon Industries Limited (VIL) was restricted to the maximum of ₹70.31 crore against the outstanding dues of ₹650.36 crore (Principal ₹383.50 crore and Interest ₹266.86 crore). Further as per Management understanding, an amount of ₹125 crore in the form of Fixed Deposits was not considered for distribution among the creditors and an amount of ₹302 crore was misclassified under 'unsecured claims instead of secured claims'. Considering the same in favour of the Company, the maximum additional recovery worked out to ₹4.40 crore (1.03 per cent of ₹427 crore). Thus the maximum recoverable from VIL worked out to ₹74.71 crore only (₹70.31 crore+ ₹4.40 crore) against the total outstanding amount of ₹650.36 crore, therefore balance amount of ₹575.65 crore (₹650.36 crore - ₹74.71 crore) should have been written off. Not writing off the balance amount of ₹575.65 crore has resulted in understatement of loss by ₹244.13 crore (after adjustment of impairment loss allowance of ₹331.52 crore (57.59 per cent)) and overstatement of loan by same amount.	**(iii) Videocon Industries Limited (VIL)** At the 19th meeting of the Committee of Creditors (COC), the Resolution Plan submitted by Twin Star Technologies Limited (A Vedanta Group Company) along with the Distribution Mechanism so worked out to accommodate the Creditors (IDBI Bank and IFCI) with exclusive security was approved by 98.17% of the COC. IFCI had dissented to all the Resolutions Plans including the above. IFCI's voting share in COC is 1.03%. Accordingly, it was held by the H'ble NCLT to pay the dissenting creditor i.e IFCI an amount of ₹70.31 crores, through upfront payment in cash. However, due to difference in calculation of liquidation value to the dissenting Financial Creditor and envisaged haircut of 90-96% for financial creditors, IFCI filed an appeal before NCLAT for a stay in the execution of the above resolution plan. The NCLAT on the appeal of IFCI, has stayed the implementation/approval of resolution plan. Hence, the amount recoverable for IFCI has not been crystallised. For the cases getting resolved under a Resolution Plan approved by NCLT, the write-off of balance non-recoverable amount is done after receipt of entire amount as envisaged under the Resolution Plan approved by NCLT. However, the stage 3 Income of ₹266.86 crore has already been written off in quarterended 30th June, 2021.

CAG Observations	IFCI Management Comments
(iv) The resolution plan in respect of loan amount of ₹75.90 crore to C & C Projects Limited lapsed and matter went into liquidation. The liquidation value worked out to ₹234 crore and IFCI's share in case of liquidation was only ₹0.17 crore. However, IFCI has recognized entire loan amount of ₹75.90 crore as principal instead of company's share in liquidation value. As the maximum recoverable is only ₹0.17 crore against the total outstanding of ₹75.90 crore, the balance amount of ₹75.73 crore (₹75.90 crore - ₹0.17 crore) should have been written off. Not writing off the balance amount of ₹75.73 crore has resulted in understatement of loss by ₹32.12 crore (after adjustment of impairment loss allowance of ₹43.61 crore (57.59 per cent) and overstatement of loan by same amount.	**(iv) C & C Projects Limited** A provision of ₹66.93 crore (as per RBI IRAC norms) is already made in the account, as on 31st March, 2021. However, the write off has not been done in the account as the resolution amount has not been crystallised pending decision on resolution/liquidation of flagship company. For the cases getting resolved or liquidated under NCLT, the write-off of balance non-recoverable amount is done after receipt of entire amount as envisaged under the Resolution Plan approved by NCLT or as received from liquidation of the borrower.
(v) The Loan amount of ₹105.58 crore (Principal of ₹78.21 crore and Stage 3 interest income of ₹27.37 crore) has been recognized as receivable as on 31st March 2021 from Khed Sinnar Expressway Ltd (KSEL), an SPV constituted under the IL&FS group to implement the National Highway Authority of India (NHAI) project. The project was terminated by NHAI. ILFS Group filed Resolution plan in NCLT and the same was approved in March 2020. As per the approved resolution plan, IFCI's share worked out to ₹63 crore. However, the other consortium lenders filed an appeal with Hon'ble Supreme Court to get higher recovery of amount than approved by NCLT. Even if the case in Supreme Court is decided in favour of consortium lenders, IFCI's recovery may increase to approximately ₹75 crore. As the maximum expected recovery is ₹75 crore, the balance amount of ₹30.58 crore (₹105.58- ₹75 crore) should have been written off. Not writing off the balance amount of ₹30.58 crore has resulted in understatement of loss by ₹12.97 crore (after adjustment of impairment loss allowance of ₹17.61 crore (57.59 per cent) and overstatement of loan by same amount.	**(v) KhedSinnar Expressway Ltd (KSEL)** As on 31st March, 2021, a provision of ₹34.77 crore (as per RBI IRAC norms) is maintained towards the account. However, the write off has not been done in the loan account as the resolution amount is not yet realised by IFCI. For the cases getting resolved under a Resolution Plan approved by NCLT, the write-off of balance non-recoverable amount is done after receipt of entire amount as envisaged under the Resolution Plan approved by NCLT.
(vi) A reference is invited to CAG's Comment No. A.1 (iii) and Comment No. A1(v)(c) on the accounts of IFCI for the years 2018-19 and 2019-20, respectively, wherein it was pointed out that the Company's loan assets in respect of IL&FS Transportation Network Limited were overstated and loss understated due to recognition of entire outstanding (after loss allowance) as loan asset instead of writing off the entire outstanding not covered by security. Despite being pointed out, the Company did not write off the outstanding amount of ₹24.62 crore (₹33.75 crore- ₹9.13 crore) not covered by any security. This has resulted in overstatement of loan by ₹10.44 crore (₹24.62 crore minus ₹14.18 crore) and loss for the year has been understated to the same extent.	**(vi) IL&FS Transportation Network Limited** IL&FS and its group companies (including ITNL and its subsidiaries) are being resolved under supervision of GOI nominated board appointed by NCLT by its order dt. 01/10/2018. The New Board, in conjunction with its advisors, had decided to proceed with the sale process for the 5 assets where the H1 was higher/ within 10% of the average FMV subject to receipt of relevant approvals as per the Resolution Framework. For the balance road assets, setting up an infrastructure investment trust ("In VIT") under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("Inv IT Regulations") and other relevant regulations of Securities and Exchange Board of India was considered to be the preferred option to aid potentially higher value realisation. The proposed InvIT structure has been divided into three phases and Hon'ble NCLT, on July 27, 2021 has approved transfer of the Phase I SPVs to the InvIT. Now, the receipt of approvals from Concessioning authorities, approval from the respective Phase I SPV lenders and NHAI are awaited. The amount claimed and admitted in case of IFCI is ₹35.70 crore, which is 0.18% of the total claims. IFCI in various meeting has taken up the matter with regard to lack of clarity on distribution mechanism of cash and units in the INVIT structure and non-availability of lender-wise distribution not being available. Since the data on lender-wise distribution along with the amount expected to be recovered with timelines was yet to be submitted to the CoC, a decision on write off of the unsecured portion of the loan would have been taken up based on the progress of the resolution plan.
(vii) The Company approached NCLT for recovery of outstanding amount of ₹45 crore from M/S KSK energy Ventures Ltd. (KEVL). Based on the three resolution plans received by KSK Energy Venture Ltd from its corporate debtor i.e. VS Lignite Power Pvt. Limited, IFCI can receive a maximum of ₹15.75 crore. Further, ₹3.71 crore was also allocated to IFCI by liquidator from liquidation proceeds of KSK Energy Venture Ltd. Thus, the maximum amount recoverable from KSK Energy Venture Ltd. worked out to ₹19.46 crore. Accordingly, the balance amount of ₹25.54 crore (₹45 crore - ₹19.46 crore) should have been written off. Not writing off the balance amount of ₹25.54 crore has resulted in understatement of loss by ₹10.83 crore (after adjustment of impairment loss allowance of ₹14.71 crore (57.59%)) and overstatement of loan by same amount.	**(vii) M/S KSK energy Ventures Ltd.** The principal outstanding in the account of KSK Energy Ventures Limited was ₹45 crore, as on 31st March, 2021. As per the Resolution Plan in CIRP of VS Lignite Power Private Ltd (Corporate Guarantor of KSK Energy Ventures Ltd), which got approved by NCLT on 16th March, 2021, IFCI shall receive an amount of ₹15.75 crore over a period of 5 years. Besides the above, IFCI had also filed its claim under liquidation of KSK Energy Ventures Limited, which was under progress, so total recoverable amount could not be crystallised as on 31st March, 2021. The provision held in the account as on 31st March, 2021 was ₹33.98 crore, which is higher than the balance amount of ₹29.25 crore. For the cases getting resolved under a Resolution Plan approved by NCLT, the write-off of balance non-recoverable amount is done after receipt of entire amount as envisaged under the Resolution Plan approved by NCLT.

CAG Observations	IFCI Management Comments
(viii) Loan of ₹300 crore (Outstanding as on 31st March 2021 ₹135.05 crores) sanctioned to M/s RCOM Limited in October, 2013 was declared as NPA on 31 March, 2018. Due to default by RCOM towards repayment of loan to IFCI and other lenders, SBI (one of the lenders) assigned forensic audit of RCOM to BDO Limited in May, 2019. Based on the finding of the BDO Limited submitted in October 2020, the lenders concluded that the borrowed funds were diverted by RCOM. Misappropriation is one of the parameters to declare the account as fraud as per RBI circular. Thus, the account of RCOM was declared (December 2020) as fraud by many lenders including SBI. The Fraud Risk Management committee of IFCI also recommended (May 2021) to classify the loan given to RCOM as fraud. However, Company has shown loan extended to RCOM as stage 3 loan and provided ECL on it @ 57.59 per cent instead of treating the loan account as fraud account which resulted in non-compliance with RBI guidelines which stipulates that suitable disclosures with regard to number of frauds reported, amount involved in such frauds, quantum of provision made during the year and quantum of unamortised provision debited from 'other reserves' as at the end of the year shall be made.	**(viii) M/s RCOM Limited** As per the fraud declared in the account by other lenders, the Competent Authority at IFCI also accorded approval for declaring the account as Fraud on 15th July, 2021, based on the observations of the Forensic Audit Report carried out by M/s BDO India LLP and the recommendations of FRMC at its meeting held on 04th May, 2021. Subsequently, the account was reported as fraud to RBI on 04th August, 2021. Accordingly, 100% provision would be made in the account in the current quarter i.e. July-September 2021. Accordingly, ECL @100% has been provided against loan extended to RCOM in the period ended 30th September, 2021.
A.2 Assets **Investment (Note 8) ₹5504.10 crore** A reference is invited to the Standalone Note No 52 (B) [Consolidated Note No. 55] of Notes to Accounts which stipulates that, "The respective operational departments perform the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quarterly reporting period. However, in four cases[1] investment value was shown at ₹340.75 crore. This was based on Fair Valuation on 31st March, 2019 and 31 March, 2020 and not as on reporting date viz. 31st March, 2021.	In case of Coastal Energen Pvt Ltd. (CEPL), the value of the investment in shares was on the basis of the valuation report dated April 2019, which provided the equity valuation as ₹10.28 per share. In CEPL, the promoters were proposing for a settlement, which involved payment towards 85% of the equity to be paid at ₹10 per share and the balance 15% may continue to be held by the lenders, including IFCI. Company has since paid, approximately ₹72 crore towards the settlement and is seeking further time to pay the balance amount in view of the Covid pandemic. In case the company is not able to make payments within timelines, a view will be taken on the valuation of shares being held by IFCI. The Fair Value in r/o Gujarat State Energy Generation ltd (GSEG) based on the audited Balance Sheet as on 31/03/2020 was ₹10.94 per share. As per the Audited financials of FY 2020-21, total equity of the company as on 31/03/2021 is ₹651.72 crore. Total no. of shares being 50.72 crore as on 31/03/2021, the Book Value per share works out to ₹12.85 per share for GSEG. Therefore, the valuation has been taken by IFCI on conservative basis in its books. In the case of Gujarat State Petroleum Corporation (GSPC), the Fair Value of ₹8.61 per share, was based on GSPC's letter dated 31/03/2020 regarding exit option to Equity investors. Meanwhile, GSPC has forwarded Valuation Report dated 12/04/2021 conducted by Kiran Kumar Patel, an IBBI registered valuer, according to which the value of equity shares of M/s. Gujarat State Petroleum Corporation stands at ₹9.87 per equity share as on 31/03/2021. Therefore, the valuation has been taken by IFCI on conservative basis in its books. In the case of HPCL Mittal Energy Ltd (HMEL), the Credit Operations Committee in its meeting held on 04th August, 2020, had given its go ahead to accept Fair Market Value (FMV) of ₹26.96/- per share of HMEL. Further in COC meeting held on 04th September, 2020, the Committee was informed that a letter was accordingly issued to HMEL and promoters (HPCL/MEIP) on 19th August, 2020, advising them to take the process forward for sale of IFCI's equity stake in HMEL at Fair Market Value of ₹26.96/- per share as per terms of clause 10 of Share Subscription Agreement (SSA). However, HMEL did not accept the valuation and said that in view of the overall slowdown in the economy, the price did not reflect the true value of the equity. Moreover they also informed that HMEL is in the process of setting up a petrochemical plant, which is expected to add further value to the HMEL. The petrochemical plant is expected to be completed by the HMEL by end of FY 2021-22. Accordingly, next valuation is proposed to be carried out by IFCI before commencement of divestment process. In the meanwhile, the earlier valuation of ₹26.96/- as accepted by Credit Operations Committee is being considered for balance sheet purpose. Moreover on account of Covid pandemic the valuation exercise of investment in these four cases could not be carried out in FY21 and the same will be carried out in current FY.

1 Coastal Energen Private Limited (31st March 2019), Gujarat State Energy Generation ltd. (31st March 2020) Gujarat State Petroleum Corporation (31st March 2020) and HPCL Mittal Energy Ltd (31st March 2019)

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

B. Comments on Consolidated Cash Flow Statement

B.1 Cash Flow from investing activities

Para 21 of Ind AS 7 "Statement of Cash Flow", suggests that "An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities". However, Audit observed the following deficiencies:

(a) An amount of ₹4.58 crore on account of Purchase of / Advance for property, plant and equipment (including Leased property) has been incorrectly shown as proceeds from sale of Investment property under Investing activities in Cash Flow Statement. This has resulted in overstatement of sale of investment property and understatement of Purchase of /Advance for property, plant and equipment (including Leased property) by ₹4.58 crore.

</td><td>

(a) The amount of ₹4.58 crore is depreciation which has been inadvertently shown as "Proceeds from sale of investment property". The regrouping has been rectified in annual reportas under: -

Existing disclosure (Amount in crore)

<table>
<tr><td>Purchase of / Advance for property, plant and equipments (including Leased property)</td><td>(82.84)</td></tr>
<tr><td>Proceeds from sale of investment property</td><td>4.58</td></tr>
</table>

Revised disclosure (Amount in crore)

<table>
<tr><td>Purchase of / Advance for property, plant and equipments (including Leased property)</td><td>(78.26)</td></tr>
<tr><td>Proceeds from sale of investment property</td><td>0.00</td></tr>
</table>

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

(b) Impairment Loss in investment in subsidiaries amounting to ₹11.34 crore has been incorrectly shown as 'Investment in subsidiaries' depicting sale of investment under Investing activities in Cash Flow statement. This has resulted in overstatement of cash flow from Investing activities and understatement of cash flow from operating activities by ₹11.34 crores. (standalone cash flow statement)

</td><td>

(b) With respect to investment in subsidiaries the amount of ₹11.34 crore is impairment loss and has been inadvertently shown as "Investment in Subsidiaries". The regrouping has been rectified in annual reportas under:

Existing disclosure (Amount in crore)

<table>
<tr><td>Investment in Subsidiaries</td><td>11.34</td></tr>
<tr><td>(Increase)/ Decrease in Investment</td><td>(727.68)</td></tr>
</table>

Revised disclosure (Amount in crore)

<table>
<tr><td>Investment in Subsidiaries</td><td>0.00</td></tr>
<tr><td>(Increase)/ Decrease in Investment</td><td>(716.34)</td></tr>
</table>

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

(c) The company has a policy for Sale of Shares/ securities to be reported under the head Capital Gains and accordingly income from two GL Heads (57012004 & 82015013) have been reported under Income from Capital gains in Income Tax Return (to be filed). However, the company has reported an income of (-)₹101.73 crore from the above said GL heads under Operating Activities instead of showing under Investing activities. This has resulted in understatement of Cash Flow from Operating Activity and overstatement of cash flow from Investing Activity by ₹101.73 crore.

</td><td>

(c) With respect to investments, the income from investment is operating activities for IFCI and accordingly grouped in cash flow statement. However, as per CBDT circular No. 06/2016 dated 29th February 2016 regarding issue of taxability on sale of shares and securities – capital gain or business income:

....

b) In respect of listed shares and securities held for a period of more than 12 months immediately preceding the date of its transfer, if the assessee desires to treat the income arising from the transfer thereof as Capital Gain, the same shall not be put to dispute by the Assessing Officer. However, this stand, once taken by the assessee in a particular Assessment Year, shall remain applicable in subsequent Assessment Years also and the taxpayers shall not be allowed to adopt a different/contrary stand in this regard in subsequent years;

Accordingly, the income under the two GL Heads (57012004 & 82015013) have been reported under Income from Long Term Capital gains in Income Tax Return.

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

CAG Observations	IFCI Management Comments
C. Comments on Disclosure **C.1 Accounting Policies and Notes to Accounts**	
(a) The company has changed the criteria/estimation for computation of Probability of Default (PD) by taking 07 years rating migration instead of 5 years. However, the Company neither disclosed this fact in the financial statements nor quantified its impact as required under para 39 of Ind AS 8.	(a) Rating migration is an input to calculate stage 1 and stage 2 PDs. When ECL model was implemented there was data constraints hence 5 years rating migrations were considered to calculate PDs. However, since we have larger data set available now, 7 years rating migration is being taken for PD calculations. This estimate was changed in line with observations of RBI Inspection. The impact of change (₹19.78 crore) was duly reported to Board vide memo no. 32/2021-22 dated 28th June, 2021. The same has been suitably disclosed in the notes to accounts under note no 40.1 (standalone) and 39 (vii) (Consolidated) of Annual Report.
(b) In FY 2019-20, company gave a shock of 15% to GDP in the model for calculation of PD and adopted ECL at worst case scenario of (-)15% of GDP, due to unascertainable impact of covid. Whereas, during the year 2020-21, company gave a shock of 10% to GDP in the model for calculation of PD and adopted ECL on weighted average of base/best/worst scenario at + (-)10% of GDP. However, the Company neither disclosed this fact in the financial statements nor quantified the overall impact of ₹47.18 crore as required under para 39 of Ind AS 8.	(b) FY 20 was an exceptional year due to Covid -19, hence 15% shock was given to GDP and worst case ECL was considered to account for the probable impact of the same. However, as economy returns to normalcy, the calculations revert back to original model wherein 10% shock is given to GDP and weighted average ECL is accounted for. Since company has returned to its original model and exceptional change was disclosed in previous year (FY20), the same is not required to be disclosed in FY21.
C.2 Accounting policy No 2(F) (a) (i) of the consolidated financial statements of the Company inter alia stipulates, that during FY21 the company has derecognized income on certain stage 3 Assets. However, no such accounting policy was noticed in standalone financial statements of IFCI Limited or in financial statements of any of its subsidiaries. Hence, the significant accounting policy of consolidated financial statements of the company is not in line with the financial statements of IFCI Limited or any of its subsidiaries.	IFCI has been recognizing income on credit impaired assets (stage 3 income) using credit-adjusted effective interest rate since implementation of Ind AS. On the recommendation of CAG Team and Statutory Auditors, since the recovery amount from the credit impaired cases did not entirely cover the outstanding amount (including the respective stage 3 income), the stage 3 income on NCLT approved cases and fraud accounts had been written off in Q3 of the previous financial year. In Q4, IFCI also decided to write-off stage 3 income in respect of cases categorized as C3 and D as per RBI classification, except in cases where there was adequate security. It was observed from the annual reports of other peer government NBFCs that the interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets. Therefore, in line with practice adopted by other peer companies, IFCI's Board approved that there shall be no recognition of Stage 3 income w.e.f. 01st April 2021. The effective date for change in recognition of stage 3 income is 01st April, 2021 and approved by the Board of Directors on 28th June 2021. The Subsidiaries have been intimated accordingly and they will align the policy for FY 2021-22.
C.3 Accounting policy No 6(a)(i) [consolidated note 2(F)(a)(i)] of the Consolidated financial statements stipulates that the Company has changed its Accounting Policy whereby income on stage 3 assets shall not be recognized in books of accounts with effect from 1 April, 2021. However, as per para no. 5.4.1 (b) and 5.4.2 of the Ind AS 109, Company shall recognize income on credit impaired financial assets. Thus, the accounting policy framed by the Company does not comply with the provisions of Ind AS 109.	IFCI has been recognizing income on credit impaired assets (stage 3 income) using credit-adjusted effective interest rate since implementation of Ind AS. On the recommendation of CAG Team and Statutory Auditors, since the recovery amount from the credit impaired cases did not entirely cover the outstanding amount (including the respective stage 3 income), the stage 3 income on NCLT approved cases and fraud accounts had been written off in Q3 of the previous financial year. In Q4, IFCI also decided to write-off stage 3 income in respect of cases categorized as C3 and D as per RBI classification, except in cases where there was adequate security. It was observed from the annual reports of other peer government NBFCs that the interest income on credit-impaired loan assets is not being recognised as a matter of prudence, pending the outcome of resolutions of stressed assets. Therefore, in line with practice adopted by other peer companies, IFCI's Board approved that there shall be no recognition of Stage 3 income w.e.f. 01/04/2021.
C.4 Reference is invited to the Standalone Note no. 40 [Consolidated Note no. 39 (iv)] of the Consolidated financial statements which states "that the Company has derecognized stage 3 income on cases categorized as C3 & D as per Income Recognition and Asset Classification norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to profit & loss account. Thus the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹1447.08 crore". However, the Company has written off stage 3 income of ₹2535.84 crore on cases categorized as C3 & D during the entire year 2020-21. The amount of ₹1447.08 crore (disclosed in above said note) pertains only to the amount written off during the fourth quarter of the FY2020-21. Further, no disclosure regarding de-recognition of stage 3 income on fraud cases (₹502.80 crore) & NCLT cases (₹455.30 crore) has been made in the Notes to accounts. Hence, Notes to accounts of the financial statements are deficient to that extent.	The accounting policy was changed in Q4 FY 21, wherein it was approved by Board to write off stage 3 income of C3 and D category (except where adequate security is available). Hence, the impact of write off in Q4 FY 21 was ₹613.71 crore. Gross write off was ₹1447.09 crore. Disclosure with regard to change in accounting policy with respect to stage 3 income write off has been appropriately disclosed in financial results. However, in addition to the above, during FY21, there was write off of stage 3 income in fraud cases and in NCLT cases where amount has been crystalized. These NCLT and Fraud cases also comprise some of the C3 and D cases. Hence, total stage 3 write off for C3 and D categories cases for the full FY 2021 is Gross ₹2535.84 crore (Net ₹1180.36 crore). Further total write off of stage 3 income including C3 & D, NCLT and Fraud cases works out to Gross ₹3038.03 crore; Net ₹1424.07 crore.

<table>
<tr><th>CAG Observations</th><th>IFCI Management Comments</th></tr>
<tr><td></td><td>The details of stage 3 income write off during FY21 is summarised below:
<table>
<tr><th>Category</th><th>Gross</th><th>Net</th></tr>
<tr><td>C3 &D</td><td>1447.08</td><td>613.71</td></tr>
<tr><td>NCLT</td><td>455.30</td><td>218.19</td></tr>
<tr><td>Fraud</td><td>502.80</td><td>253.25</td></tr>
<tr><td>Others</td><td>632.85</td><td>338.91</td></tr>
<tr><td>Total</td><td>3038.03</td><td>1424.07</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>CAG Observations</th><th>Statutory Auditors Comments</th></tr>
<tr><td>D. Comment on Independent Auditor's Report
D.1 Independent Auditor's Report dated 28 June, 2021
Reference is invited to Annexure-A of Independent Auditors Report which pertains to the regulatory requirement under Companies (Auditor's Report) Order, 2016 (CARO).
Audit observed the following discrepancies:
1. In point no. (vii) (b) following discrepancies were noticed.
• A disputed case of penalty (₹1.23 crore) pertaining to assessment year 2015-16 is pending in CIT (A) instead of ITAT, New Delhi.
• In case of Income tax demand for assessment year 2016-17, disputed amount is ₹43.40 crore instead of ₹2.61 crore.</td><td>Pertains to Statutory Audit Report. Response submitted by Statutory Auditors
1. The reply of query of point no. (vii) (b) of Annexure A are as follows:-
• In this case the matter on which penalty was imposed on IFCI is pending at ITAT and the issue of penalty is pending at CIT(A). In case of favorable outcome at ITAT, the issue of penalty becomes invalid and hence ITAT, being the higher forum here, has been shown accordingly.
• The text of point no. (vii) (b) of CARO, 2016 is "where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned". Thus, we need to report only those amounts which is not deposited. Since, the amount of ₹40.79 crore is already deposited/ adjusted, therefore the disclosure is correct.</td></tr>
<tr><td>2. In point no. (xiv), it has been stated that company has allotted 20 crores number of equity shares @₹10 each to the President of India (Govt. of India) on preferential basis on May 21, 2020. However, report is silent about the compliance of section 42 of the Companies Act, 2013 and whether the amount raised has been used for the purposes for which the funds were raised.</td><td>2. Further, the reply of point no.(xiv) are as follows:-
The Clause 3(xiv) requires to state any adverse opinion. Since there was no non-compliance, the auditor did not qualify the reporting under this clause. Also, funds were raised from Central Government and no specific purpose was specified by the subscriber.</td></tr>
<tr><td>3. In point no. (i) (b), Auditor has pointed out that the management has carried out the physical verification of fixed assets during the year and according to the information and explanations given to them, no material discrepancies were noticed on such verification. However, no record was available for the physical verification conducted during the year prior to date of signing of the financial statements.
Hence, Independent Auditors' report is deficient to that extent.</td><td>3. Physical Verification of Assets report dated 24th June, 2021, is for the period ended 31st March 2021. Further, comparative details of the Fixed Assets cannot be ascertained from the system as it presently captures only details w.r.t. block of fixed assets. Hence, physical verification of fixed assets, was carried out in-line with the report submitted by M/s Quikr Reality in March 2019 in R/O all the centres of IFCI.
Further, Estate Dept. of IFCI is in the process of preparing list of all fixed assets for the purpose of physical verification of fixed assets in the future.</td></tr>
<tr><td>D.2 Independent Auditors in Point No. A. 3 under Emphasis of Matter para has stated that loss for the year is higher by ₹613.71 crore due to change in accounting policy towards de-recognition of income on certain stage-3 assets. However, the change in accounting policy was not for the year 2020-21. Infact, loss of the company for the year is higher by ₹1180.36 crore due to write off of stage 3 income on certain cases categorized as C3 & D except in cases where there is adequate security. Hence Independent Auditors' report is deficient to that extent.</td><td>The accounting policy was changed in Q4 FY 21, wherein it was approved by Board to write off stage 3 income of C3 and D category (except where adequate security is available). Hence, the impact of write off in Q4 FY 21 was ₹613.71 crore. Gross write off was ₹1447.09 crore.
However, in addition to the above, during FY21, there was write off of stage 3 income in fraud cases and in NCLT cases where amount has been crystalized. These NCLT and Fraud cases also comprise some of the C3 and D cases. Hence total stage 3 write off for C3 and D categories cases for the full FY 2021 is Gross ₹2535.84 crore (Net ₹1180.36 crore). Further total write off of stage 3 income including C3 & D, NCLT and Fraud cases works out to Gross ₹3038.03 crore; Net ₹1424.07 crore.</td></tr>
<tr><td>D.3 Company has written off an interest income (Stage 3 Income) of ₹3038.03 crore during the year whereas Independent Auditor in SI. No. 02 of Part-A - Directions (Annexure A) mentioned that the Company has written off an interest income (Stage 3 Income) of ₹1424.07 Crore. Hence Independent Auditors' report is deficient to that extent.</td><td>The gross stage 3 income write off is ₹3038.03 crore, the net impact (net of ECL) works out to be ₹1424.07 crore for the FY 2020-21. Hence, the disclosure is appropriate. As suggested by CAG audit, the word "net" has been inserted by the management in Annual Report for FY 21.</td></tr>
</table>

CAG Observations	Statutory Auditors Comments
D.4 Independent Auditor in SI. No. 1 of Part B- Sub Direction (Annexure A) mentioned that as per Management, shares of 94 companies either in Demat or Physical form, with some exception, have been transferred by the company in the past and the beneficiaries did not get these shares transferred owning to various reasons. However, no documents showing transfer of shares by the Company is available with the Company. Hence, Independent Auditors' report is deficient to that extent.	These shares first appeared in the Annual report in FY 2015-16, wherein, 53 share were reported. Thereafter, there was addition and 95 shares were reported in 2017-18. In this present report, 94 shares have been reported. In the Statutory audit report it is mentioned that, as per management, with some exceptions, these shares have been transferred by the company in the past and the beneficiaries did not get the shares transferred owing to various reasons. The historical values of the above shares are not ascertainable. Effort is being made to reconcile these shares. Out of these, trail in 2 shares (having maximum value) could be established. In one shares viz. Coromandal International Ltd. (CIL) ownership could be established and in other share viz. Ganesh Benoplast Ltd. (GBL) sale could be established. While CIL is being taken into books after the approval of the competent authority, GBL has been deleted from the list (due to which list in now 94). For balance, opinion is being taken on the way forward. Based on the opinion received, decision will be taken. Further, this is an ongoing process and there is no adverse impact on the financial statements of the company.

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing
Director
DIN 06922373

PRASOON
Chief General Manager &
Chief Financial Officer

PRIYANKA SHARMA
Company Secretary

Date: 11.11.2021

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. IFCI is fully committed to practicing best Corporate Governance and upholding the highest ethical standards in conducting business.

2. BOARD OF DIRECTORS:

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

As on March 31, 2021, the Board of the Company consisted of 6 (Six) Directors, out of whom 4 (Four) Directors were Non-Executive Directors while 1 (one) was Deputy Managing Director (DMD).

The composition of the Board was not in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in the absence of Independent Director on the Board. The composition of the Board, Number of Board Meetings held, Attendance of the Directors at the Board Meetings and last Annual General Meeting and the number of Directorship and Chairmanship / Membership of Committees across all Companies in which he/she was a Director as on March 31, 2021 is given here-in below:

Sl. No.	Name of Director	Category	Attendance Category			No. of Directorships/ Committee Memberships/ Chairmanships across all Companies		
			No. of Board Meetings during the year FY 2020-21		At AGM held on December 22, 2020	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Shri Sunil Kumar Bansal (*)	Deputy Managing Director	8	8	Yes	5	1	–
2.	Dr Bhushan Kumar Sinha	Nominee Director – Government of India (Non-Executive)	9	8	No	–	1	–
3.	Ms. Anindita Sinharay (#)	Nominee Director – Government of India (Non-Executive)	3	1	No	2	1	–
4.	Prof Narayanaswamy Balakrishnan	Non-Executive Director	9	9	Yes	1	1	–
5.	Prof Arvind Sahay	Non-Executive Director	9	9	Yes	1	4	2
6.	Shri Madan Mohan Lal Verma ($)	Non-Executive Director	6	6	Yes	–	1	–
DIRECTOR RETIRED/RESIGNED DURING THE FY 2020-21								
1.	Dr Emandi Sankara Rao (&)	Managing Director & Chief Executive Officer	3	3	NA	4	1	–
2.	Shri Anand Madhukar (@)	Nominee Director – Government of India (Non-Executive)	5	5	NA	2	4	–

(*) Shri Sunil Kumar Bansal, DMD was appointed on Board on 04.06.2020
(#) Ms. Anindita Sinharay was appointed on Board on 05.01.2021
($) Shri Madan Mohan Lal Verma was appointed on Board on 31.07.2020
(&) Dr. Emandi Sankara Rao ceased to be on Board w.e.f. 17.08.2020
(@) Shri Anand Madhukar ceased to be on Board w.e.f. 15.12.2020

NOTES:

1. Number of Meetings represents the Meetings held during the period in which the Director was Member of the Board.
2. Other Directorships (excluding IFCI Ltd.) indicated above, includes all public companies whether listed or not. Directorships held in other body corporates have not been included in the above table.
3. Committee Memberships / Chairmanships indicated above, includes Memberships only in Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies, including IFCI Ltd. Committee Memberships / Chairmanships held in other body corporates have not been included in the above table.
4. Chairmanships of a Committee is counted both as Membership as well as Chairmanship.
5. 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.
6. None of the Directors are related to each other or to any Key Managerial Personnel of the Company.
7. None of the Directors on the Board are Members of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which they are Directors. Necessary disclosures regarding the positions in other public companies as on March 31, 2021 have been made by the Directors. Further, for the purpose of reckoning the limit for Committee(s) Chairmanship/Membership, only Audit Committee and Stakeholders' Relationship Committee have been considered.
8. The independence of a Director is determined by the criteria stipulated under the Listing Regulations, wherever applicable. As on March 31, 2021, there were no Independent Directors on the Board of the Company.
9. Other Directorships in Listed entities (only whose equity is listed), where a Board Member, IFCI, is a Director and the category of Directorship:- No other Board Member holds directorship in other listed entities, except the following:-

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

(B) Number of Board Meetings held and dates:

During the FY 2020-21, the Board of Directors met 9 (nine) times. The dates of the Meetings held in 2020 were April 20, June 26, July 31, September 14, November 11, December 22 and February 12, February 25 and March 23 in 2021.

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

(D) None of the Non-Executive Directors hold shares and Convertible Securities of IFCI as on March 31, 2021.

(E) Familiarization Programme for Independent Director

Familiarization programme is an ongoing process. The Company endeavors to undertake familiarization programmes for the Directors of the Company, their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, Business model of the Company and so on. The detail of such familiarization programme held in past has been disclosed on the website of the Company, at www.ifciltd.com. However, during the FY 2020-21 no such programme was held as there was no Independent Director on the Board.

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

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

All the Directors on the Board as on March 31, 2021, met the above mentioned Educational Qualification and Experience / Expertise.

3. AUDIT COMMITTEE:

(A) Terms of Reference:

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

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

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

As on March 31, 2021, the Audit Committee of IFCI consisted of three Directors. The Chairman of the Committee was a Non-Executive Director. The composition of the Audit Committee and attendance of Directors at the Meetings during the FY 2020-21 is shown below:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2020-21	
				Held	Attended
MEMBERS OF THE COMMITTEE					
1.	Prof Arvind Sahay	Chairman *	30.10.2017	5	5
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	5	3
3.	Prof. Narayanaswamy Balakrishnan	Member	30.01.2020	5	5
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2020-21					
1.	Shri Anand Madhukar	Member	15.12.2020	4	3
2.	Ms Anindita Sinharay	Member	12.02.2021	1	-

*Note: In the absence of Independent Directors, Prof Arvind Sahay had been elected as Chairman to chair the Meeting of the Committee, till the time Independent Directors are appointed on the Board of the Company.

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

During the FY 2020-21, the Audit Committee of Directors of IFCI met 5 (Five) times. In 2020, the Meetings were held on May 20, June 26, September 14, November 11 and February 12 in 2021.

4. NOMINATION AND REMUNERATION COMMITTEE:

(A) Terms of Reference:

The Nomination and Remuneration Committee of Directors had been constituted as per the requirement of the Listing Regulations and the Companies Act, 2013. The terms of reference of the Committee is to identify persons who are qualified to become Directors (excluding Independent Directors and Nominee Directors), recommendation of appointment of Senior Management. The Committee recommend to the Board, all remuneration, in whatever form, payable to Senior Management, to formulate the criteria for evaluation of performance of Independent Directors and Board.The Committee also peruse the Policy on HR matters including career management and succession planning.

(B) Performance Evaluation:

The Nomination and Remuneration Policy of IFCI has laid down the criteria for conducting performance evaluation of Board of Directors including Independent Directors. The criteria for performance evaluation cover their role, functions and various other attributes. The Board and Nomination and Remunnaration Committee carried out the evaluation. Some of the areas of improvements mentioned by the directors included appointment of Independent Directors, Directors' training etc.

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

As on March 31, 2021, the Committee consisted of five Directors, majority being Non-Executive Directors. During the year, 1 (one) Meeting of the Committee was held on June 25, 2020. The composition of the Committee and attendance of Directors at the Meeting is shown below:

Sl. No.	Name of Director	Category	Date of Appointment	No. of Meetings during the FY 2020-21	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof. Narayanaswamy Balakrishnan	Chairman	04.06.2020	1	1
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	1	1
3.	Prof Arvind Sahay	Member	30.10.2017	1	1
4.	Shri Sunil Kumar Bansal	Member	04.06.2020	1	1

(D) Following are the details of the remuneration paid to the managerial personnel during the FY 2020-21:

(i) Dr Emandi Sankara Rao, Managing Director and Chief Executive Officer, from 01.04.2020 to 16.08.2020

Particulars	(₹ in lakhs)
Salary & Allowances (excluding Perquisites)	25.25
Perquisite Allowance (inclusive of Tax borne by IFCI on perquisites)	0.80
Contribution to PF & Other Funds	0.99
Perquisites as per IT Act Sec – 17(2)	0.92
Perquisites as per IT Act Sec – 17(3)	1.65
TOTAL	**29.61**

(ii) Shri Sunil Kumar Bansal, Deputy Managing Director, from 04.06.2020 to 31.03.2021

Particulars	(₹ in lakhs)
Salary & Allowances (excluding Perquisites)	28.33
Perquisite Allowance (inclusive of Tax borne by IFCI on perquisites)	7.05
Contribution to PF & Other Funds	1.91
Perquisites as per IT Act Sec – 17(2)	18.93
Perquisites as per IT Act Sec – 17(3)	3.68
TOTAL	**59.90**

(E) During the FY 2020-21, the Company paid sitting fees to the Non-Executive Directors excluding Government Nominee Directors.The sitting fees of ₹40,000/-and ₹20,000/-per Meeting is paid for attending the Board and Committee of Directors Meeting,respectively. Further, additional sitting fee of ₹10,000/-and ₹5,000/-per Meeting was also payable for Chairing the Board and Committee of Directors Meeting, respectively. There were no Independent Directors during the FY 2020-21.

The Non-Executive and Independent Directors do not receive any remuneration besides the sitting fees.

(F) As per the disclosure made by the Directors of the Company, none of them hold any share or any other convertible instruments of IFCI as on March 31, 2021.

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

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

(A) Stakeholders' Relationship Committee of Directors of IFCI consisted of three Directors as on March 31, 2021. During the FY 2020-21, the Committee met four (4) times on June 25, September 14 and November 11, in 2020 and February 12 in 2021. The composition of the Committee and attendance of Directors at the Meetings during the FY 2020-21 is shown below:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2020-21	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof Arvind Sahay	Chairman	31.10.2017	4	4
2.	Shri Sunil Kumar Bansal	Member	04.06.2020	4	4
3.	Shri Madan Mohan Lal Verma	Member	31.07.2020	3	3
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2020-21					
1.	Dr Emandi Sankara Rao	Member	17.08.2017	1	1
2.	Shri Anand Madhukar	Member	15.12.2020	3	3
3.	Ms Anindita Sinharay	Member	12.02.2021	1	–

(B) Name & Designation of Compliance Officer

Smt. Rupa Deb, General Manager & Company Secretary

Email: complianceofficer@ifciltd.com

(C) The number of complaints received from the shareholders and bondholders of the listed securities, during FY 2020-21 and the number of pending complaints are shown below:

Equity Shares & Bonds	
No. of Complaints received during the FY 2020-21	2395*
Pending as on March 31, 2021	0

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

The company has redeemed IFCI Family Bonds, issued under Public Issue in 1996 on completion of the tenure/ exercise of call option. Payment of redemption amount has been made to the bondholders. Payment in respect of the redemption cheques lying under stale cheques, is being made on receipt of request from bondholders. Family Bonds wherein redemption is not done even after 7 years from redemption date/call option date, these funds are being transferred to IEPF. Application being received from investors to get refund from IEPF is being processed from time-to-time.

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

(E) In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, officers, employees and other connected persons from trading in the securities of IFCI at the time when there is unpublished price sensitive information. The Company has obtained the relevant disclosures as on March 31, 2021 under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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

6. Details of Other Committees:

The Company also has in place other Board level Committees. The number and dates of Meetings of such other Committees held during the FY 2020-21 and attended by the Members is as under:

(A) Corporate Social Responsibility Committee - As on March 31, 2021, the Committee consisted of 3 Directors viz. Shri Sunil Kumar Bansal, Chairman of the Committee, Prof Narayanaswamy Balakrishnan and Shri Madan Mohan Lal Verma, Members. However, no Meeting of the Committee was held during FY 2020-21.

Further, in view of the insertion of the section 135(9) of the Companies Act, and in light of the negligible CSR Spending of IFCI due to losses in the last 3 FY's, the extant Corporate Social Responsibility Committee has been discontinued w.e.f. June 23, 2021 and the functions of the CSR Committee are being discharged by the Board.

(B) Executive Committee– The Meetings of the Executive Committee held during the FY 2020-21 were on June 25, July 31, September 11, 18 and 29, October 05, 12 and 27, November 10 and 25, December 18 and 29 in 2020 and January 11, February 08, 11 and 25, March 11, 19 and 30 in 2021. The composition of the Committee as on March 31, 2021 and attendance of the Directors at said Meetings were as under:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2020-21	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Shri Sunil Kumar Bansal	Chairman	04.06.2020	19	19
2.	Prof Narayanaswamy Balakrishnan	Member	30.10.2017	19	19
3.	Shri Madan Mohan Lal Verma	Member	31.07.2020	17	17
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2020-21					
1.	Dr. Emandi Sankara Rao	Chairman	17.08.2020	2	2

(C) Risk and Asset Liability Management Committee - The Risk and Asset Liability Management Committee met five times during the FY 2020-21 on June 25, July 31, November 11 and December 22 in 2020 and February 12, in 2021. The composition of the Committee as on March 31, 2021 and attendance of the Directors at said Meetings were as under:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2020-21	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Prof Arvind Sahay	Chairman	30.10.2017	5	5
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	5	4
3.	Prof. Narayanaswamy Balakrishnan	Member	14.02.2019	5	5
4.	Shri Sunil Kumar Bansal	Member	04.06.2020	5	5
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2020-21					
1.	Dr Emandi Sankara Rao	Chairman*	17.08.2020	0	0
2.	Shri Anand Madhukar	Member	15.12.2020	3	3
3.	Ms Anindita Sinharay	Member	12.02.2021	1	–

(*) In terms of the Reserve Bank of India (RBI) Notification DNBR (PD) CC. No.099/03.10.001/2018-19 dated May 16, 2019, the Meetings of the Committee, were held for discussions with the Chief Risk Officer without the presence of the MD & CEO. Accordingly, the Members present elected one among themselves to Chair the Meetings.

Note: The terms of reference of the Committee includes formulation of detailed risk management policy, risk management methodologies, review cyber security policy, monitoring the Implementations of the risk management policy etc. The detailed terms of reference of the committee is available on the website of the company at www.ifciltd.com.

(D) E-Governance Committee - As on March 31, 2021, the Committee consisted of 2 Directors viz. Prof. N Balakrishnan, Chairman of the Committee and Shri Sunil Kumar Bansal as Member. However, no Meeting of the Committee was held during FY 2020-21.

Further, on June 23, 2021, the nomenclature of the E-Governance Committee had been changed to "IT Strategy" Committee of Directors, in terms of the RBI Master Direction DNBS. PPD. No. 04/66.15.001/2016-17 dated June 08, 2017 on IT framework for NBFC sector.

(E) Business Responsibility Reporting Committee – The Committee met once on July 31, 2020 in the FY 2020-21. The composition of the Committee as on March 31, 2021 and attendance of the Directors at said Meeting was as under:

Sl. No.	Name of Director	Category	Date of Appointment / Cessation	No. of Meetings during the FY 2020-21	
MEMBERS OF THE COMMITTEE				**Held**	**Attended**
1.	Shri Sunil Kumar Bansal	Chairman	04.06.2020	1	1
2.	Dr. Bhushan Kumar Sinha	Member	21.05.2018	1	1
3.	Prof Arvind Sahay	Member	30.10.2017	1	1
DIRECTORS WHO CEASED TO BE MEMBER DURING F.Y. 2020-21					
1.	Dr Emandi Sankara Rao	Chairman	17.08.2020	1	1

(F) Review Committee on Wilful Defaulters – The Committee consisted of 4 Directors viz. Shri Sunil Kumar Bansal, Chairman of the Committee, Dr. Bhushan Kumar Sinha, Prof. Narayanaswamy Balakrishnan and Shri Madan Mohan Lal Verma, as Members. However, no Meeting of the Committee was held during FY 2020-21.

However, no Meeting of the Committee was held during FY 2020-21.

(G) Review Committee on Non-Cooperative Borrowers and Recovery & NPA Management Committee – The Committee consisted of 3 Directors viz. Shri Sunil Kumar Bansal, Chairman of the Committee, Prof. Arvind Sahay and Shri Madan Mohan Lal Verma, as Members. However, no Meeting of the Committee was held during FY 2020-21.

7. GENERAL BODY MEETING:

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

Sl. No.	AGM Date	Location	Time
1.	22.12.2020	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019 (held through VC/OAVM)	11:30 A.M.
2.	30.10.2019	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	10:30 A.M.
3.	28.09.2018	Auditorium, 1st Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019	10:30 A.M.

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

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

AGM Date	As per Companies Act.	Particulars of special resolutions
22.12.2020	u/s Section 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
	u/s Section 13, 61, 64 of Companies Act, 2013	Approve increase of the Authorised Equity Share Capital
	u/s Section 14 of Companies Act, 2013	Approve substitution of the existing Article 3 with New Article 3 for increase in the Authorised Equity Share Capital
30.10.2019	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
28.09.2018	u/s 42 & 71 of Companies Act, 2013	Approve Private Placement of Securities
	u/s 42,55 & 62 of Companies Act, 2013	Approve issue of Cumulative Redeemable Preference Shares.

8. DISCLOSURES:

(A) Related Party Transactions

Related Party Transactions (RPT(s)) during the year have been disclosed in the Notes to Accounts in the Annual Report as required under Ind AS 24 (erstwhile Accounting Standard 18) issued by the Institute of Chartered Accountants of India. The RPT(s) were in the normal course of business and were done at arm's length. There were no materially significant RPT(s) during the FY 2020-21. The Company also has in place a Policy on Materiality of Related Party Transactions (RPT(s)) and Dealing with RPT(s) and the same is placed on the website of the Company at www.ifciltd.com.

(B) Disclosure of Accounting Treatment

The financial statements for the year ended March 31, 2021 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

(C) Risk Management

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

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

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

(D) Management Discussion and Analysis Report

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

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

There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except fines of ₹1,16,17,100/- inclusive of taxes (for the quarters ended from September 2018 to March 31, 2021), per exchange, imposed by BSE Limited and the National Stock Exchange of India Ltd, for non-compliance with the provisions of Regulation 17(1), 18(1), 19(1) & (2) and 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, relating to composition of the Board of Directors and Committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. As the appointment of Independent Directors are absolutely outside the control of the Company and its Board of Directors, hence the Stock Exchanges were requested not to impose the fine and any subsequent actions on the Company. Considering the submissions of the Company, BSE had waived fines amounting to ₹1,01,98,740/- for the period from September 2018 to December 2020.

(F) Details of Compliance with requirements

1. The Company has duly complied with all the mandatory requirements of Corporate Governance stipulated in Listing Regulations, except w.r.t. the composition of the Board, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee in the absence of Independent Director on the Board of IFCI. Letters were sent to the Department of Financial Services (DFS), Ministry of Finance (MOF), being the Administrative Ministry requesting appointment/ nomination of Independent Directors. The said appointments are awaited.
2. Shri Suryakant Gupta, Practicing Company Secretary has certified the Corporate Governance Report for the Financial Year 2020-21 as stipulated in Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is appended to this report. Further, Shri Suryakant Gupta, Practicing Company Secretary has also certified that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(G) Subsidiary Companies

The Company as on March 31, 2021 had 6 (six) subsidiaries viz. IFCI Financial Services Ltd, IFCI Venture Capital Funds Ltd., IFCI Infrastructure Development Ltd., IFCI Factors Ltd., MPCON Ltd., Stock Holding Corporation of India Ltd. The Company also had 7 (seven) step-down subsidiaries viz. IIDL Realtors Pvt. Ltd., IFIN Commodities Ltd., IFIN Credit Limited., IFIN Security Finance Ltd., Stockholding Document Management Services Ltd., SHCIL Services Ltd. and Stockholding Securities IFSC Limited. The requirement under the Listing Regulations, as applicable, in respect of the above Companies, as and when required, have been duly complied with. The Company has also formulated a policy for determining "material" subsidiary and the same has been placed on the website of the Company at www.ifciltd.com.

(H) CEO/CFO Certificate

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

(I) Whistle Blower Policy

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

(J) Training of Board Members

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

(K) Details of Adoption of Discretionary Requirements

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

(L) There were no expenditure debited in the books of accounts, which are not for the purpose of the business except Expenses on CSR Activity of ₹0.15 crore. The administrative & office expenses and financial expenses constitutes 4.33 % and 31.57% respectively of total expenses as against 12.11% and 58.59.% in previous year i.e. FY 2019-20.

(M) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations – IFCI had raised ₹200 crore under RBI TLTRO scheme through Private Placement.

During the FY 2020-21, Your Company had received share application money of ₹200 crore from the GOI towards release of funds for subscription of share capital of the Company during the FY 2020-21. Subsequently, pursuant to the fund infusion, 14,59,85,401 number of equity shares @ ₹13.70 each (including a premium of ₹3.70/- each), were allotted to the Government of India on preferential basis on April 23, 2021.

(N) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part -Details of fee paid to statutory auditor for standalone and consolidated for the year end March 31, 2021 is mentioned below:

Sl. No.	Particulars of Payments to Auditors	Standalone Information (₹ in crore)	Consolidated Information (₹ in crore)
1.	Audit Fees	0.40	1.57
2.	Taxation Matters	–	–
3.	Certification and other services	0.04	0.05
4.	Reimbursement of Expenses	0.03	0.06
	Total	**0.47**	**1.68**

(O) Credit Rating

Ratings assigned by credit rating agencies and migration of ratings during the period ended March, 2021:-

Ratings by	31-Mar-20	Migration during the year	31-Mar-21
Long Term (Bonds/ NCDs/ Term Loans)			
Brickwork	[BWR] BBB+	Reaffirmed w.e.f. 23/06/2020	[BWR] BBB+
ICRA	[ICRA] BBB-	Reaffirmed w.e.f. 17/06/2020	[ICRA] BBB-
CARE	[CARE] BBB-	Reaffirmed w.e.f. 05/08/2020	[CARE] BBB-
Short Term (Commercial Paper/ Short term borrowings)			
Brickwork	[BWR] A2+	Reaffirmed w.e.f. 23/06/2020	[BWR] A2+
ICRA	[ICRA] A3	Reaffirmed + w.e.f. 17/06/2020	[ICRA] A3
For Structured Secured NCDs			
Brickwork	[BWR] A+(CE)	Reaffirmed w.e.f. 23/06/2020	[BWR] A+(CE)
CARE	[CARE] BBB+	Reaffirmed w.e.f. 05/08/2020	[CARE] BBB+
Subordinate Bonds			
CARE	[CARE] BBB-	Reaffirmed w.e.f. 05/08/2020	[CARE] BBB-

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

(a) number of complaints filed during the FY- Nil

(b) number of complaints disposed of during the FY - NIL#

(c) number of complaints pending as on end of the FY. 1*

One conplaint forwarded by Subsidiary, pertaining to IFCI Employee, was disposed off during the FY 2020-21.

*Pending at the end of FY 2019-20, disposed of on April 05, 2021.

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

9. MEANS OF COMMUNICATION:

IFCI's quarterly/half yearly/yearly financial results are published in the leading Hindi and English newspapers. The financial results for FY 2020-21 were published in Business Standard (English in all editions), Business Standard (Hindi in Delhi NCR), Financial Express (English in all editions), Jansatta (Hindi in Delhi NCR). The financial results and Press releases are also displayed on the Company's Website (www.ifciltd.com). All price sensitive information is made public at the earliest through intimation to Stock Exchanges where the Equity Shares are listed viz. The National Stock Exchange of India Limited and BSE Limited. During the year, IFCI's corporate presentation have been uploaded on the website. The same was duly reported to the Exchanges prior to uploading. During the year, no presentation was made to Institutional Investors or to the Analysts.

10. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting:

Date : December 17, 2021

Time : 11:30 AM (IST)

Venue : Auditorium, First Floor, IFCI Tower, 61 Nehru Place, New Delhi-110019

Through VC/OAVM electronics means

(ii) Financial Calendar(Tentative):

Results for quarter ending June 30, 2021	: Second Week of August, 2021
Results for quarter ending September 30, 2021	: Second week of November, 2021
Results for quarter ending December 31, 2021	: Second Week of February, 2022
Results for quarter ending March 31, 2022	: Third week of May, 2022

(iii) Dates of Book Closure : Saturday, December 11, 2021 to Friday, December 17, 2021 (both days inclusive)

(iv) Dividend Payment Date : No dividend had been declared on the Equity Shares of the Company for the F.Y. 2020-21.

(v) Listing on Stock Exchange:

- Equity Shares

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

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

Note:

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

(ii) The Annual Listing Fee for the FY 2020-21 had been paid to the BSE and NSE.

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

ISIN number

Equity Shares : INE039A01010

(vii) Market Price data:

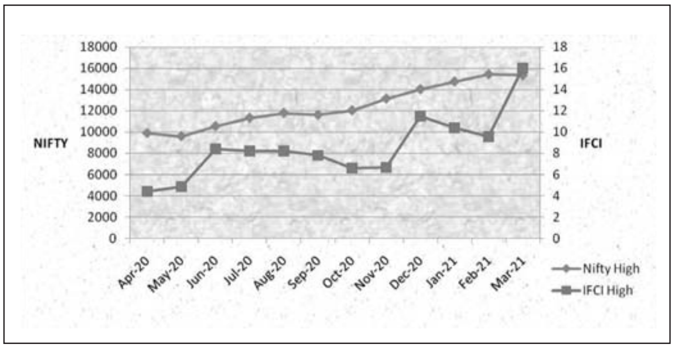
(Price in ₹)

Month & Year	National Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2020	4.40	3.90	4.40	3.91
May, 2020	4.85	3.75	4.88	3.76
June, 2020	8.40	5.00	8.48	4.96
July, 2020	8.20	6.10	8.64	6.12
August, 2020	8.20	6.05	8.20	6.07
September, 2020	7.80	5.65	7.95	5.64
October, 2020	6.60	5.65	6.59	5.64
November, 2020	6.65	5.75	6.66	5.7
December, 2020	11.50	6.35	11.45	6.36
January, 2021	10.40	8.50	10.36	8.52
February, 2021	9.55	8.25	9.55	8.21
March, 2021	16.00	8.95	15.95	8.95

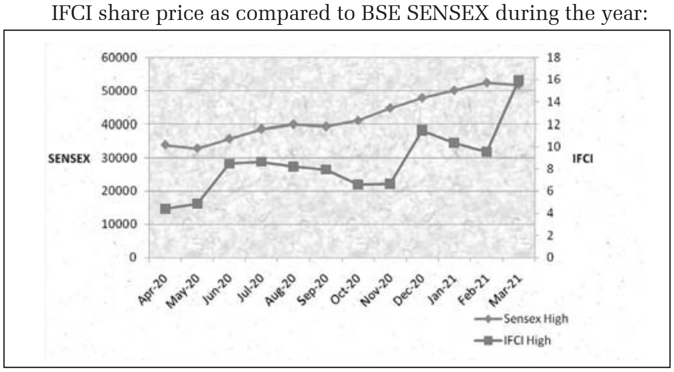
Source: NSE / BSE

(viii) Performance in comparison to broad based indices:

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



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



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

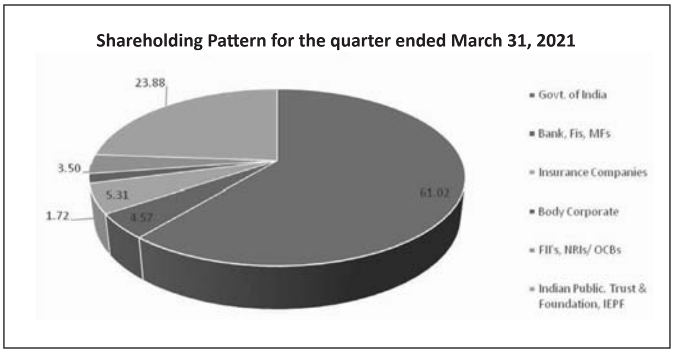
Both for Equity Shares and Family bonds	MCS Share Transfer Agent Limited Ist Floor, F-65, Okhla Industrial Area, Phase –I, New Delhi-110 020 Website: www.mcsregistrars.com Email: helpdeskdelhi@mcsregistrars.com Contact Number: 011-4140 6149/51/52
For Infrastructure Bonds (series I & II)	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99 Madangir Behind LSC, Near Dada Harsukhdas Mandir, New Delhi-110 062 Website: www.beetalfinancial.com Email: ifcibonds1@gmail.com Contact Number: 011-2996 1281-83
For Infrastructure Bonds (series III, IV & V) and Secured Non-Convertible Debentures Tranche I & II	KFin Technologies Private Limited Selenium Tower B, Plot Number 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Website: www.kfintech.com Email: einward.ris@kfintech.com Contact Number: 040-67162222/1589/1595
For all other private placement, Subordinate Bonds (series I & III)	Link Intime India Pvt. Ltd. C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083 Website: www.linkintime.co.in Email: bonds.helpdesk@linkintime.co.in Contact Number: 022-49186000
For All Other Private Placement, Tax Free Bonds **And any other query**	IFCI Limited IFCI Tower, 61 Nehru Place New Delhi – 110 019 CIN: L74899DL1993GOI053677 Website: www.ifciltd.com Email: ppbonds@ifciltd.com Contact: 011 – 41732000/41792800

(x) Share Transfer System :

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

(xi) Distribution of Shareholding (as on March 31, 2021):

The Equity Shareholding in IFCI by major categories of Shareholders as on March 31, 2021 is as under:



(A) **Shareholding Pattern:**

Shareholding Pattern of Equity Shares of IFCI as on March 31, 2020 and March 31, 2019 is given as under:

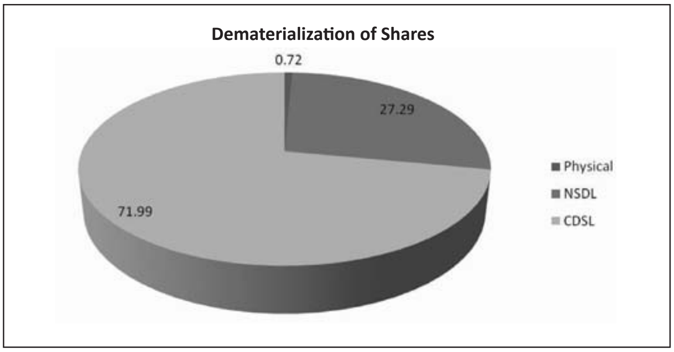
Category	As on 31.03.2021		As on 31.03.2020	
	No. of Equity Shares	%	No. of Equity Shares	%
Government of India	**1,15,69,55,857**	**61.02**	**95,69,55,857**	**56.42**
Banks, Financial Institutions & Mutual Funds	**8,67,24,235**	**4.57**	**9,29,54,895**	**5.48**
Insurance Companies	**10,06,34,843**	**5.31**	**1033,98,758**	**6.10**
Other Bodies Corporate	**3,25,57,634**	**1.72**	**5,73,39,062**	**3.38**
FIIs & NRIs	**6,63,88,660**	**3.50**	**7,15,02,939**	**4.22**
Public	**45,27,31,863**	**23.88**	**41,38,41,581**	**24.40**
Total	**1,89,59,93,092**	**100.00**	**1,69,59,93,092**	**100.00**

(B) **Distribution Schedule Range Analysis as on March 31, 2021:**

Sl. No.	Category From	To	No. of Shareholders	% of total Shareholders	No. of Equity Shares	% Shares
1.	1	500	419556	79.69	6,56,21,090	3.46
2.	501	1000	49187	9.34	4,14,77,942	2.19
3.	1001	2000	26761	5.08	4,19,04,299	2.21
4.	2001	3000	9615	1.83	2,50,48,819	1.32
5.	3001	4000	4610	0.88	1,67,92,892	0.89
6.	4001	5000	4485	0.85	2,15,17,578	1.13
7.	5001	10000	6721	1.28	5,08,12,484	2.68
8.	10001	50000	4648	0.88	9,78,02,408	5.16
9.	50001	100000	538	0.10	3,94,77,543	2.08
10.	100001 and above		363	0.07	1,49,55,38,037	78.88
	Total		**5,26,484**	**100.00**	**1,89,59,93,092**	**100.00**

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

About 99.28%of the Equity Sharesof the Company have already been dematerialized up to March 31, 2021. IFCI's Shares are listed at major Stock Exchanges of the Country and being traded actively.



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

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

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

Regional Offices at:

Hyderabad, Kolkata, Mumbai and Chennai

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

This is to confirm that the Company has adopted a Code of Conduct for Board Members and its employees. The Code of Conduct as adopted is available on the Company's website. It is further confirmed that the Company has in respect of the Financial Year ended March 31, 2021, received from the employees of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Manoj Mittal
Managing Director & Chief Executive Officer
DIN: 01400076

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

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

(a) The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:
   - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

(d) We have indicated to the auditors and the Audit Committee:
   - (i) Significant changes in internal control over financial reporting during the year;
   - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

   The financial statements for the year ended 31st March, 2021 have been drawn up on the basis of Ind- AS that are applicable to the Company as at 01st April, 2018 based on the Press Release issued by the Ministry of Corporate Affairs ("MCA") on 18th January, 2016. Any application/guidance/clarifications/directions issued by RBI or other regulators shall be implemented as and when they are issued/ made applicable.

Jhummi Mantri General Manager & Chief Financial Officer	**Shri Manoj Mittal** Managing Director & Chief Executive Officer DIN: 01400076

Date: June 25, 2021
Place: New Delhi

CERTIFICATION ON CORPORATE GOVERNANCE

TO THE MEMBERS OF M/S IFCI LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s IFCI Limited ("Company"), for the year ended on March 31, 2021, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Suryakant Gupta
Practicing Company Secretary
M. No. FCS 9250
COP No. 10828
UDIN: F009250C000725702

Date: 02-08-2021
Place: Delhi

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1993GOI053677
Name of the Company	IFCI Limited (IFCI)
Registered address	IFCI Tower, 61 Nehru Place, New Delhi-110019
Website	www.ifciltd.com
E-mail id	complianceofficer@ifciltd.com
Financial Year reported	2020-21
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other credit granting services)
List three key products/services that the Company manufactures/ provides (as in balance sheet)	**i. Financial Products ii. Investment products iii. Advisory services**
Total number of locations where business activity is undertaken by the Company i. Number of International Locations ii. Number of National Locations	 None 5 (As on March 31, 2021)
Markets served by the Company - Local / State / National/International	National

Section B: Financial Details of the Company (as on March 31, 2021)

Paid up Capital (INR)	₹1,895.99 crore
Total Turnover (INR) *(Revenue from Operations)*	₹1,378.00 crore
Total profit after taxes (INR)	₹(1,957.81) crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As the average net profit of IFCI Ltd. for preceding 3 years was negative, IFCI was not required to allocate any amount for CSR activities for FY 2020-21. However, due to COVID-19 pandemic, an amount of ₹15.25 Lakh was allocated and transferred to ISF for contributing to PM Care Fund. The detailed CSR expenditure undertaken during the FY 2020-21 is provided in the Board's Report for the FY 2020-21, forming part of the Annual Report.
List of CSR activities in which expenditure has been incurred:-	The details of CSR Activities undertaken during the year have been provided in the Annual Report on CSR activities forming part of Board's Report. However, some major activities include installation of Tubewell for safe drinking water, construction of toilet block, support for purchase of van for medical purposes, support for construction of library cum study centre, etc.

Section C: Other Details

PARTICULARS	Yes/No
Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director responsible for BR

a). Details of the Director responsible for implementation of the BR policies

A Sub-Committee of Directors has been formed in this regard. As on March 31, 2021, the Committee composition is as under:

S. No.	Name of Committee Members	Designation
1.	Shri Sunil Kumar Bansal	Deputy Managing Director (Chairman of the Committee)
2.	Dr. Bhushan Kumar Sinha	Member
3.	Prof. Arvind Sahay	Member
4.	Shri Prasoon	Chief General Manager (Secretary to the Committee)

b). Details of the BR Head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri Prasoon
3.	Designation	Chief General Manager
4.	Telephone number	011- 41732000
5.	E-mail id	prasoon@ifciltd.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly, they are as under:-

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	Business Ethics/ Transparency And accountability	Product/Service Responsibility	Wellbeing of Employees	Stakeholder Engagement	Promote Human Rights	Respect, protect and restore Environment	Public Policy	Inclusive growth and equitable development	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	N	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	-	Y	-	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	-	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	-	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	Policy being an internal document is accessible to employees only	Policy being an internal document is accessible to employees only	#	-	Policy being an internal document is accessible to employees only	-	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	-	Y	-	Y	Y
9.	Does the Company have a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

#The links to the relevant Policies are mentioned at the end of this Report.

2a. **If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)					✓[#]		✓[#]		

#IFCI being an NBFC, this principle is not applicable or has limited applicability. However, the company strives to follow applicable directions/ guidelines provided by Government of India.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Business Responsibility Committee met once during the Financial Year 2020-21.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report for the Financial Year 2020-21 form part of the Annual Report and will be hosted on the website of the Company at www.ifciltd.com.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Yes, it extends to the Company only. The Company has in place a Code of Business Conduct and Ethics for IFCI's Board of Directors and Employees. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board and the Employees by the Shareholders of the Company. The Board and Employees are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning. Although, the Policy relating to ethics, bribery and corruption do not specifically extend to Group/Joint Venture/Suppliers/Contractors/NGOs/Others. However, the Subsidiary Companies have their separate Codes of Business Conduct and Ethics.

   IFCI also has in place a Vigil Mechanism. The Vigil Mechanism aims to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption or wilful misuse of power or wilful misuse of discretion, to report concerns about unethical behaviour, actual or suspected fraud, leakage of unpublished price sensitive information or suspected leakage of unpublished price sensitive information or violation of the Code of Business Conduct and Ethics for IFCI's Board of Directors and Employees, against any employee/public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimisation of the person making such complaint subject to the disclosure or complaint being made in good faith and in reasonable time.

   IFCI also has in place the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its business transactions.

   Further, an undertaking is obtained from successful bidders before awarding of contract that they have not indulged in any corruption. Hence applicability of this Principle may be taken as extended to this limit. Also, Integrity Pact (IP) is signed by prospective bidders and selected vendors for contract above ₹ 10 Lakh. The same is in accordance with adoption of Integrity Pact (IP) by Board of Directors, covering all procurements above ₹ 10 Lakhs.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   The Company had received a total of 2412 complaints from the stakeholders of the Company during the FY 2020-21, out of which 99.63% were resolved by March 31, 2021.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   IFCI has financial products like Term Loan, Corporate Loan and Short Term Loan etc. for financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, IFCI stipulates conditions including environmental clearances viz., restriction on Borrower producing or consuming ozone depleting substances. Apart, from the above mentioned financial products, IFCI has also been appointed as Nodal Agency / Project Management Agency for various Project Linked Incentive Schemes launched by various Ministries of the Government of India, which has negligible impact on environment.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Not Applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   Not applicable to the Company's main product. However Centralised Procurement Policy (CPP) has been prepared in line with the General Financial Rules, 2017 of Govt. of India (GoI), Manual for Procurement of Goods (2019) Govt. of India (GoI), Vigilance Manual 2017 and other directions issued by Central Vigilance Commission (CVC). IFCI is availing services of Government e-Market Place (GeM) and CPP Portal (Central Public Procurement Portal).

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   Not applicable to the Company's main product. However, the Company undertakes procurement of goods, works and services from ₹ 2.5 lakhs and above by way of open and limited tender enquiry. GeM portal has MSME compliance in built in the system. For procurement other than GeM Portal, MSME clause is incorporated in the RFP as per MSME Guidelines.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?**

   No.

Principle 3

1. **Please indicate the total number of employees.**

As on March 31, 2021 there were 195 employees (excluding contractual employees) in the Company.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

As on March 31, 2021, there were 11 employees hired on contractual basis. Further, 2 employees from subsidiaries have been hired on temporary deputation basis.

3. **Please indicate the number of permanent women employees.**

As on March 31, 2021, there were 67 permanent women employees.

4. **Please indicate the number of permanent employees with disabilities.**

As on March 31, 2021, there were 2 differently abled employees.

5. **Do you have an employee association that is recognized by management?**

Yes. There are 2 Associations which are recognized by IFCI viz. IFCI Officers Association and IFCI SC/ST Employees Welfare Association.

6. **What percentage of your permanent employees is members of this recognized employee association?**

90.77% of the total permanent employees are members of the IFCI Officers Association as on March 31, 2021.

9.23% of the total permanent employees are members of the IFCI SC/ST Employees Welfare Association as on March 31, 2021.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year 2020-21 and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year 2020-21	No of complaints pending as on March 31, 2021
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	Refer Note below	
3	Discriminatory employment	NIL	NIL

Note: No complaint pertaining to sexual harassment has been received in last financial year. One complaint of sexual harassment of previous financial year i.e. FY 2019-20 was pending at the end of financial year 2020-21 and same was disposed of on April 05, 2021.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   90% of the employees were given safety and skill up-gradation training during the Financial Year 2020-21.

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   All SC/ST/OBC/PWD employees are identified as disadvantaged, vulnerable & marginalized stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   IFCI follows all Government of India Directives for engagement at various levels of career progression for all reserved category employees i.e. SC/ST/OBC/PWD and Minorities. IFCI has given representation to the reserved category employees by providing them with trainings before promotions at various grades and also by constantly engaging the SC/ST association for addressing the issues from time to time.

   Further, IFCI is also the nodal agency for Credit Enhancement Guarantee Scheme to promote entrepreneurship amongst the Scheduled Castes and has been further entrusted with the responsibility of implementation of the scheme aimed at promoting entrepreneurship among Scheduled Caste beneficiaries.

   The detailed chapter on reservation to weaker sections (Scheduled Castes/ Scheduled Tribes/ Other Backward Classes/ Economically Weaker Sections/ Persons with Disabilities etc.) is provided as an addendum to this Report.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   IFCI does not have any specific policy on human rights. All the employees of the company are governed by IFCI Staff Regulations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The company had received a total of 2412 complaints from the stakeholders of the Company during the FY 2020-21, out of which 99.63% were resolved by March 31, 2021. However, none of the complaints relates to Principle 5 of the Guidelines.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others?**

   Yes, the policy is embedded in Company's various policies and practices under CSR and covers the Company as a whole.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   IFCI has promoted Renewable Energy by way of financing such projects across the Country with a view to address global environmental issues such as climate change, global warming etc. The Company has also extended financial assistance to Renewable projects including Solar, Wind and Hydro etc.

3. **Does the company identify and assess potential environmental risks?**

   The above question is not applicable to the Company as it is not a manufacturing company. However, IFCI makes an effort to identify and assess potential environmental and social risks in the projects which are financed by IFCI.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.**

   The Company has completed implementation of energy efficiency work i.e. Installation of LED Lights at its Corporate Office. Consequent to the same, the Company has been able to significantly reduce maintenance and energy costs, besides having positive environment impact.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The above question has limited relevance to the company as it is not a manufacturing company. However, the company complies with environmental regulations in respect of the premises and operations.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2021.**

   NIL.

Principle 7

1. **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   At present, IFCI is having membership of the following Business Chambers / Trade Association-:

   i). Confederation of Indian Industry (CII)
   ii). Associated Chambers of Commerce & Industry (ASSOCHAM)
   iii). Indian Banks' Association
   iv). Indian Institute of Banking and Finance

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

   IFCI supports the initiatives taken by above Associations in their endeavor for the advancement or improvement of public good.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its CSR Policy. Detailed information about the specified programme and initiatives undertaken during the financial year 2020-21 in pursuit of the CSR Policy has been given in 'Report on Corporate Social Responsibility Activities', which forms part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The company undertakes its CSR activities through its own foundation through a Trust by the name of "IFCI Social Foundation" (ISF).

3. **Have you done any impact assessment of your initiative?**

   With regard to the impact assessment of the CSR initiatives undertaken by IFCI during the FY 2020-21, the same is not applicable as per sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. **What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   As the Average Net Profit of IFCI Ltd. for preceding 3 years was negative, IFCI was not required to allocate any amount for CSR activities for FY 2020-21. However, looking at the need during the pandemic COVID-19, ₹15.25 Lakh was transferred to IFCI Social Foundation (ISF) and ISF released the same to PM Cares Fund. ISF is carrying out CSR activities on behalf of IFCI and its group companies through credible implementing agencies.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   IFCI entrusts its CSR budget to the IFCI Social Foundation to ensure that the community development initiative is successfully adopted by the community for social inclusion. The projects sanctioned by the Board of Trustees of IFCI Social Foundation in the FY 2020-21 are targeted towards community development and upliftment of the underprivileged and needy targeting sustainability and bringing them in mainstream of the society. The focus has mainly been on creation of physical social assets.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   A total of 22 cases were pending at the begining and end of the Financial Year 2020-21. Hence, at the end of the year, 100% the customer complaints/consumer cases are pending.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on March 31, 2021. If so, provide details thereof, in about 50 words or so**

   No such instan.

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

   No

Annexure -1 to Business Responsibility Report

The links of relevant policies approved by the Board of Directors of the Company are given below:-

Name of the Policy	Web-link
Fair Practice Code	https://www.ifciltd.com/?q=en/content/fair-practices-code
Code of Conduct	https://www.ifciltd.com/?q=en/content/code-conduct
Vigil Mechanism	https://www.ifciltd.com/?q=en/content/whistle-blower-policy
CSR Policy	https://www.ifciltd.com/?q=en/content/our-csr-policy

The other policies are internal documents and accessible only to employees of the organization.

RESERVATION TO WEAKER SECTIONS

(SCHEDULED CASTES/ SCHEDULED TRIBES/ OTHER BACKWARD CLASSES/ ECONOMICALLY WEAKER SECTIONS/ PERSONS WITH DISABILITIES)

The polices related to the upliftment of certain categories viz. Scheduled Castes/ Scheduled Tribes/ Other Backward Classes/ Economically Weaker Section/ Person with Disabilities etc. issued by Govt. of India are followed by Your Company as applicable from time to time. The guidelines pertaining to reservation/relaxations to these categories are adhered to as per Govt. of India orders. Further, Your Company also ensures due participation of the employees belonging to such categories in various activities viz. recruitment, training, appraisal and promotion etc. The total manpower strength of Your Company as on March 31, 2021 was 195 employees of which 25 belonged to Other Backward Classes, 17 belonged to Scheduled Castes and 01 belonged to Scheduled Tribes.

Annual Statement showing the representation of SCs, STs, OBCs & EWS as on First January of the Year 2021 and Number of Appointments made during the preceding Calendar Year is as under:

Sl. No.	GRADES	Number of Employees (as on 01.01.2021)					Number of appointments made during the preceding year										
							By Direct Recruitment (On contract)*					By Promotion			By Deputation		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Associates/Contractual	8	-	-	1	-	8	-	-	1	-	-	-	-	-	-	-
9	Class III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Class IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**8**	**0**	**0**	**1**	**0**	**8**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* Total number of Associates engaged on contract during the year 2020 is 8 exclusively for the various schemes viz. PLI & SPECS awarded by Govt. of India to IFCI Ltd.

Annual Statement Showing the Representation of SCs,STs, OBCs & EWS in Various Services as on First January of the Year 2021

Sl. No.	GRADES	Number of Employees (as on 01.01.2021)					Number of appointments made during the preceding year										
							By Direct Recruitment (On contract)*					By Promotion			By Deputation		
		Total number of employees	SCs	STs	OBCs	EWSs	Total	SCs	STs	OBCs	EWSs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	ED	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	F	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	E	26	2	-	2							-	-				
4	D	35	2	-	3	-	-	-	-	-	-	-	-	-	-	-	-
5	C (including PS Gr C)	70	7	1	8	-	-	-	-	-	-	-	-	-	-	-	-
6	B (including PS Gr B)	50	5	-	8	-	-	-	-	-	-	-	-	-	-	-	-
7	A	9	1	-	4	-	-	-	-	-	-	-	-	-	-	-	-
8	Associates/Contractual	10		-	1		8	-	-	1	-	-	-	-	-	-	-
9	Class III	2	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Class IV	1		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**206**	**18**	**1**	**26**	**0**	**8**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* Total number of Associates engaged on contract during the year 2020 is 8 exclusively for the various schemes viz PLI & SPECS awarded by Govt. of India to IFCI Ltd.

Group-wise Representation of Persons with Disabilities (PwD) up to 31.12.2020

Sl. No.	Group	Nature of Employees (as on 31.12.2020)					Number of appointments/ promotions made during the calender year 2020 (i.e. 01.01.2020 to 30.12.2020)																				
							Appointment by Direct Recruitment										Promotion								
							No. of vacancies reserved					No. of Appointments made					No. of vacancies reserved				No. of Appointments made				
		Total	VH	HH	OH	ID	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	Total	VH	HH	OH	ID	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	Class I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Class-III	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Class-IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	2	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**2**	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: (i) VH stands for Visually Handicapped (persons suffering from blindness or low vision)
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)
(iv) ID stands for Intellectual Disability

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

As at March 31, 2021 (₹ in crore)

		Direct Subsidiaries						Step-down Subsidiaries						
Sl. No.	Name of the Subsidiary	IFCI Venture Capital Funds Ltd.	IFCI Infrastructure Development Ltd.	IFCI Factors Ltd	IFCI Financial Services Ltd.	Stock Holding Corporation of India Ltd.	MPCON Ltd.	IIDL Realtors Pvt. Ltd.	IFIN Commodities Ltd.	IFIN Credit Ltd.	IFIN Securities Finance Ltd.	Stockhoding Document Management Services Ltd.	SHCIL Services Ltd.	Stockhoding Securities IFSC Ltd.
1.	Share capital	60.37	427.09	279.44	41.53	21.05	1.00	0.01	5.00	2.50	30.01	55.75	6.09	15.00
2.	Reserves & surplus	109.19	77.94	-163.22	27.83	2,663.15	6.36	6.80	-0.26	-0.53	-1.35	-20.72	73.13	-3.26
3.	Total assets	246.84	541.94	366.50	95.56	5,181.78	18.49	12.71	6.61	1.98	29.22	161.96	390.56	15.12
4.	Total liabilities	77.28	36.91	250.28	26.20	2,497.58	11.13	5.90	1.87	0.01	0.56	126.93	311.34	3.38
5.	Investments	38.55	131.56	9.38	38.53	2,662.78	-	-	-	-	13.90	-	5.55	-
6.	Turnover	36.05	58.76	30.30	15.94	460.15	71.27	0.19	0.92	0.09	1.64	42.56	95.74	0.15
7.	Profit before taxation	2.77	8.66	-16.23	-1.59	86.31	1.36	-1.02	-0.38	-0.01	0.23	-17.03	23.09	-1.85
8.	Provision for taxation	0.30	2.53	6.43	-0.27	17.47	0.38		0.00		0.03	-4.03	5.93	-
9.	Profit after taxation	2.47	6.13	-9.80	-1.19	68.84	0.98	-1.02	-0.41	-0.01	0.23	-13.00	17.15	-1.85
10.	Proposed dividend	-	14.95	-	-	16.85	0.10	-	-	-	-	-	4.87	-
11.	% of shareholding *	98.59%	100.00%	99.90%	94.78%	52.86%	79.72%	100.00%	100%	100%	100%	100%	100%	100%

* % of shareholding indicated for step-down subsidiaries represents the shareholding of their respective immediate holding company.

Note: All subsidiary companies have been incorporated in India and are following the same reporting period as of Holding co. i.e. 12 months ending on 31st March each year.

As per our report of even date attached

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

Place : New Delhi
Date : 28 June 2021

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in crore)

Sl. No.	Name of Associates/Joint Ventures	Athena Chattisgarh Power Pvt. Ltd.	Gati Infrastructure Bhasmey Power Pvt. Ltd. $	Kitco Ltd. $	Nagai Power Pvt. Ltd.	Shiga Energy Private Ltd.	Vadraj Cements Ltd.	Vadraj Energy (Gujarat) Ltd.
1.	Latest audited Balance Sheet Date	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-18	31-Mar-18
2.	Shares of Associate/Joint Ventures held by the company on the year end							
	No. of Equity Shares	138,540,000	45,020,000	19,950	5,640,000	51,000,000	63,916,797	36,000,000
	Amount of Investment in Associates/Joint Venture - Equity Shares	137.29	45.02	0.04	5.17	51.00	63.92	35.44
	Extend of Holding	7.01%	38.73%	20.26%	26.46%	28.43%	3.20%	24.00%
3.	Reason why the associate / joint venture is not consolidated	As per Ind AS 28, para 20, an entity shall apply Ind AS 105 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, an entity shall account for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the entity uses the equity method. As the investment in these companies have been classified as held for sale, accordingly these companies has not been consolidated.						
4.	Networth of the Company	1,954.75	116.44	61.57	166.11	-50.88	-1,112.87	-137.35
	- Equity Share Capital	1,975.06	116.24	9.85	365.47	179.42	2,000.00	150.00
	- Preference Share Capital		-					-
	- Convertible Pref Share Capital		-					
	- Reserves & Surplus	-20.01	0.20	51.73	-199.36	-230.30	-3,112.87	-287.35
5.	Networth attributable to Shareholding as per latest audited Balance Sheet (Equity Only)	137.03	45.10	12.47	43.95	-14.46	-35.57	-32.96
6.	Profit / Loss for the year	-0.30	-	-4.20	-197.88	-80.78	-1,595.29	-212.99
	(i) Considered in Consolidation	-	-	-	-	-	-	-
	(ii) Not Considered in Consolidation	-0.30	-	-4.46	-197.88	-80.78	-1,595.29	-212.99

$ I-GAAP financials have been considered.

As per our report of even date attached

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

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

Place : New Delhi
Date : 28 June 2021

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of IFCI Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **IFCI Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its Loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter:

1. We draw attention to Note No. 38, regarding the reversal of "Interest charged on Interest" related to Moratorium period i.e. 1st March, 2020 to 31st August, 2020.
2. We draw attention to Note No. 39, with regard to full impairment allowance on fraud accounts, in terms of RBI guidelines.
3. We draw attention to Note No. 40, regarding change in accounting policy towards de-recognition of income on certain Stage-3 assets. Consequently, the loss for the year is higher by ₹613.71 Crores (net of ECL provision of ₹833.38 Crores) and loan assets are lower by ₹1447.08 Crores.
4. We draw attention to Note No. 41, regarding the entity's impact of COVID-19 pandemic on its financial results.
5. We draw attention to Note No. 42, where the valuation of the investments in subsidiary companies has been considered on the basis of limited review of financial statement for the quarter ended 31st December, 2020.
6. The Capital Risk Adequacy Ratio (CRAR) stands at (-) 10.81% as on 31.03.2021, below the RBI stipulated guideline vide circular dated 31st May, 2018 (RBI/2017-18/181 DNBR (PD) CC.No.092/03.10.001/2017-18).

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key Audit Matters	How our matter was addressed in the audit
1.	**Impairment of Loan Assets – Expected Credit Loss (ECL)** [Refer Note No. 53 to the Standalone Financial Statements read with accounting policy No. 6(b)] The most significant areas where we identified greater levels of management judgment are: • ECL model–Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed classification of various Stages – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated. The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In the event of any improper application of assumptions, the carrying value of loan assets could be materially misstated either individually or collectively. In view of the significance of the amount of loan assets in the standalone Financial Statements, the impairment of loan assets thereon has been considered as Key Audit Matter in our audit.	**Our Audit Procedure includes:** We have obtained an understanding of the guidelines as specified in Ind AS 109 "Financial Instruments", various regulatory updates and the Company's internal instructions and procedures in respect of the expected credit loss and adopted the following audit procedures: 1. Evaluation and understanding of the key internal control mechanisms with respect to the loan assets, assessment of the loan impairment including assessment of relevant data quality, and review of the real data entered. 2. Verification / review of documentations, operations / performance of Loan asset accounts, on test check basis of the large and stressed loan assets, to ascertain any overdue, unsatisfactory conduct or weakness in any loan asset account. 3. Review of the reports of the internal audit and any other audit/inspection mechanisms to ascertain the loan assets having any adverse indication/ comments, and review of the control mechanisms of the Company to ensure the proper classification of such loan assets and expected credit loss thereof. 4. The accuracy of critical data elements input into the system used for computation of PD and LGD. 5. The completeness and accuracy of data flows from source systems into the ECL calculation. 6. Independent assessment of all Loan assets based on IRACP norms of RBI. **Our results:** We considered the credit impairment charge and provision recognized and the related disclosures to be acceptable & satisfactory.

S. No.	Key Audit Matters	How our matter was addressed in the audit
2.	**Valuation of financial instruments at Fair Value** [Refer Note No. 52 to the Standalone Financial Statements read with accounting policy No. 6(b)] Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorized at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to its material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our Audit Procedure includes:** We involved our team to review the management's underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts and the possible outcome of the underlying contracts accruing any profit or loss to the company. Our team also considered general market practices and other underlying assumptions in arriving at such fair valuation of the financial derivative contracts as outstanding/pending for settlement as on March 31, 2021. Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value and the related disclosures to be acceptable & satisfactory.
3.	**Valuation of investments in Subsidiaries and Associates** The carrying value of the Company's investment in subsidiaries represents 56% of the Company's total net worth. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of Company's audits. Hence, it was considered as a key Audit matter in our Report.	**Our Audit Procedure includes:** Review of financial statements of all subsidiaries and associates. **Our results:** We did not find any material risk in recoverability of the investments and the valuation of the investments has been done on fair value.
4.	**Assessment of Information Technology (IT)** The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	**Our Audit Procedure includes:** Evaluated sample of key controls operating over the information/input in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per **Annexure "B"**, our report for the Company on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet and the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of change in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
   (e) As per Notification Number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "C"**. Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Control over financial reporting;
   (g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, since it is a government company, the provision of section 197 of the Act is not applicable to the Company as per GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations as at 31st March, 2021 on its financial position in its standalone financial statements – Refer Note No. 35.2 to the financial statements;
      (ii) The Company has made appropriate adjustment in the Profit & Loss Account, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 52 to the financial statements;
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 1099374AAAAEP6095

Place: New Delhi
Date: June 28, 2021

Annexure A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than flats, paintings, lands and leased plant and machinery having gross block of ₹ 197.92 crores which have been fully depreciated in the earlier years.

(b) As explained to us, the management carries out the physical verification of fixed assets once in a year during the year which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. The management of the Company has physically verified the assets during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to information and explanations given to us, the records examined by us and based on the examination of conveyance deeds/ registered sale deed provided to us, we report that, the title deeds of all immovable properties are held in the name of the Company as at Balance Sheet date.

(ii) The Company is a Non-Banking Financial Company, accordingly it does not hold any inventory. Thus, clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

(iii) As explained to us and verified from books and records, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Further, clauses 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(iv) The Company has not given any loans, investment, guarantees and securities which may be covered under section 185 and 186 of the Companies Act, 2013.

(v) According to the information provided and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

(vi) The Central Government has not prescribed the maintenance of cost records under Sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(vii) In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods& Service Tax and other material statutory dues as applicable to it and there is no undisputed amount payable in respect of aforesaid dues outstanding for a period of more than six months from the date they become payable as on 31 March, 2021, as per the accounts of the Company.

(b) Wherever any dues/demand has been raised by any statutory authority and has been disputed by the Company, the same has been duly deposited under contest except in following cases:

Name of the Statute	Nature of disputed dues	Amount (in crore)	Year to which demand relates	Forum, where dispute is pending
The Income- Tax Act, 1961*	Penalty	1.23	A Y 2015-16	ITAT, New Delhi
The Income- Tax Act, 1961*	Income Tax	2.61	A Y 2016-17	CIT(A), New Delhi
Finance Act, 1994 (Service Tax)	Service Tax and Penalty	1.80	FY 2008-09 to FY 2010-11	CESTAT, New Delhi

*Income tax matters which are disputed/unpaid as appearing in e-filing portal of Income tax department as on 31 March 2021.

(viii) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) According to the information provided and explanations given to us, the Company has raised ₹200 crore through Private Placement of bonds of Series 62 and the same were applied for the purpose for which those are raised.

Further, the Government of India has infused a sum of ₹200 crores towards share capital which is pending allotment as on 31.03.2021. Consequently, the Company has allotted 14.59 Crores shares of ₹13.70/- each to the President of India (Government of India) on preferential basis on April 23, 2021.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and in terms of GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs, the provisions of section 197 pertaining to managerial remuneration do not apply to a government company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) According to information and explanations given to us, the Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has allotted 20 crores number of equity shares @ ₹10 each to the President of India (Government of India) on preferential basis on May 21, 2020 against the amount of ₹200 crores received by the Company in FY 2019-20.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with them which are covered under Section 192 of Companies Act, 2013.

(xvi) The Company is a Non- Banking Finance Company and has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934. The Company has been granted certificate of registration to commence/carry on the business of non-banking financial institution without accepting pubic deposits on August 18, 2009 vide registration No. is B-14.00009.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 1099374AAAAEP6095

Place: New Delhi
Date: June 28, 2021

Annexure B referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements.

Part A - Directions

S. No.	Directions	Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the accounting transactions process through IT system. The income tax computation and deferred tax computation have been done manually on MS excel, however the accounting entries for both is passed through IT system only.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	There is no restructuring of loans availed by the company during the year under reference. There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan. However, according to the information and explanations provided to us by the Company, company as a lender, following are case(s) of waiver/ write-off of debts/ loan/ interest etc. The details of such write-off/waiver are as under: S. No. / Nature of Dues / No. of cases / Amount (Rs. in crores) A. / Waiver/Write-off/ Technical write-off of loans / 4 / 53.43 B. / Debtors write-offs / 58 / 1.45 Further, the Company has write off interest income (Stage 3 Income) of ₹1424.07 Crores during the year. Also, Company as lender has allowed onetime restructuring in four cases in which no loss has been incurred by the Company. It was informed that the waiver/write-off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver.
3.	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes, the funds received for Credit Enhancement Guarantee Scheme for Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme.

Part B – Sub-Directions

S. No.	Sub-Directions	Reply
1.	**Investments** Whether the titles of ownership in respect of CGS/SGS/ Bonds/Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	According to the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures, etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, except for the cases mentioned below: a) Where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

S. No	Company Name	Mode	No. of shares
1.	ACC Ltd.	Demat	80
2.	Reliance Industries Ltd	Demat	4664
3.	Tata Motors Limited	Demat	600
4.	Tata Steel Limited	Demat	300
5.	Asian Hotels (East) Ltd.	Demat	265
6.	Asian Hotels (North) Ltd.	Demat	265
7.	Asian Hotels (West) Ltd.	Demat	265
8.	Bengal & Assam Company Ltd	Demat	23
9.	Bhilwara Technical Textiles Ltd	Demat	958
10.	Birla Precision Technology Ltd	Demat	13
11.	Cimmco Ltd	Demat	24550
12.	Coromandel International Ltd	Demat	69220
13.	E I D Parry (India) Ltd.	Demat	430
14.	Eveready Industries India Ltd.	Demat	200
15.	Excel Glasses Ltd	Demat	50
16.	Gabriel India Ltd., Parwanoo	Demat	3500
17.	GKW Ltd	Demat	110
18.	Graphite India Ltd	Demat	366
19.	Gujarat Sidhee Cement Ltd	Demat	275
20.	Heg Ltd	Demat	1785

S. No.	Sub-Directions	Reply			
		S. No	Company Name	Mode	No. of shares
		21.	Hi-Tech Gears Ltd	Demat	2700
		22.	Indian Metals &FerroAlloys Ltd.	Demat	89
		23.	ITC Ltd	Demat	67
		24.	J.K. Cement Ltd	Demat	20
		25.	Larsen & Toubro Ltd	Demat	1125
		26.	National Organic Chemical Industries Ltd	Demat	130
		27.	Ponni Sugars & Chemicals Ltd	Demat	64800
		28.	Rainbow Denim Ltd	Demat	40
		29.	Rajasthan Spg&Wvg Mills Ltd (Rswm Limited)	Demat	383
		30.	Reliance Capital Ltd	Demat	223
		31.	Reliance Communications Ltd	Demat	4482
		32.	Reliance Infrastructure Ltd	Demat	335
		33.	Reliance Power Ltd	Demat	1120
		34.	Tata Power Co. Ltd	Demat	900
		35.	Titagarh Wagons Ltd.	Demat	25
		36.	Ultratech Cement Ltd	Demat	100
		37.	Winsome Textile Industries Ltd	Demat	200
		38.	Zenith Ltd	Demat	38
		39.	Aditya Birla Capital Ltd	Demat	194
		40.	Aditya Birla Fashion And Retail Limited	Demat	483
		41.	BanswaraSyntex Limited	Demat	100
		42.	Core Education & Technologies Ltd	Demat	3
		43.	Era Infra Engineering Ltd	Demat	27
		44.	Grasim Industries Limited	Demat	139
		45.	Indian Seamless Enterprises	Demat	1028
		46.	Jaykay Enterprises Limited	Demat	100
		47.	Kama Holdings Limited	Demat	150
		48.	Reliance Home Finance Ltd	Demat	223
		49.	Western India Shipyard Ltd	Demat	30
		50.	Ansal Hotel	Physical	4727750
		51.	Aryavastraplywoods Ltd.	Physical	60000
		52.	Bhilwara Processors	Physical	209998
		53.	Biotech Synergy	Physical	440000
		54.	BR Foods	Physical	350000
		55.	Cimmco Ltd.	Physical	2860
		56.	DCM Shree Ram	Physical	16016
		57.	Depro Foods	Physical	1320
		58.	Essar Coated Steel Ltd.	Physical	753000
		59.	Excelsior Plants Co. Ltd.	Physical	51998
		60.	Flower and Tissue India Ltd.	Physical	500000
		61.	Gian Agra Industries Ltd.	Physical	1995
		62	Globe United	Physical	3958
		63	Golden Polymarbles Ltd.	Physical	380000
		64	Hind Food Ltd.	Physical	300000
		65	Hindal Co. India	Physical	116
		66	Jauss Polymers Ltd.	Physical	11000
		67	JCT Ltd.	Physical	500315
		68	JK Paper Limited	Physical	27813
		69	Kinzle India Samay Ltd.	Physical	123400
		70	Maharastra Steel Ltd.	Physical	2995
		71	MM Polytex Ltd.	Physical	100000
		72	Modi Alkalies and Chemicals	Physical	784590
		73	Mohta Electro Steel	Physical	18361
		74	MP Plywood	Physical	25000
		75	Naina Semiconductor Ltd	Physical	509481
		76	ORDe Textiles	Physical	20000
		77	Orrissa Synthetics Ltd.	Physical	100
		78	Oshi Foods Ltd.	Physical	210000
		79	Perfect Drugs Ltd.	Physical	400000
		80	PratibhaSyntex Ltd.	Physical	1250000
		81	Punjab Fibre Ltd.	Physical	87076
		82	PunsuniFrine and Components Ltd.	Physical	220000
		83	Saurashtra Chemicals Ltd.	Physical	1107024
		84	Shama Forge	Physical	24863
		85	Shama Forge (Pref Shares)	Physical	7495
		86	Siel Ltd.	Physical	336348
		87	Siel Sugar Ltd.	Physical	300
		88	Standard Woolens	Physical	50000
		89	Tridev Duplex Board Pvt. Ltd.	Physical	200000
		90	Tripati Woolens	Physical	59789
		91	Usha Forging and Stamping	Physical	45000
		92	Usha Forging and Stamping (Pref)	Physical	1968
		93	Rain Industries Ltd.	Physical	115000
		94	Usha Spinning and Weaving Mill Ltd.	Physical	2783

		As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable. b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.

S. No	Company Name	No. of shares
1	Minerva Holding Ltd	120
2	Ajanta Textiles Ltd (Pref.)	38,219
3	BST MFG Ltd (Pref.)	9,920
4	Digvijay Synthetics Ltd(Pref.)	1,70,000
5	I C Textiles Ltd (Pref.)	9,52,394
6	LML Ltd (Pref.)	21,50,912
7	Morepen Laboratories Ltd (Pref.)	87,373
8	OCM India Ltd	5,89,743
9	Parasrampuria Synthetics Ltd (Pref.)	13,89,450
10	Prag Bosmi Synthetics Ltd (Pref.)	26,14,577
11	Punj Steel Machine Tools Pvt Ltd(Pref.)	1,50,000
12	Samcor Glass Ltd	20,00,000
13	Southern Wind Farms Pvt. Ltd.	1,00,000
14	Steel & Allied Products Ltd (Pref.)	5,980
15	Triveni Metal Tubes Ltd (Pref.)	449
16	YUIL Measure (I) Ltd (Pref.)	39,500
17	Ashok Paper Mills Ltd (Pref.)	30,000
18	Ashok Paper Mills Ltd	3,00,000
19	Assam Ispat Ltd	95,900
20	Bellary Steel & Alloys Ltd(Pref.)	5,67,260
21	Cachar Sugar Mills Ltd (Pref.)	14,953
22	Concast Products Ltd	45,500
23	Kilburn Office Automation Ltd	400
24.	Meghalaya Phyto-Chemicals Ltd	39,483
25.	S&P Engineering Products Ltd	24,094

2.	**Loans** In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon along with financial impact.	There is a system of assessment of realisable value of securities available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances. In view of adoption of Ind AS norms the financial accounts of the company are drawn as per Ind AS. Resulting into non-adherence to IRAC norms of RBI. Impairment in the assets have been calculated in accordance with Ind AS by calculating Expected Credit Loss (ECL) in case of loans as per accounting policy of the company.
3.	Whether Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration for booking of the outstanding loan amount and for adjustment of Impairment loss allowance	Yes, Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration by the company for booking of the outstanding loan amount and for adjustment of Impairment loss allowance.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 1099374AAAAEP6095

Place: New Delhi
Date: June 28, 2021

Annexure C referred to in paragraph 3 of Report on Other Legal and Regulatory Requirements of our report of even date on standalone financial statements:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IFCI Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 so far as our examination has revealed regarding internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: 1099374AAAAEP6095

Place: New Delhi
Date: June 28, 2021

IFCI LTD.

BALANCE SHEET AS AT MARCH 31, 2021

(All amounts are in Rupees crores unless otherwise stated)

	Note	As at 31st March 2021	As at 31st March 2020
I. ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	**533.56**	1,034.03
(b) Bank balance other than (a) above	4	**588.33**	589.76
(c) Derivative financial instruments	5	–	50.04
(d) Trade receivables	6	**57.32**	78.43
(e) Loans	7	**6,479.71**	10,295.36
(f) Investments	8	**2,950.34**	1,882.54
(g) Other financial assets	9	**139.49**	132.68
TOTAL FINANCIAL ASSETS		**10,748.75**	14,062.84
(2) Non-financial Assets			
(a) Investment in subsidiaries	10	**1,343.71**	1,352.13
(b) Investment accounted using equity method	11	–	–
(c) Current tax assets (Net)		**62.23**	181.48
(d) Deferred tax assets (Net)	12	**2,122.05**	1,932.04
(e) Investment property	13	**185.50**	190.08
(f) Property, plant and equipment	14	**741.73**	687.08
(g) Capital work-in-progress		–	–
(h) Other intangible assets	15	**0.91**	1.27
(i) Other non-financial assets	16	**14.46**	22.36
TOTAL NON-FINANCIAL ASSETS		**4,470.59**	4,366.44
Assets classified as held for sale	17	**0.04**	–
TOTAL ASSETS		**15,219.38**	18,429.28
II. LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative financial instruments	5	**15.91**	–
(b) Trade payables			
(i) Total outstanding dues of MSMEs		–	–
(ii) Total outstanding dues of creditors other than MSMEs	18	**165.68**	66.60
(c) Debt securities	19	**7,270.78**	7,844.60
(d) Borrowings (other than debt securities)	20	**2,285.70**	3,165.50
(e) Subordinated liabilities	21	**1,313.30**	1,313.30
(f) Other financial liabilities	22	**1,713.31**	1,805.64
TOTAL FINANCIAL LIABILITIES		**12,764.68**	14,195.64
(2) Non-financial liabilities			
(a) Provisions	23	**82.18**	125.01
(b) Other non-financial liabilities	24	**0.42**	0.86
TOTAL NON-FINANCIAL LIABILITIES		**82.60**	125.87
(3) Equity			
(a) Equity share capital	25	**1,895.99**	1,695.99
(b) Other equity	26	**476.11**	2,411.78
TOTAL EQUITY		**2,372.10**	**4,107.77**
TOTAL LIABILITIES AND EQUITY		**15,219.38**	18,429.28
		–	–

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

IFCI LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rupees crores unless otherwise stated)

		Note	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
	Interest income	27	**1,085.73**	2,144.10
	Dividend income		**25.69**	43.24
	Rental income		**38.60**	36.19
	Fees and commission Income		**34.72**	20.13
	Net gain on fair value changes	28	**193.26**	–
I.	**Total revenue from operations**		**1,378.00**	2,243.66
II.	**Other income**	29	**18.92**	20.40
III.	**Total income (I+II)**		**1,396.92**	2,264.06
	Expenses			
	Finance costs	30	**1,118.97**	1,416.35
	Net loss on fair value changes	28	**–**	275.50
	Impairment on financial instruments	31	**2,271.63**	421.96
	Employee benefits expenses	32	**91.09**	143.92
	Depreciation and amortisation	33	**29.30**	30.66
	Others expenses	34	**33.16**	116.58
IV.	**Total expenses**		**3,544.15**	2,404.97
V.	**Profit before exceptional items and tax (III- IV)**		**(2,147.23)**	(140.91)
VI.	Exceptional items		**–**	–
VII.	**Profit/(Loss) before tax (V-VI)**		**(2,147.23)**	(140.91)
VIII.	**Tax expense:**			
	- Current tax		**–**	–
	- Taxation for earlier years		**8.57**	43.99
	- Deferred tax (net)	12	**(197.99)**	92.98
	Total Tax expense		**(189.42)**	136.97
IX.	**Profit/(Loss) for the Year (VII-VIII)**		**(1,957.81)**	(277.88)
X.	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	- Fair value changes on FVTOCI - equity securities		**27.77**	(30.27)
	- Gain/(loss) on sale of FVTOCI - equity securities			(5.12)
	- Actuarial gain/(loss) on defined benefit obligation			–
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Equity securities		**(9.71)**	(30.87)
	- Tax on Actuarial gain/(loss) on Defined benefit obligation		**–**	18.65
	Subtotal (A)		**18.06**	(47.61)
B.	**(i) Items that will be reclassified to profit or loss**			
	- Debt securities measured at FVTOCI - net change in fair value		**2.35**	(10.76)
	- Debt securities measured at FVTOCI - reclassified to profit and loss		**–**	–
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Debt securities		**1.72**	18.72
	Subtotal (B)		**4.07**	7.96
	Other comprehensive income / (loss) (A + B)		**22.13**	(39.65)
XI.	**Total comprehensive income / (loss) for the year (IX+X)**		**(1,935.68)**	(317.53)
XII.	**Earnings per equity share**			
	Basic Earnings per share of ₹10 each		**(10.33)**	(1.64)
	Diluted Earnings per share of ₹10 each		**(10.33)**	(1.64)

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rupees crores unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Tax	**(2,147.23)**	(140.91)
	Adjustments for:		
	Depreciation and amortisation	**29.30**	30.66
	Impairment provision/ write offs	**2,271.63**	421.96
	Unrealised gain/(loss) on investments	**(304.53)**	275.50
	Impairment on Assets held for sale	**–**	–
	Impairment on Non-financial asset	**(11.34)**	63.17
	(Profit)/ Loss on Sale of Assets	**(0.01)**	(8.53)
	Operating Profit before Working Capital Changes & Operating Activities	**(162.18)**	641.85
	Adjustments for Operating Activities:		
	(Increase)/ decrease in Investments	**(716.34)**	1,100.47
	(Increase)/ decrease in Loans & Advances	**1,589.08**	2,488.28
	(Increase)/ decrease in Derivative Financial Instruments	**65.95**	(35.38)
	Increase/ (decrease) in Trade Payables	**99.08**	(40.67)
	Increase/ (decrease) in Subordinated Liabilities	**–**	–
	(Increase)/ decrease in Receivables	**19.99**	(71.48)
	Increase/ (decrease) in Debt Securities	**(573.82)**	(1,382.19)
	Increase/ (decrease) in Borrowings	**(879.80)**	(2,388.21)
	Operating Profit before Working Capital Changes	**(569.38)**	375.84
	Adjustments for:		
	(Increase)/ decrease in Other Financial Assets	**7.90**	(7.85)
	Increase/ (decrease) in Other Non-financial Asset	**(9.54)**	20.16
	Increase/ (decrease) in Other Financial Liability	**(92.33)**	60.93
	Increase/ (decrease) in Other Non-financial Liability	**(0.44)**	(0.53)
	Increase/ (decrease) in Provision	**(82.21)**	61.59
	Increase/ (decrease) in other bank balances	**1.43**	(45.55)
	Increase/ (decrease) in assets held for sale	**(0.04)**	45.46
	Cash Flow before taxation	**(175.23)**	134.21
	Income Tax (paid)/ refund - Net	**110.67**	(23.40)
	Net cash flow from Operating Activities	**(633.94)**	486.65
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of / Advance for property, plant and equipments (including Leased property)	**(78.26)**	(11.32)
	Investment in subsidiaries	**–**	–
	Proceeds from sale of investment property	**–**	–
	Purchase of/ Advance for Intangible Asset	**0.36**	0.38
	Proceeds from sale of property, plant and equipments (including leased property)	**0.03**	25.95
	Net cash flow from Investing Activities	**(66.53)**	(48.16)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share application money received	**200.00**	200.00
	Net cash flow from Financing Activities	**200.00**	200.00
	Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(500.47)**	638.49
	Add : Cash and Cash Equivalents at beginning of the period	**1,034.03**	395.54
	Cash and Cash Equivalents at the end of the period	**533.56**	1,034.03
Details of Cash and Cash Equivalents at the end of the Year:			
	Cash in hand (including postage stamps)	**–**	0.01
	Balances with Banks		
	- Bank balance	**519.86**	263.14
	- Bank Deposits	**–**	770.88
	Collaterised borrowings lending operations (CBLO)	**13.70**	–
	Cheques on hand & under collection and remittances in transit	**–**	–
	Total Cash and Cash Equivalents at the end of the year	**533.56**	1,034.03

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

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Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Rupees crores unless otherwise stated)

(a) Equity Share Capital

Balance as at 01 April 2020	Changes in equity share capital during the year	Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,695.99	–	1,695.99	200.00	1,895.99

(b) Other Equity

	Reserves and Surplus											Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Remeasurements of the defined benefit plans	Total
	Share application money pending allotment	Deemed equity contribution	Impairment Reserve	Reserve u/s 45IC of RBI Act	Special reserve under Section 36(1) (viii) of the income Tax Act, 1961	Capital reserve	Securities premium	Capital redemption reserve	Debenture redemption reserve	General reserve	Retained earnings				
Balance as at 01 April 2019	–	335.82	–	875.04	136.69	0.85	967.69	231.92	247.08	353.58	(258.91)	9.53	(404.69)	34.71	2,529.31
Total comprehensive income for the year	–	–	–	–	–	–	–	–	–	–	(277.88)	7.96	(66.26)	18.65	(317.53)
Application money received during the year	200.00	–	–	–	–	–	–	–	–	–	–	–	–	–	200.00
Transfer to/from retained earnings	–	–	22.98	–	–	–	–	–	–	–	(22.98)	–	–	–	–
Balance as at 31 March 2020	**200.00**	**335.82**	**22.98**	**875.04**	**136.69**	**0.85**	**967.69**	**231.92**	**247.08**	**353.58**	**(559.77)**	**17.49**	**(470.95)**	**53.36**	**2,411.78**
Total comprehensive income for the year	–	–	–	–	–	–	–	–	–	–	(1,957.81)	4.08	18.06	–	(1,935.67)
Application money transfer during the year	(200.00)	–	–	–	–	–	–	–	–	–	–	–	–	–	(200.00)
Application money received during the year	200.00	–	–	–	–	–	–	–	–	–	–	–	–	–	200.00
Transfer to/from retained earnings	–	–	11.56	–	–	–	–	–	–	–	(11.56)	–	–	–	–
Balance as at 31 March 2021	**200.00**	**335.82**	**34.54**	**875.04**	**136.69**	**0.85**	**967.69**	**231.92**	**247.08**	**353.58**	**(2,529.14)**	**21.57**	**(452.89)**	**53.36**	**476.11**

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
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Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

(All amounts are in Rupees crores unless otherwise stated)

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. BACKGROUND

IFCI Limited ('the Company'), incorporated in Delhi, India is a Non-Banking Finance Company in the public sector. Established in 1948 as a statutory corporation, IFCI is currently a company listed on BSE and NSE. The Company provide financial support for the diversified growth of Industries across the spectrum. The financing activities cover various kinds of projects such as airports, roads, telecom, power, real estate, manufacturing, services sector and such other allied industries

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements for the year ended March 31, 2021 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2018, the Company presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework.

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

The financial statements were authorised for issue by the Company's Board of Directors on 28 June 2021.

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. BASIS OF MEASUREMENT

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

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

5. USE OF JUDGEMENTS AND ESTIMATES

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

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

6. SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue recognition

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

The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired). However, for the financial assets that have become credit impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset.

The Company has changed its accounting policy whereby income on stage 3 assets shall not be recognized in books of accounts with effect from 01st April 2021.

ii. Penal interest and other overdue charges which are not included in effective interest rate is recognised on realisation, due to uncertainty of realisation and is accounted for accordingly.

iii. Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement.

iv. Premium on pre-payment of loans/ reduction in interest rates is recognised as income on receipt basis.

v. Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

vi. LC Commission is recognised over time as the services are rendered as per the terms of the contract.

vii. The dividend unclaimed on account of shares sold and outstanding in the books are recognised as income after the end of three years,the limitation period.

b. Financial instruments

I. Initial recognition and measurement

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

(All amounts are in Rupees crores unless otherwise stated)

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

II. Classifications and subsequent measurement

Financial assets

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

Business Model Assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized;

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

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

Financial assets at Amortised Cost

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

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

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

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

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

Investment in equity instruments

All equity investments in scope of Ind AS 109 (i.e. other than equity investments in subsidiaries / associates / joint ventures) are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

Derivative instruments

All derivative instruments are measured as FVTPL.

Financial liabilities and equity instruments

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate and is accordingly accounted for.

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

III. Measurement Basis

Amortised cost

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

Fair Valuation

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

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

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

(All amounts are in Rupees crores unless otherwise stated)

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

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or fully recovered or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. The Company also recognise a liability for the consideration received attributable to the Company's continuing involvement on the asset transferred. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

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

V. Offsetting of financial instruments

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

VI. Impairment of Financial Assets

The Company recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- financial assets that are debt instruments
- lease receivables
- financial guarantee contracts issued
- loan commitment issued

No impairment loss is recognised on equity investments

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

- financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows
- undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive

With respect to trade receivables and other financial assets, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Write-off

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

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

c. Investment in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

d. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

I. The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

II. The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(All amounts are in Rupees crores unless otherwise stated)

e. Employee benefits

i. Short term employee benefits

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

ii. Post employement benefits

a. Defined contribution plans

Pension

Prior to 1 April 2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Company switched to defined contribution scheme in August 2008 for employees existing on 1 April 2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

b. Defined benefit plans

Provident Fund

The Company pays fixed contribution to Provident Fund at predetermined rates and invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. The obligation of the Company is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

Gratuity

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

Medical facility

The Company has a post-retirement medical benefit scheme for employees and their dependants subject to certain limits for hospitalization and normal medical treatment.

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

iii. Other long term employee benefits

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

f) Income Taxes

I. Current tax

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

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

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

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

II. Deferred tax

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

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

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

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

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

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

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

g) Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets having individual value of less than ₹5,000/- are charged to statement of Profit and Loss in the year of purchase.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation

Depreciation is provided using the straight line method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹ 'Nil'.

(All amounts are in Rupees crores unless otherwise stated)

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

De-recognition

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

h) Intangible assets

Recognition and measurement

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

Amortisation

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

De-recognition

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

i) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Foreign currency transactions

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

k) Provisions and contingencies related to claims, litigation, etc.

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

l) Contingent liabilities and contingent assets

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

Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

m) Cash and cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 50 for details on segment information presented.

o) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets measured at the lower of their carrying amount and fair value less cost to sell with gains and losses on remeasurement recognised in profit or loss.

Once classified as held for sale, assets are no longer amortised. depriciated or impaired.

(All amounts are in Rupees crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash in hand (including postage stamps) *	–	0.01
Balances with Banks		
- Bank balance	519.86	263.14
- Bank Deposits	–	770.88
Collaterised borrowings lending operations (CBLO)	13.70	–
Total	**533.56**	1,034.03

* Cash in hand balance is₹100 (Hundred rupees) as on 31st March 2021 & as on 31st March 2020.

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Bank Deposits against fund placed with Company under Credit Guarantee Enhancement Scheme		
- Bank balance	0.15	0.06
- Bank deposits	293.96	281.09
Unclaimed dividend account	8.23	10.69
Balances with banks held as margin money against guarantees*	80.02	66.26
Bank deposits under directions of court and tribunal etc.	205.97	231.66
Total	**588.33**	589.76
* includes balances for more than 12 months	12.40	–

5 DERIVATIVE FINANCIAL INSTRUMENTS:

	As at March 31, 2021			As at March 31, 2020		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
Currency derivatives:						
- Spot and forwards	795.16	–	15.91	817.40	50.04	–
Total Derivative financial Instruments – Part I	795.16	–	15.91	817.40	50.04	–
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
Undesignated derivatives	795.16	–	15.91	817.40	50.04	–
Total Derivative financial Instruments – Part II	795.16	–	15.91	817.40	50.04	–

The derivatives have been used by the Company for hedging the interest rate and principle risk for loans taken in foreign currency.

Refer Note No. 53 for management of risk arising from derivatives.

6 RECEIVABLES:

	As at March 31, 2021	As at March 31, 2020
(A) Secured		
- considered good	–	–
- considered doubtful	–	–
(B) Unsecured		
- considered good	58.72	78.71
- considered doubtful	–	–
	58.72	78.71
Less: Provision for impairment	(1.40)	(0.28)
Total	**57.32**	78.43

For terms and conditions of trade receivables owing from related parties and transactions with related parties, see Note 47.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 53.

(All amounts are in Rupees crores unless otherwise stated)

7 LOANS

		As at March 31, 2021	As at March 31, 2020
(A)	**At Amortised cost**		
(i)	Loans repayable on demand	**–**	–
(ii)	Term loans	**11,638.10**	15574.73
(iii)	Leasing	**0.04**	0.04
(iii)	Debentures	**1,065.14**	1,069.14
	Total (A) -Gross	**12,703.28**	16,643.91
	Less: Impairment loss allowance	**6,223.57**	6,348.55
	Total (A) - Net	**6,479.71**	10,295.36
(B)	**Security Details**		
(i)	Secured by tangible assets and intangible assets	**7,993.09**	10,897.39
(ii)	Covered by bank/government guarantees	**117.70**	135.45
(iii)	Unsecured	**4,592.49**	5,611.07
	Total (B)- Gross	**12,703.28**	16,643.91
	Less: Impairment loss allowance	**6,223.57**	6,348.55
	Total (B)-Net	**6,479.71**	10,295.36
(C)	**Loans in India**		
(i)	Public sector	**54.39**	421.75
(ii)	Others (to be specified)	**12,648.89**	16,222.16
	Total (C)- Gross	**12,703.28**	16,643.91
	Less: Impairment loss allowance	**6,223.57**	6,348.55
	Total (C)-Net	**6,479.71**	10,295.36

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53.

8 INVESTMENTS

		Amortised cost	At Fair Value: Through other comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Others	Total
		(1)	**(2)**	**(3)**	**(4)**	**(6)**	**(6)**
As at March 31, 2021							
(A)							
(i)	Mutual funds	–	–	1,123.38	–	–	1,123.38
(ii)	Government securities	–	481.43		–	–	481.43
(iii)	Debt securities	–	114.36	–	–	–	114.36
(iv)	Equity instruments	–	40.39	637.17	–	–	677.56
(v)	Others	–	–	–	–	–	–
	Venture capital	–	–	109.34	–	–	109.34
	Security receipts	–	–	414.55	–	–	414.55
	Commercial Paper	–	24.85	–	–	–	24.85
	Preference shares	–	–	4.87	–	–	4.87
	Total – Gross (A)	**–**	**661.03**	**2,289.31**	**–**	**–**	**2,950.34**
(B)							
(i)	Investments in India	–	661.03	2,289.31	–	–	2,950.34
(ii)	Investments outside India	–	–	–	–	–	–
	Total – Gross (B)	**–**	**661.03**	**2,289.31**	**–**	**–**	**2,950.34**
(C)	Less: Allowance for Impairment loss		–	–	–		–
(D)	**Total – Net (A-C)**	**–**	**6,61.03**	**2,289.31**	**–**	**–**	**2,950.34**

(All amounts are in Rupees crores unless otherwise stated)

			At Fair Value				
		Amortised cost	Through other comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Others	Total
		(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)
As at March 31, 2020							
(A)							
(i)	Mutual funds	–	–	30.53	–	–	30.53
(ii)	Government securities	–	632.47	–	–	–	632.47
(iii)	Debt securities	–	198.78	–	–	–	198.78
(iv)	Equity instruments	–	12.62	421.01	–	–	433.63
(v)	Others	–	–	–	–	–	–
	Venture capital	–	–	112.61	–	–	112.61
	Security receipts	–	–	447.06	–	–	447.06
	Preference shares	–	–	27.46	–	–	27.46
	Total – Gross (A)	**–**	**843.87**	**1,038.67**	**–**	**–**	**1,882.54**
(B)							
(i)	Investments in India	–	843.87	1,038.67	–	–	1,882.54
(ii)	Investments outside India	–	–	–	–	–	–
	Total – Gross (B)	**–**	**843.87**	**1,038.67**	**–**	**–**	**1,882.54**
(C)	Less: Allowance for Impairment loss	–	–	–	–		–
(D)	**Total – Net (A-C)**	**–**	**843.87**	**1,038.67**	**–**	**–**	**1,882.54**

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53

9 OTHER FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
Interest on Investments	**14.53**	21.07
Accrued income	**12.16**	21.13
Loans to employees	**27.48**	27.09
Other Deposits	**86.31**	64.59
Other doubtful deposits	**12.12**	12.12
Other recoverables	**57.32**	50.86
	209.92	196.86
Less: Allowance for impairment loss	**70.43**	64.18
Total	**139.49**	132.68

The Company's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 53.

10 INVESTMENT IN SUBSIDIARIES

	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries	**1,381.72**	1,381.72
Less: Allowance for impairment loss	**38.01**	29.59
Total	**1343.71**	1352.13

11 INVESTMENT ACCOUNTED USING EQUITY METHOD

	As at March 31, 2021	As at March 31, 2020
Investment in associates	**–**	–
Total	**–**	–

(All amounts are in Rupees crores unless otherwise stated)

12. DEFERRED TAX ASSETS AND LIABILITIES

	As at 01 April 2020	Recognised in equity	Recognised in profit or loss during the year	Recognised in OCI during the year	**As at March 31, 2021**
Deferred tax assets:					
Loans	1,718.74	–	276.55	–	**1,995.29**
Others	377.71	–	–	–	**377.71**
Minimum alternate tax credit entitlement	–	–	–	–	–
Sub - Total (a)	**2,096.45**	**–**	**276.55**	**–**	**2,373.00**
Deferred tax liabilities:					
Property, plant and equipment	246.30	–	(4.87)	–	**241.43**
Investments	(85.15)	–	96.66	7.98	**19.50**
Investments in subsidiaries	(67.89)	–	(2.94)	–	**(70.83)**
DTL on Special Reserve u/s 36(i)(viii)	46.72	–	–	–	**46.72**
Borrowings	24.43	–	(10.30)	–	**14.13**
Sub - Total (b)	164.41	–	78.55	7.98	**250.94**
Net deferred tax assets	**1,932.04**	**–**	**197.99**	**(7.98)**	**2,122.05**

13 INVESTMENT PROPERTY

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions / Adjustments	Disposals / Adjustment	**As at March 31, 2021**	As at 1 April 2020	For the year	Disposals / Adjustment	**As at March 31, 2021**	As at March 31, 2021	As at March 31, 2020
Owned Assets										
Freehold Land	9.84	–	–	**9.84**	–	–	–	**–**	9.84	9.84
Buildings	192.75	–	–	**192.75**	12.53	4.57	–	**17.10**	175.65	180.22
Assets under finance lease										
Leasehold land	0.02	–	–	**0.02**	–	–	–	**–**	0.02	0.02
Total	202.61	–	–	**202.61**	12.53	4.57	–	**17.10**	185.50	190.08

	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	**Additions / Adjustments**	**Disposals / Adjustment**	**As at March 31, 2020**	As at 1 April 2019	For the year	Disposals / Adjustment	As at March 31, 2020	As at March 31, 2020	As at 1 April 2019
Owned Assets										
Freehold Land	9.84	–	–	9.84	–	–	–	–	9.84	9.84
Buildings	192.75	–	–	192.75	9.24	4.57	1.28	12.53	180.22	183.51
Assets under finance lease										
Leasehold land	0.02	–	–	0.02	–	–	–	–	0.02	0.02
Total	**202.61**	**–**	**–**	**202.61**	9.24	4.57	1.28	12.53	190.08	193.37

Fair value of investment property

	As at March 31, 2021*	As at March 31, 2020
Freehold Land	**12.60**	12.60
Leasehold Land	**0.73**	0.73
Buildings	**311.85**	311.85

* Considering the present Real Estate market situation and prolonged COVID-19 situation in the country, the FV as on 31st March, 2020 has been retained for 31st March, 2021 also

(All amounts are in Rupees crores unless otherwise stated)

Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Company follows direct sale comparison technique. The valuation model considers the value of the subject property by comparing recent sales / listing of similar interest in the properties located in the surrounding area. By analysing sales which qualify as 'arms-lenght' transactions, between willing buyers and sellers, adjustments would be made for size, location, time, amenities and other relevant factors when comparing such sales price against the subject property. This approach is commonly used to value standard properties when realisable sales evidence is available.

14 PROPERTY, PLANT AND EQUIPMENT

	Gross Block				**Depreciation**				**Net Block**	
	As at 1 April 2020	Additions / adjustments	Disposals / adjustments	**As at March 31, 2021**	As at 1 April 2020	For the year	Disposals / adjustments	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Owned Assets										
Freehold Land	52.71	46.39	(0.03)	**99.13**	–	–	–	**–**	**99.13**	52.71
Buildings	413.10	31.86	–	**444.96**	26.77	12.22	0.04	**38.95**	**406.01**	386.33
Leasehold Improvement	0.04	–	–	**0.04**	0.04	–	–	**0.04**	**–**	–
Plant & Machinery	7.10	0.29	–	**7.39**	0.89	0.54	–	**1.43**	**5.96**	6.21
Furniture & Fixtures	5.87	0.01	–	**5.88**	4.60	0.58	–	**5.18**	**0.70**	1.27
Vehicles	0.20	0.15	0.02	**0.33**	0.13	0.01	–	**0.14**	**0.19**	0.07
Office Equipments	2.84	0.12	0.25	**2.71**	1.54	0.44	0.26	**1.72**	**0.99**	1.30
Electrical Installations and Equipments	11.47	0.01	0.14	**11.34**	8.89	1.01	0.06	**9.84**	**1.51**	2.58
Assets under Lease										
Leasehold Land	264.34	–	–	**264.34**	27.73	9.37	–	**37.10**	**227.24**	236.61
Total	757.67	78.84	0.38	**836.13**	70.59	24.17	0.36	**94.39**	**741.73**	687.08

	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	Additions / adjustments	Disposals / adjustments	As at March 31, 2020	As at 1 April 2019	For the year	Disposals / adjustments	As at March 31, 2020	As at March 31, 2020	As at 1 April 2019
Owned Assets										
Freehold Land	52.71	–	–	52.71	–	0	0	–	52.71	52.71
Buildings	440.24	–	27.14	413.10	24.67	11.77	9.67	26.77	386.33	415.57
Leasehold Improvement	0.04	–	–	0.04	0.04	–	–	0.04	(0.00)	(0.00)
Plant & Machinery	2.15	4.95	–	7.10	0.39	0.50	–	0.89	6.21	1.76
Furniture & Fixtures	5.87	–	–	5.87	3.68	0.92	0.00	4.60	1.27	2.19
Vehicles	0.29	–	0.09	0.20	0.19	0.01	0.07	0.13	0.07	0.10
Office Equipments	2.71	0.42	0.29	2.84	1.39	0.44	0.29	1.54	1.30	1.32
Electrical Installations and Equipments	11.46	0.01	–	11.47	6.38	2.57	0.06	8.89	2.58	5.08
Assets under Lease										
Leasehold Land	264.34	–	–	264.34	18.37	9.37	0.01	27.73	236.61	245.97
Total	**779.81**	**5.38**	**27.52**	**757.67**	55.11	25.58	10.10	**70.59**	**687.08**	724.70

(All amounts are in Rupees crores unless otherwise stated)

15 INTANGIBLE ASSETS

	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions / adjustments	Disposals / adjustments	**As at March 31, 2021**	As at 1 April 2020	For the year	Disposals / adjustments	**As at March 31, 2021**	**As at March 31, 2021**	As at March 31, 2020
Computer Software	2.83	0.19	–	**3.02**	1.56	0.55	–	**2.11**	**0.91**	1.27
Total	2.83	0.19	–	**3.02**	1.56	0.55	–	**2.11**	**0.91**	1.27

	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions / adjustments	Disposals / adjustments	As at March 31, 2020	As at 1 April 2019	For the year	Disposals / adjustments	As at March 31, 2020	As at March 31, 2020	As at 1 April 2019
Computer Software	2.69	0.14	–	2.83	1.04	0.52	–	1.56	1.27	1.65
Total	**2.69**	**0.14**	**–**	**2.83**	**1.04**	**0.52**	**–**	**1.56**	**1.27**	**1.65**

16 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
Capital advances	**0.82**	1.03
Pre-paid expenses	**0.44**	0.38
Provident fund - asset *	**13.20**	20.95
Other Assets	**–**	6.09
	14.46	28.45
Less: Allowance for impairment loss	**–**	6.09
Total	**14.46**	22.36
* Net of Provident fund liablity	**81.69**	81.08

17 ASSETS HELD FOR SALE

	As at March 31, 2021	As at March 31, 2020
Assistance under development financing (AUF) - Associates	**0.04**	–
Total	**0.04**	–

18 TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to micro, small and medium enterprises	**–**	–
Total outstanding dues of creditors other than micro, small and medium enterprises	**165.68**	66.60
Total	**165.68**	66.60

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

19 DEBT SECURITIES

	As at March 31, 2021	As at March 31, 2020
At Amortised cost		
(A) At Amortised cost		
(i) Non-Convertible Debentures		
- 6.00% LIC - Redeemable on 28.12.2021	**193.57**	185.61
- 6.00 % SBI - Redeemable on 25.01.2022	**192.85**	184.96
- 9.37% LIC - Redeemable on 01.04.2022	**418.19**	418.18
(ii) Bonds		
- Privately Placed Bonds	**3,606.71**	3,979.96
- Privately Placed Zero Coupon Bonds	**271.90**	247.79
- Infrastructure Bonds	**896.27**	1,256.61
- Privately Placed Bonds issued to Subsidiaries	**75.00**	75.00
- Less: Interest accrued but not due	**(430.08)**	(549.88)

(All amounts are in Rupees crores unless otherwise stated)

(iii)	*Tax-free Bonds (secured by floating charge on receivables of IFCI Ltd.)*		
	- held by subsidiary and associate companies	**45.00**	45.00
	- held by others	**265.00**	265.00
(iv)	*Public issue of NCDs*		
	Secured Redeemable Non Convertible Debentures(secured by floating charge on receivables of IFCI Ltd.)		
	- held by subsidiary and associate companies	**10.00**	10.00
	- held by others	**1,211.40**	1,199.37
	- Less: Interest accrued but not due	**(60.03)**	(48.00)
(v)	*Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)*		
	- Others (Bonds/ Debentures etc.)	**575.00**	575.00
	Total (A)	**7,270.78**	7,844.60
(B)	**Debt securities issued in/outside India**		
(i)	*Debt securities in India*	**7,270.78**	7,844.60
(ii)	*Debt securities outside India*	**–**	–
	Total (B)	**7,270.78**	7,844.60

Privately placed Bonds includes ₹331.84 cr of bonds which were guaranteed by the Govt. of India at the time of issue. these bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period and accordingly, these bonds were shown under Bonds guaranteed by Govt. of India till March 31, 2013, with suitable disclosure of the fact in Notes to Accounts. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such olled over erstwhile government guaranteed bonds are clustered under Privately Place Bonds as on March 31, 2021 above.

Terms of Repayment of Other Bonds

Series	**Interest rate**	**Date of maturity**	**Amount**
Zero Coupon Bonds	9.75%	7-Jul-40	17.26
Zero Coupon Bonds	9.75%	7-Jul-39	18.94
Zero Coupon Bonds	9.75%	7-Jul-38	20.79
Other Bonds	9.90%	5-Nov-37	106.88
Zero Coupon Bonds	9.75%	7-Jul-37	22.82
Zero Coupon Bonds	9.75%	7-Jul-36	25.05
Zero Coupon Bonds	9.75%	7-Jul-35	27.50
Zero Coupon Bonds	9.75%	7-Jul-34	30.17
Zero Coupon Bonds	9.75%	7-Jul-33	33.11
Other Bonds	9.90%	5-Nov-32	106.88
Zero Coupon Bonds	9.75%	7-Jul-32	36.35
Zero Coupon Bonds	9.75%	7-Jul-31	39.90
Other Bonds	9.98%	29-Oct-30	250.00
Other Bonds	9.75%	16-Jul-30	500.00
Other Bonds	9.75%	13-Jul-30	250.00
Other Bonds	9.70%	18-May-30	250.00
Other Bonds	9.70%	4-May-30	250.00
Other Bonds	9.75%	26-Apr-28	350.00
Other Bonds	9.90%	5-Nov-27	106.88
Other Bonds	10.12%	8-Oct-27	19.59
Other Bonds	10.10%	8-Oct-27	5.15
Infra Bonds	8.72%	31-Mar-27	24.16
Infra Bonds	9.16%	15-Feb-27	42.56
Infra Bonds	8.75%	12-Dec-26	11.03
Other Bonds	9.55%	13-Apr-25	225.00
Other Bonds	9.55%	5-Mar-25	200.00
Other Bonds	9.75%	25-Jan-25	200.00
Infra Bonds	8.50%	31-Mar-24	85.23
Other Bonds	6.00%	10-Dec-22	50.00
Other Bonds	6.00%	18-Nov-22	25.00
Other Bonds	9.90%	5-Nov-22	106.88
Other Bonds	6.00%	22-Oct-22	50.00
Other Bonds	9.95%	8-Oct-22	5.41
Other Bonds	10.05%	28-Sep-22	8.20
Other Bonds	6.00%	27-Sep-22	45.00
Other Bonds	10.15%	26-Jun-22	2.80
Other Bonds	10.25%	31-Mar-22	0.89
Other Bonds	8.22%	3-Mar-22	46.22

(All amounts are in Rupees crores unless otherwise stated)

Terms of Repayment of Other Bonds

Series	Interest rate	Date of maturity	Amount
Other Bonds	10.25%	28-Feb-22	0.40
Infra Bonds	9.09%	15-Feb-22	237.45
Other Bonds	8.19%	13-Jan-22	138.25
Other Bonds	10.60%	31-Dec-21	1.75
Infra Bonds	8.50%	12-Dec-21	65.76
Other Bonds	10.60%	30-Nov-21	0.30
Other Bonds	10.50%	31-Aug-21	6.38
Other Bonds	8.26%	19-Aug-21	147.37
Other Bonds	10.20%	31-May-21	0.30
Other Bonds	10.00%	30-Apr-21	1.30
Other Bonds	10.00%	30-Apr-21	24.90
Other Bonds	9.40%	21-Apr-23	200.00
Total			4,419.80

Terms of Repayment of Secured Bonds

Bonds	Rate of Interest (% p.a.)	Date of Maturity	Amount
Tax Free Bonds	8.76%	31-Mar-29	145.00
Public Issue of Bonds*	9.40%	13-Feb-25	325.38
Public Issue of Bonds*	9.90%	1-Dec-24	647.99
Tax Free Bonds	8.39%	31-Mar-24	165.00
Public Issue of Bonds*	9.90%	1-Dec-21	188.01
PP Bonds Series 61	8.55%	3-Nov-21	575.00
Total			2,046.37

* additional interest @ 0.10% p.a. payable to individual investor

20 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2021	As at March 31, 2020
(A) At Amortised cost		
(i) Term loans		
- from banks and other parties	**1,781.77**	2,649.92
- from other parties		
- from financial institutions	**94.10**	90.74
- from KfW Line	**409.83**	424.84
Total (A)	**2,285.70**	3,165.50
(B) Borrowings (other than Debt Securities) in/outside India		
(i) Borrowings in India	**1,875.87**	2,740.66
(ii) Borrowings outside India	**409.83**	424.84
Total (B)	**2,285.70**	3,165.50

Terms of Repayment of Term Loans from Banks/ Fis

Repayment Mode	Rate of Interest (% p.a.)	Amount	Date of Maturity	Date of next Instalment	Number of instalments
Bullet	5.85%	93.72	2-May-22	2-May-22	1
Bullet	5.85%	185.31	23-Jul-22	23-Jul-22	1
Bullet	6.00%	94.10	1-Apr-22	1-Apr-22	1
Quarterly	7.25%	75.00	31-Dec-21	30-Jun-21	3
Quarterly	7.60%	218.55	8-Dec-22	8-Jun-21	7
Quarterly	7.90%	275.00	23-Nov-23	23-May-21	11
Quarterly	7.20%	250.00	27-Sep-23	27-Jun-21	10
Quarterly	8.45%	30.99	30-Jun-21	30-Jun-21	1
Quarterly	8.65%	12.50	29-Jun-21	29-Jun-21	1
Quarterly	8.90%	37.50	30-Sep-21	30-Jun-21	2
Quarterly	8.40%	15.63	30-Jun-21	30-Jun-21	1
Quarterly	8.20%	300.00	31-Dec-21	30-Jun-21	3
Quarterly	8.20%	6.25	28-Jun-21	28-Jun-21	1
Quarterly	8.20%	240.00	31-Mar-22	30-Jun-21	4
Quarterly	10.00%	41.32	19-Dec-21	19-Jun-21	3
Total		1,875.87			

(All amounts are in Rupees crores unless otherwise stated)

Terms of Repayment of KfW lines of Credit

Name of Lender	Rate of Interest (% p.a.)	Amount (Euros)	Amount	Date of Maturity	Repayment	Date of next Instalment
KFW, Frankfurt	0.75%	1,153,474.64	9.89	31-Dec-26	Half Yearly	30-Jun-21
KFW, Frankfurt	1.25%	1,710,271.26	14.67	31-Dec-29	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	1,204,603.82	10.33	30-Jun-30	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	1,268,004.02	10.87	31-Dec-30	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	1,994,038.25	17.10	30-Jun-31	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	2,210,826.27	18.96	30-Jun-32	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	2,466,983.23	21.15	31-Dec-33	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	3,451,220.22	29.59	30-Jun-34	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	4,480,961.92	38.42	31-Dec-34	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	5,055,654.18	43.35	31-Dec-36	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	17,680,473.11	151.61	30-Jun-38	Half Yearly	30-Jun-21
KFW, Frankfurt	0.75%	5,117,009.38	43.88	31-Dec-32	Half Yearly	30-Jun-21
Total		47,793,520.30	409.83			

21 SUBORDINATED LIABILITIES

			As at March 31, 2021	As at March 31, 2020
(A)	**At Amortised cost**			
(i)	Subordinate - Tier II Bonds		**1,464.29**	1,441.03
	-	Less: Interest accrued but not due	**(150.99)**	(127.73)
Total (A)			**1,313.30**	1,313.30
(B)	**Subordinated Liabilities in/outside India**			
(i)	Subordinated Liabilities in India		**1,313.30**	1,313.30
(ii)	Subordinated Liabilities outside India		**–**	–
Total (B)			**1,313.30**	1,313.30

Terms of Repayment of Other Bonds

Series	Interest rate	Date of maturity	Amount
Tier II Bonds	9.98%	5-Oct-37	20.00
Tier II Bonds	9.98%	18-Sep-37	50.00
Tier II Bonds	9.98%	15-Oct-32	10.00
Tier II Bonds	10.75%	31-Oct-26	102.49
Tier II Bonds	10.75%	1-Aug-26	468.55
Tier II Bonds	10.50%	28-Feb-22	64.70
Tier II Bonds	10.70%	28-Feb-22	123.63
Tier II Bonds	10.50%	31-Oct-21	74.51
Tier II Bonds	10.60%	31-Oct-21	8.12
Tier II Bonds	10.55%	25-Aug-21	200.00
Tier II Bonds	10.50%	1-Aug-21	191.31
Total			1,313.30

22 OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on bonds and borrowings	**1,069.13**	1,160.01
Unsecured Loan	**(0.54)**	–
Security Deposits	**11.60**	13.28
Unclaimed Dividend	**8.22**	10.69
Unpaid Matured Debentures & interest	**0.23**	0.24
Scheduled Cast Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**294.65**	281.75
Other Liabilities	**330.02**	339.67
	1,713.31	1,805.64

(All amounts are in Rupees crores unless otherwise stated)

23 PROVISIONS

	As at March 31, 2021	As at March 31, 2020
Impairment provision on off balance sheet exposure	**33.27**	72.65
Employee Benefits	**48.91**	52.36
Total	**82.18**	125.01

Refer Note No. 45 for detailed disclosure on employee benefits

24 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Deferred revenue	**0.42**	0.86
	0.42	0.86

25 EQUITY

	As at March 31, 2021	As at March 31, 2020
Authorised		
4,00,00,00,000 Equity Shares of ₹ 10/- each	**4,000.00**	2,000.00
	4,000.00	2,000.00
Issued		
196,32,40,546 Equity Shares of ₹ 10/- each	**1,963.24**	1,763.24
	1,963.24	1,763.24
Subscribed		
189,73,09,792 Equity Shares of ₹ 10/- each	**1,897.31**	1,697.31
	1,897.31	1,697.31
Paid up		
189,59,93,092 Equity Shares of ₹ 10/- each	**1,895.99**	1,695.99
	1,895.99	1,695.99

Reconciliation of the number of equity shares and share capital:

"The shareholders at its 27th Annual General Meeting held on December 22, 2020 approved the increase in Authorised Equity Share Capital from extant ₹2000 Crore comprising of 200 Crore number of equity shares of ₹10 each to ₹4,000 Crore comprising of 400 Crore number of equity shares of ₹10 each. Further, the Company has received ₹200 crores from GOI, Department of Financial Services, Ministry of Finance, on March 23, 2020, towards subscription to the share capital of the Company. The same has been classified under Other Equity (Share application money pending allotment) as on 31st March 2020. The Company has subsequently allotted 20 crore number of equity shares @ ₹10 each to the President of India (Government of India) on May 21, 2020. Also, the Company received ₹200 crore on March 15, 2021 from the Government of India towards subscription to the share capital during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85401 number of equity shares of face value of ₹10/- each to the Government of India on April 23, 2021 @ ₹13.70/- per equity share (including security premium of ₹3.70/- per equity share)".

	As at March 31, 2021		As at March 31, 2020	
	Number	**Amount**	Number	Amount
Equity shares				
Outstanding at beginning of the period	**1,695,993,092**	**1,695.99**	1,695,993,092.00	1,695.99
Add: Shares issued to Government of India on preferential basis	**200,000,000**	**200.00**	–	–
Outstanding at the end of the period	**1,895,993,092**	**1,895.99**	1,695,993,092.00	1,695.99
Paid up share capital	**1,895,993,092**	**1,895.99**	1,695,993,092.00	1,695.99

Terms/ rights attached to equity shares:

The Company has only one class of equity share, i.e. equity shares having face value of ₹10 per share entitled to one vote per share.

Shareholders holding more than 5% of equity shares

	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	**Number of shares**	**Shareholding %**	Number of shares	Shareholding %
President of India	**1,156,955,857**	**61.02%**	956,955,857.00	56.42%

(All amounts are in Rupees crores unless otherwise stated)

26 OTHER EQUITY

		As at March 31, 2021	As at March 31, 2020
(i)	**Share application money pending allotment**		
	Opening balance	**200.00**	–
	Less: transfer during the year	**(200.00)**	200.00
	Add: Application money received during the year	**200.00**	–
	Closing balance	**200.00**	200.00
(ii)	**Reserve u/s 45IC of RBI Act**		
	Opening balance	**875.04**	875.04
	Closing balance	**875.04**	875.04
(iii)	**Impairment Reserve**		
	Opening balance	**22.98**	–
	Add: Transfer from retained earnings	**11.56**	22.98
	Closing balance	**34.54**	22.98
(v)	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961**		
	Opening balance	**136.69**	136.69
	Closing balance	**136.69**	136.69
(vi)	**Capital Reserve**		
	Opening balance	**0.85**	0.85
	Closing balance	**0.85**	0.85
(iv)	**Securities Premium Reserve**		
	Opening balance	**967.69**	967.69
	Add: Issue of equity shares	**–**	–
	Closing balance	**967.69**	967.69
(v)	**Capital Redemption Reserve**		
	Opening balance	**231.92**	231.92
	Add: Transfer from retained earnings	**–**	–
	Closing balance	**231.92**	231.92
(vi)	**Debenture Redemption Reserve**		
	Opening balance	**247.08**	247.08
	Add: Transfer from retained earnings	**–**	–
	Closing balance	**247.08**	247.08
(vii)	**General Reserve**		
	Opening balance	**353.58**	353.58
	Closing balance	**353.58**	353.58
(viii)	**Deemed equity contribution**		
	Opening balance	**335.82**	335.82
	Less: Early redemption of preference shares	**–**	–
	Closing balance	**335.82**	335.82
(ix)	**Retained Earnings**		
	Opening balance	**(559.77)**	(258.91)
	Add: profit/(loss) during the year	**(1,957.81)**	(277.88)

(All amounts are in Rupees crores unless otherwise stated)

		As at March 31, 2021	As at March 31, 2020
	Less: Transfer to Capital redemption reserve	**–**	–
	Less: Transfer to Debenture redemption reserve	**–**	–
	Less: Dividends (incl. Dividend distribution tax)	**(11.56)**	(22.98)
	Closing balance	**(2,529.14)**	(559.77)
(x)	**Debt instruments through Other Comprehensive Income**		
	Opening balance	**17.49**	9.53
	Add: Fair value change during the year	**4.07**	7.96
	Closing balance	**21.56**	17.49
(xi)	**Equity instruments through Other Comprehensive Income**		
	Opening balance	**(470.95)**	(404.69)
	Add: Fair value change during the year	**18.06**	(66.26)
	Closing balance	**(452.89)**	(470.95)
(xii)	**Remeasurements of the defined benefit plans**		
	Opening balance	**53.36**	34.71
	Add: Actuarial gain/loss during the year	**–**	18.65
	Closing balance	**53.36**	53.36
	Total	**476.10**	2,411.78

Reserve u/s 45IC of RBI Act

Pusuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Company has become Government Company u/s 2(45) of the Companies Act, 2013 and the Company being a Government Company u/s 2(45) of the Companies Act, 2013 was exempt from such provisions under RBI Act upto 31/03/2019. Since there is net loss in the current year, no transfer has been made to the Reserve.

Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961

Section 36(1)(viii) of the Income Tax Act allowes financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.

Capital Reserve

Capital Reserve represents proceeds of forfeited shares.

Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 55 of the Companies Act, 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer. Later vide Notification GSR-574(E) dated 16/08/19, Ministry of Corporate Affairs (MCA) has notified amended rules for Share Capital and Debentures (Rules 2014), no additional DRR has to be created either for public issue of bonds or for private placements in case of existing bonds and debentures.

General Reserve

General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Deemed equity contribution

Deemed equity contribution on account of preferential rate borrowings from shareholders.

Retained Earnings

Represents as at date accumulated surplus/(deficiet) of the profits earned by the Company.

Debt instruments through Other Comprehensive Income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

(All amounts are in Rupees crores unless otherwise stated)

Equity instruments through Other Comprehensive Income

This comprises changes in the fair value of certain identified equity instruments recognised in other comprehensive income and accumulated within equity.

Remeasurements of the defined benefit plans

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

27 INTEREST INCOME

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On Financial Assets measured at fair value through other comprehensive income	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost
Interest on loans	**–**	**1,005.90**	–	2,057.65
Interest income from investments	**79.83**	**–**	84.45	–
Interest on debentures	**–**	**–**	–	2.00
Total	**79.83**	**1,005.90**	84.45	2,059.65

28 NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

	Year ended March 31, 2021	Year ended March 31, 2020
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Equity securities	**119.76**	(213.87)
- Derivatives	**(0.60)**	(3.34)
- Security Receipts	**(7.01)**	(34.34)
- Preference Shares	**48.37**	(45.54)
- Units of Venture Capital Funds	**9.98**	(3.56)
- Units of Mutual Funds	**16.77**	20.43
(B) Net gain on derecognition of financial instruments at fair value through other comprehensive income	**5.99**	4.72
(C) Total Net gain/(loss) on fair value changes	**193.26**	(275.50)
Fair value changes :		
- Realised	**(111.27)**	685.41
- Unrealised	**304.53**	(960.91)
(D) Total Net gain/(loss) on fair value changes	**193.26**	(275.50)

29 OTHER INCOME

	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/(loss) on derecognition of property, plant and equipment	**0.01**	8.53
Interest from Income Tax Refund	**15.10**	8.39
Others	**3.81**	3.48
Total	**18.92**	20.40

30 FINANCE COSTS

	Year ended March 31, 2021	Year ended March 31, 2020
On Financial liabilities measured at amortised cost		
Interest on borrowings	**1,100.52**	1,394.10
Interest on debt securities	**15.84**	14.30
Other interest expenses	**2.61**	7.95
Total	**1,118.97**	1,416.35

(All amounts are in Rupees crores unless otherwise stated)

31 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	On Financial Assets measured at fair value through other comprehensive income	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost
Loans *	**–**	**2,265.95**	–	306.19
Investments	**2.95**	**–**	108.80	–
Other financial assets	**–**	**2.73**	–	6.97
Total	**2.95**	**2,268.68**	108.80	313.16
*** Includes net write off during the year**		**1477.50**		2217.40

32 EMPLOYEE BENEFIT EXPENSES

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	**57.74**	72.57
Contribution to provident and others fund	**11.96**	20.99
Expenses towards post employment benefits	**18.79**	38.33
Staff welfare expenses	**2.60**	12.03
Total	**91.09**	143.92

33 DEPRECIATION AND AMORTISATION

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	**24.18**	25.57
Depreciation of investment property	**4.57**	4.57
Amortisation of intangible assets	**0.55**	0.52
Total	**29.30**	30.66

34 OTHER EXPENSES

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	**0.73**	0.86
Rates and taxes	**3.40**	3.18
Insurance	**0.34**	0.18
Repairs and maintenance		
- Buildings	**10.21**	8.87
- IT	**2.06**	2.04
- Others	**0.07**	0.15
Electricity and water charges	**4.44**	4.26
Security expenses	**4.18**	3.51
Payment to auditors #	**0.47**	0.48
Directors fee & expenses	**0.33**	0.25
Publications and advertisement	**0.56**	1.18
Consultation and law charges	**4.16**	13.19
Travelling and conveyance	**0.61**	1.20
Training and development	**0.13**	0.36
Postage and telephone	**0.35**	0.33
Printing and stationery	**0.32**	1.57
Listing/ Filing/ Custody Fee	**1.91**	2.19
Library and membership subscription	**0.64**	0.80
Expenses on CSR Activity	**0.15**	0.07
Impairment loss on non-financial assets/assets held for sale	**(11.34)**	63.17
Foreign exchange gain/loss	**8.96**	8.43
Other miscellaneous expenses	**0.48**	0.31
Total	**33.16**	116.58

Refer note no 35 for payment to Auditors

(All amounts are in Rupees crores unless otherwise stated)

35 PAYMENT TO AUDITORS

	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	**0.40**	0.44
Certification and other services	**0.04**	0.01
Reimbursement of Expenses	**0.03**	0.03
Total	**0.47**	**0.48**

35.1 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	As at March 31, 2021	As at March 31, 2020
a) Gross amount required to be spent by the company for respective financial year	**0.00**	0.00
b) Construction/acquisition of any assets	**-**	-
c) Yet to be paid in cash	**-**	-
d) Amount spent during the period -		
- Development of Human Capital	**0.11**	0.48
- Development of Rural areas & sustainable development actvities		0.12
- Promotion of sports		0.00
- Other welfare activities	**0.15**	0.05
- Healthcare and sanitation	**0.03**	
- Admin & other expenses	**0.00**	0.12
Total	**0.29**	0.76

35.2 CONTINGENT LIABILITIES AND COMMITMENTS

		As at March 31, 2021	As at March 31, 2020
A.	**Contingent Liabilities #**		
(i)	Claims not acknowledged as debts	**45.90**	45.61
(ii)	Guarantees excluding financial guarantees	**3.23**	3.27
(iii)	Tax Matters :		
	Income Tax *	**-**	-
	Service tax / GST	**-**	-
Total		**49.13**	48.88

* IFCI has filed application/declarations under Vivad se Vishwas (Direct Tax Vivad Se Viswas Scheme), 2020.

Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2021.

		As at March 31, 2021	As at March 31, 2020
B.	**Commitments**		
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**0.90**	0.24
(ii)	Undrawn Commitments	**168.67**	776.41
	Total	**169.57**	776.65
C.	**Contingent assets**	**Nil**	Nil

(All amounts are in Rupees crores unless otherwise stated)

35.3 TAX EXPENSE

A. Amounts recognised in profit or loss

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Current tax (a)		
Current tax expense	**-**	-
Current tax expense/ (benefit) pertaining to earlier years	**8.57**	43.99
Sub-total (a)	**8.57**	**43.99**
Deferred tax (b)		
Deferred tax expense/ (credit)	**(197.99)**	92.98
Sub-total (c)	**(197.99)**	92.98
Tax expense (a)+(b)	**(189.42)**	**136.97**

B. Reconciliation of effective tax rate

	Year ended March 31, 2021		Year ended March 31, 2020	
	%	**Amount**	%	Amount
Profit/(Loss) before tax		**(2,147.23)**		(140.91)
Tax using the Company's domestic tax rate of 34.944%	**34.94%**	**(750.33)**	34.94%	(49.24)
Effect of:				
Tax exempt income	**0.00%**	**-**	10.72%	(15.11)
Non-deductible expenses	**0.00%**	**-**	-1.93%	2.72
Changes in estimates related to prior years for current tax	**-0.40%**	**8.57**	-31.22%	43.99
Current year depreciation for which no deferred tax asset was recognised	**0.42%**	**(8.97)**	6.77%	(9.54)
Others	**-26.14%**	**561.30**	-116.49%	164.15
Effective tax rate/ tax expense	**8.82%**	**(189.42)**	**-97.20%**	**136.97**

36 Certain balances appearing under trade receivables and payables are subject to confirmation.

37 The shareholders at its 27th Annual General Meeting held on December 22, 2020 approved the increase in Authorised Equity Share Capital from extant ₹2000 Crore comprising of 200 Crore number of equity shares of ₹10 each to ₹4,000 Crore comprising of 400 Crore number of equity shares of ₹10 each. Further, the Company has received ₹200 crores from GOI, Department of Financial Services, Ministry of Finance, on March 23, 2020, towards subscription to the share capital of the Company. The same has been classified under Other Equity (Share application money pending allotment) as on 31st March 2020. The Company has subsequently allotted 20 crore number of equity shares @ ₹10 each to the President of India (Government of India) on May 21, 2020. Also, the Company received ₹200 crore on March 15, 2021 from the Government of India towards subscription to the share capital during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85401 number of equity shares of face value of ₹10/- each to the Government of India on April 23, 2021 @ ₹13.70/- per equity share (including security premium of ₹3.70/- per equity share)".

38 'In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 for refund/adjustment of ' interest on interest' charged during moratorium period i.e. March 1, 2020 to August 31, 2020, an amount of ₹8.23 crore has been estimated. Accordingly such provision has been created in books of account by debiting interest income.

39 As on March 31, 2021, Impairment allowance under Ind AS 109 is higher than RBI Prudential (IRACP) Norms (including standard assets provisioning). Accordingly the company has provided for the amount as per Ind As norms in the books of accounts as on 31st March 2021. The existing impairment reserve of ₹34.54 crores created upto March 31, 2021 has not been reversed.

Though ECL on Loan Assets is computed on portfolio basis, however during the current year, full impairment allowance has been made on loan accounts declared as fraud as per RBI norms.

40 During FY21 , the company has derecognised stage 3 income on cases categorised as C3 & D as per IRAC norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to P&L account. Thus the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹1447.08 crore.

40.1 During FY21, to arrive at historical probability of default, last 7 years rating migration has been used as input to ECL model against 5 years taken previously. Consequently, weighted average ECL has reduced by ₹19.78 crore

(All amounts are in Rupees crores unless otherwise stated)

41 The (Covid-19) pandemic globally and in India is causing significant disturbance in the financial Markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization (WHO). It has resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the Company to take prompt actions for continuity of business operation is optimized manner. The Company believes that going forward, the impact of this outbreak will not be significant on its business and financial position.

42 The valuation of Investments in subsidiary companies has been considered on the basis of financial statements of the subsidiaries for the period ended 31st December 2020, instead of 31st March 2021. There is no material impact of this on the financial statements of the company.

43 In the context of reporting business/geographical segment as required by Ind AS 108 - "Operating Segments", the Company operations comprise of only one business segment of financing . Hence, there is no reportable segment as per Ind AS 108.

43.1 On all the secured bonds and debentures issued by the Company and outstanding as on 31st March 2021, 100% security cover has been maintained against principal and interest, by way of floating charge on receivables of the Company and/or Government Securities owned by the Company.

43.2 These financial statements have been prepared as per Schedule III Division III of the Companies Act, 2013 which has been notified by the Ministry of Corporate Affairs and published in the official Gazette on 11th October 2018. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

44 IFCI is carrying the investment in subsidiary companies at cost net of impairment loss (if any) and opted for one time exemption under IndAS 101 for deemed cost being the carrying value of investment as at transition date i.e. April 1, 2017. As on March 31, 2021, the Company had investment in 27,91,54,700 no. of Equity shares in its subsidiary, IFCI Factors Ltd. (IFL). The company got the shares of IFL fair valued internally, per which, the fair value of investments in shares of IFL was determined at ₹112.49 crore, using the generally accepted valuation methodologies against breakup value, in line with Indian Accounting Standards and accordingly, the resultant impairment loss has been charged in the Profit & Loss Account.

45 EMPLOYEE BENEFITS

The Company operates the following post-employment plans -

i. Defined contribution plan

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

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Pension Fund	**0.01**	0.01

ii. Defined benefit plan

A. Gratuity

The Company has a defined benefit gratuity plan in India, governed by the IFCI Gratuity Regulations, 1968. This plan entitles an employee, a sum equal to one month's pay plus dearness allowance for each completed year of service in IFCI or part thereof in excess of six months, subject to a maximum of twenty months pay plus dearness allowance or Rupees Eighteen Lakh whichever is less, for first twenty years of service.. The scheme is fully funded with Life Insurance Corporation of India (LIC). This defined benefit plan expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability	**(1.26)**	4.06

(a) Funding

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

Expected contributions to gratuity plan for the year ending 31 March 2021 is ₹1.62 cr

Note 45 (contd..) (All amounts are in Rupees crores unless otherwise stated)

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

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

	As at March 31, 2021			As at March 31, 2020		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	**31.71**	**27.65**	**4.06**	28.91	26.74	2.17
Current service cost	**1.77**	**-**	**1.77**	1.93	-	1.93
Past service cost including curtailment Gains/Losses	**-**	**-**	**-**	-	-	-
Interest cost (income)	**2.12**	**(1.89)**	**0.23**	2.20	(2.04)	0.16
	3.90	**(1.89)**	**2.00**	4.13	(2.04)	2.10
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	**-**	**-**	**-**	-	-	-
- financial assumptions	**-**	**(0.66)**	**(0.66)**	-	-	-
- experience adjustment	**(2.49)**	**-**	**(2.49)**	2.51	-	2.51
– on plan assets	-	(0.11)	(0.11)	-	(0.55)	(0.55)
	(2.49)	(0.77)	(3.26)	2.51	(0.55)	1.96
Contributions paid by the employer	**-**	**4.05**	**(4.05)**	-	2.16	(2.16)
Benefits paid	(4.01)	(4.01)	-	(3.84)	(3.84)	-
	(4.01)	**0.05**	**(4.05)**	(3.84)	(1.68)	(2.16)
Balance at the end of the year	**29.10**	**30.36**	(1.26)	31.71	27.65	4.06

(c) Plan assets

	As at March 31, 2021	As at March 31, 2020
Investment with Life insurance Corporation	**100%**	100%

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

(d) Actuarial assumptions

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	**6.69%**	6.69%
Future salary growth	**6.00%**	6.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(All amounts are in Rupees crores unless otherwise stated)

(e) Sensitivity analysis of significant assumptions

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.02)**	**1.16**	(1.07)	1.15
Future salary growth (0.50% movement)	**1.16**	**(1.03)**	1.16	(1.09)

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

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

	As at March 31, 2021	As at March 31, 2020
0 to 1 Year	**3.69**	4.20
1 to 2 Year	**2.96**	3.47
2 to 3 Year	**2.71**	2.96
3 to 4 Year	**2.71**	2.52
4 to 5 Year	**1.21**	2.69
5 to 6 Year	**0.67**	1.36
6 Year onwards	**15.16**	14.48
Total	**29.10**	31.68

As at March 31, 2021, the weighted-average duration of the defined benefit obligation was 12.94 years (31 March 2020: 12.88 years).

(g) Description of risk exposures

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

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

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

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

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

B. Post retirement medical benefit

IFCI is extending post-retirement medical benefits to the employees and eligible dependent family members after their retirement. As per the scheme, employees who are members of Voluntary Welfare Scheme (VWS) are eligible for reimbursement of medical expenses after retirement The benefits under the scheme are extended to the retired employees, his/her spouse and dependent children and entitlement for reimbursement, although within the ceilings and is based upon the Grade in which an employee retires, subject to the condition that spouse of the concerned employee is not availing of any medical benefits from his/her employer, if any. Reimbursement of the medical bills is made at the rates applicable to the employees at the center at which the employee resides after retirement as per the rates circulated by IFCI for its working employees time to time.

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

	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability	**29.92**	27.28

Note 45 (contd..) (All amounts are in Rupees crores unless otherwise stated)

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

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

	Defined benefit obligation	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	27.28	9.73
Current service cost	0.14	0.18
Past service cost including curtailment Gains/Losses	1.83	16.38
	1.96	16.56
Remeasurements loss (gain)		
– Actuarial loss (gain) arising from:		
- demographic assumptions	-	-
- financial assumptions	-	1.22
- experience adjustment	0.97	0.28
	0.97	1.50
Benefits paid	(0.30)	(0.50)
	(0.30)	(0.50)
Balance at the end of the year	**29.92**	27.28

Expected contributions to the plan for the year ending 31 March 2021 is ₹0.36 cr

(b) Plan assets

There were no plan assets with the Company w.r.t said post retirement medical benfit plan

(c) Actuarial assumptions

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	**6.69%**	6.69%
Future medical cost increase	**3.00%**	3.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(d) Sensitivity analysis of significant assumptions

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.90)**	**0.90**	(0.89)	0.88

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(All amounts are in Rupees crores unless otherwise stated)

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

	As at March 31, 2021	As at March 31, 2020
0 to 1 Year	2.41	0.22
1 to 2 Year	1.86	0.17
2 to 3 Year	1.86	0.17
3 to 4 Year	1.65	0.15
4 to 5 Year	1.76	0.16
5 to 6 Year	1.37	0.13
6 Year onwards	19.01	1.73
Total	**29.92**	**2.73**

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 7.77 years (31 March 2020: 7.62 years).

(f) Description of risk exposures

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

Medical Cost Increase - increase in actual medical cost per retireewill increase the Plan's liability. Increase in medical Cost per Retireerate assumption will also increase the liability.

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

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

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

C. Provident Fund

The Company has a defined benefit provident fund, governed by the IFCI Employees' Provident Fund Regulations. Monthly contributions to the Provident Fund is being charged against revenue. IFCI has been paying interest on the provident fund balance at the rate notified by the Employees' Provident Fund Organization (EPFO) for the relevant year. The Provident Fund is administered through duly constituted and approved administrators. The Committee of Administrators of IFCI Employees' Provident Fund has approved earmarking of specific investments against the PF liability in the current financial year. For the purpose, investments have been earmarked towards PF liability in line with the notification issued by Ministry of Labour & Employment notifying the pattern of investment for EPFO and EPF exempted establishments.

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

	As at March 31, 2021	As at March 31, 2020
Net defined benefit liability	(11.15)	(12.76)

(a) Funding

During the Financial year 2018-19, the Company hasearmarked some of its investments in government securities, mutual funds against Provident fund liability.

Expected contributions to provident fund plan for the year ending 31 March 2021 is ₹1.49 cr

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

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

	As at March 31, 2021			As at March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	**81.76**	**94.51**	**(12.76)**	75.96	77.79	(1.83)
Interest cost/(income)	**5.85**		**5.85**	6.33	6.33	-
Current service cost	**1.25**	**-**	**1.25**	1.27	-	1.27
	7.10	**-**	**7.10**	7.60	6.33	1.27

Note 45 (contd..)

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021			As at March 31, 2020		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Remeasurements loss (gain)						
– Actuarial loss (gain) arising from:						
- demographic assumptions	**-**	**-**	**-**	-	-	-
- financial assumptions	**-**	**-**	**-**	0.07	-	0.07
- experience adjustment	**1.13**		**1.13**	0.11	1.78	(1.67)
– on plan assets		**12.19**	**(12.19)**			-
	1.13	**12.19**	**(11.06)**	0.19	1.78	(1.60)
Contributions paid by the employee	**6.37**	**6.37**	**-**	5.41	5.41	-
Benefits paid	**(13.48)**	**(13.48)**	**-**	(7.40)	(7.40)	-
Employer contribution	**-**	**1.25**	**(1.25)**	-	1.27	(1.27)
Settlements/transfers	**-**	**(6.81)**	**6.81**	-	9.33	(9.33)
	(7.11)	**(12.68)**	**5.57**	(1.99)	8.61	(10.60)
Balance at the end of the year	**82.87**	**94.02**	**(11.15)**	81.76	94.51	(12.76)

(c) Plan assets

	As at March 31, 2021	**As at March 31, 2020**
Investment in earmarked securities	**100%**	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to a pool which in turn make invstements in order to manage the liability risk.

(d) Actuarial assumptions

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	**6.69%**	6.69%
Expected statutory interest rate on the ledger balance	**8.50%**	8.50%
Expected year/Current short fall in interest earnings on the fund	**0.30%**	0.30%
Mortality	**IALM (2012-14)**	IALM (2012-14)
Disability	**None**	None
Withdrawal Rate (Age related)		
Up to 30 Years	**1.00%**	1.00%
Between 31 -44 Years	**1.00%**	1.00%
Above 44 Years	**1.00%**	1.00%
Normal Retirement Age	**60**	60

(e) Sensitivity analysis of significant assumptions

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

	As at March 31, 2021		As at March 31, 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.06)**	**0.06**	(0.04)	0.04

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

(All amounts are in Rupees crores unless otherwise stated)

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

	As at March 31, 2021	As at March 31, 2020
1 year	**13.01**	11.01
Between 2-5 years	**23.92**	28.79
Between 6-10 years	**17.62**	14.93
Over 10 years	**28.32**	27.02
Total	**82.87**	81.75

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 12.94 years (31 March 2020: 12.88 years).

(g) Discreption of risk exposures

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

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

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

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

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

iii. Other long-term employment benefits

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

	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised in Statement of Profit and Loss		
Leave encashment	**1.66**	4.72
Leave fair concession	**0.28**	6.82
Medical benefits	**2.49**	3.37

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

		As at March 31, 2021			As at March 31, 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I.	**ASSETS**						
(1)	**Financial Assets**						
	(a) Cash and cash equivalents	**533.56**	**-**	**533.56**	1,034.03	-	1,034.03
	(b) Bank Balance other than (a) above	**588.33**	**-**	**588.33**	589.76	-	589.76
	(c) Derivative financial instruments	**-**	**-**	**-**	50.04	-	50.04
	(d) Receivables	**57.32**	**-**	**57.32**	78.43	-	78.43
	(e) Loans	**716.61**	**5,763.10**	**6,479.71**	1,522.04	8,773.32	10,295.36
	(f) Investments	**1,959.03**	**991.31**	**2,950.34**	341.68	1,540.86	1,882.54
	(g) Other Financial assets	**29.49**	**110.00**	**139.49**	45.00	87.68	132.68
	Total financial assets	**3,884.34**	**6,864.41**	**10,748.75**	3,660.98	10,401.86	14,062.84
(2)	**Non-financial Assets**						
	(a) Investment in subsidiaries	**-**	**1,343.71**	**1,343.71**	-	1,352.13	1,352.13
	(b) Equity accounted investees	**-**	**-**	**-**	-	-	-
	(c) Current tax assets (Net)	**62.23**	**0**	**62.23**	-	181.48	181.48
	(d) Deferred tax Assets (Net)	**-**	**2,122.05**	**2,122.05**	-	1,932.04	1,932.04
	(e) Investment Property	**-**	**185.50**	**185.50**	-	190.08	190.08
	(f) Property, Plant and Equipment	**-**	**741.73**	**741.73**	-	687.08	687.08
	(g) Capital work-in-progress	**-**	**-**	**-**	-	-	-
	(h) Other Intangible assets	**-**	**0.91**	**0.91**	-	1.27	1.27
	(i) Other non-financial assets	**0.44**	**14.02**	**14.46**	0.38	21.98	22.36
	Total non-financial assets	**62.67**	**4,407.92**	**4,470.59**	0.38	4,366.06	4,366.44
	Assets held for sale	**0.04**	**-**	**0.04**	-	-	-
	Total assets	**3,947.05**	**11,272.33**	**15,219.38**	3,661.36	14,767.92	18,429.28

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
II. LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
(I) Trade Payables						
(i)total outstanding dues of micro enterprises and small enterprises	**-**		**-**	-		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**165.68**		**165.68**	66.60		66.60
(b) Debt Securities	**2,914.74**	**4,356.04**	**7,270.78**	813.78	7,030.82	7,844.60
(c) Borrowings (Other than Debt Securities)	**1,184.20**	**1,101.50**	**2,285.70**	1,541.59	1,623.91	3,165.50
(d) Subordinated Liabilities	**-**	**1,313.30**	**1,313.30**	-	1,313.30	1,313.30
(e) Derivative financial instruments	**15.91**	**-**	**15.91**	-	-	-
(f) Other financial liabilities	**538.11**	**1,175.20**	**1,713.31**	547.76	1,257.88	1,805.64
Total financial liabilities	**4,818.64**	**7,946.04**	**12,764.68**	2,969.73	11,225.91	14,195.64
(2) Non-Financial Liabilities						
(a) Provisions	**2.49**	**79.69**	**82.18**	2.49	122.52	125.01
(b) Other non-financial liabilities	**0.43**	**(0.01)**	**0.42**	0.43	0.43	0.86
Total non-financial liabilities	**2.92**	**79.68**	**82.60**	2.92	122.95	125.87
Total Liabilities	**4,821.56**	**8,025.72**	**12,847.28**	2,972.65	11,348.86	14,321.51
Net	**(874.51)**	**3,246.60**	**2,372.10**	688.71	3,419.06	4,107.77

47 RELATED PARTY DISCLOSURE

i. Name of the related party and nature of relationship:-

A. Nature of Relationship	Name of the Related Party
Subsidiaries	IFCI Financial Services Ltd. (IFIN)
	IFCI Venture Capital Funds Ltd. (IVCF)
	IFCI Infrastructure Development Ltd. (IIDL)
	IFCI Factors Ltd. (IFL)
	MPCON Ltd.
	Stock Holding Corporation of India Ltd.
	IFIN Commodities Ltd. (indirect control through IFIN)
	IFIN Credit Ltd. (indirect control through IFIN)
	IFIN Securities Finance Limited (indirect control through IFIN)
	IIDL Realtors Pvt. Ltd. (indirect control through IIDL)
	SHCIL Services Ltd. (indirect control through SHCIL)
	Stockholding Document Management Services Limited (indirect control through SHCIL)
	Stock Holding Securities IFSC Limited (SSIL)
Associates *	IFCI Social Foundation
	Management Development Institute
	Institute of Leadership Development
	Associates held for sale
	- Athena Chattisgarh Power Pvt. Ltd.
	- Gati Infrastructure Bhasmey Power Pvt. Ltd.
	- KITCO Ltd.
	- Nagai Power Pvt. Ltd.
	- Shiga Energy Private Ltd.
	- Vadraj Cements Ltd.
	- Vadraj Energy (Gujarat) Ltd.

* The accounts of Associates have not been consolidated in the Consolidated Financial Statements for the year ending March 31, 2021. However, the names of the Associates have been disclosed in the related party for meeting the Ind AS requirements.

(All amounts are in Rupees crores unless otherwise stated)

Joint venture	IFCI Sycamore Capital Advisors Pvt. Ltd. (under voluntary liquidation)
Trust incorporated for CSR activity	IFCI Social Foundation
Key Managerial Personnel	Sh. Manoj Mittal - Managing Director & Chief Executive Officer (w.e.f 12 June 2021)
	Dr. E S Rao - Managing Director and Chief Executive Officer (upto 16 Aug 2020)
	Shri. Sunil Kumar Bansal Deputy Managing Director (w.e.f 4 June 2020)
	Ms. Jhummi Mantri - Chief Financial Officer (w.e.f. 24 May 2018)
	Ms. Rupa Deb - Company Secretary (w.e.f 3 March 2008)
	Dr. Bhushan Kumar Sinha (w.e.f. 21 May 2018)
	Prof. N Balakrishnan (w.e.f. 30 October 2017)
	Prof. Arvind Sahay (w.e.f. 30 October 2017)
	Shri. Anand Madhukar (upto 14 December 2020)
	Shri MML Verma (w.e.f. 31 July 2020)
	Ms. Anindita Sinharay (w.e.f. 5 January 2021)
Entities under the control of same government	The Company is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements.

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

	Name of related party		Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Subsidiaries and Associates**				
	IFCI Financial Services Ltd.	(i)	Rent & Maintenance received	**1.07**	1.08
		(ii)	Brokerage/ Professional fee paid	**0.29**	0.34
		(iii)	Depository Services	**0.02**	0.05
		(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered / recoverable from them	**0.10**	0.01
		(v)	Salary paid/ payable for employees of IFIN, posted on deputation in IFCI	**0.05**	
	IFCI Venture Capital Fund Ltd.	(i)	Rent & Maintenance received	**1.65**	1.64
		(ii)	Professional fee received	**0.20**	0.06
		(iii)	Interest paid/payable by IFCI	**1.91**	0.55
		(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.11**	
	IFCI Infrastructure Development Ltd.	(i)	Dividend Received	**14.95**	13.24
		(ii)	Rent & Maintenance received	**1.50**	1.50
		(iii)	Rent & Maintenance paid	**0.12**	0.21
		(iv)	Interest paid/ payable by IFCI	**8.53**	8.53
		(v)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.63**	0.31
		(vi)	Salary paid/ payable for employees of IIDL, posted on deputation in IFCI	**0.03**	-
	IFCI Factors Ltd.	(i)	Rent & Maintenance received	**2.86**	2.94
		(ii)	Professional fee received	**0.06**	0.06
		(iii)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.43**	0.50
	Stock Holding Corporation of India Ltd.	(i)	Rent & Maintenance received by IFCI	**2.27**	2.42
		(ii)	Interest paid/ payable by IFCI	**2.10**	3.83
		(iii)	Dividend Received	**7.41**	3.90
		(iv)	Brokerage/ Professional fee paid	**0.05**	0.07
		(v)	Sitting Fees Received	**0.10**	-

(All amounts are in Rupees crores unless otherwise stated)

	Name of related party		Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
	MPCON	(i)	Dividend Received	**0.08**	0.08
		(ii)	Brokerage/ Professional fee paid	**0.03**	0.01
		(iii)	Rent received	**0.01**	-
		(iv)	Salaries/ Other Estt. Exp. paid by IFCI for employees posted by IFCI, recovered/ recoverable from them	**0.44**	0.46
	Stockholding Document Management Services Ltd	(i)	Professional fee Paid /Payable	**0.47**	1.09
		(ii)	Advisory & Appraisal Fee received	**-**	0.05
	KITCO				
	IFCI Social Foundation Trust	(i)	Contribution for CSR activities	**0.15**	0.05
		(ii)	Salaries/ Other Estt. Exp. recovered/ recoverable for employees deputed by IFCI		-
B.	**Entities under the control of same government**				
	CEGSSC, GOI		Agency Commission- Credit Guarantee Fund For SC/ST	**0.17**	0.13
	Ministry Of Electronics & Information Technology, GOI		Commission - M Sips	**3.67**	3.53
	Ministry Of Electronics & Information Technology, GOI		Scheme Management Fees -PLI	**5.00**	-
	Ministry Of Electronics & Information Technology, GOI		Agency Fees SPECS	**3.15**	-
	Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Bulk Drugs	**1.50**	-
	Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Medical Devices	**2.50**	-
	Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Bulk Drugs Parks	**1.43**	-
	Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI		Scheme Management Fee-PLI-Medical Devices Parks	**0.95**	-
	Ministry of Food Processing Industries, GOI		Monitoring Agency Fees	**0.50**	-
	SDF, Ministry Of Consumer Affairs, Food & Public Distribution, GOI		Agency Commission- Sugar Development Fund	**9.90**	9.90
	Steel Authority of India Ltd.		Advisory & Appraisal Fee received	**0.04**	0.05
	Central Government		Interest Income on G Sec	**47.11**	46.62
	State Bank Of India		Rental Income	**0.02**	0.02
	Registrar Of Companies		Rental Income	**2.60**	2.58
	ONGC Tripura Power Company Ltd.		Rental Income	**2.61**	2.60
	Power System Operation Corporation Ltd.		Rental Income	**7.13**	7.65
	SBI Life Insurance		Rental Income	**0.15**	-
	United India Insurance		Rental Income	**0.25**	0.22
	Canara Bank		Rental Income	**0.36**	0.36
C.	**Compensation of key managerial personnel**				
	Short-term employee benefits			**1.57**	1.31
	Post-employment defined benefit			**-**	-
	Compensated absences			**0.10**	-
	Share-based payments			**-**	-
	Termination benefits			**0.03**	-
	Sitting fees			**-**	0.13

(All amounts are in Rupees crores unless otherwise stated)

D. Outstanding balances of related party	As at March 31, 2021	As at March 31, 2020
IFCI Venture Capital Fund Ltd.		
- Bonds issued by IFCI	15.00	15.00
- Loans given by IFCI	-	-
IFCI Infrastructure Development Ltd.		
- Bonds issued by IFCI	90.00	90.00
- Bonds/debenture subscribed by IFCI	-	-
IIDL Realtors Pvt. Ltd.	-	-
IFCI Factors Ltd.		
- Bonds/debenture subscribed by IFCI	-	-
Stock Holding Corporation of India Ltd.		
- Bonds issued by IFCI	25.00	25.00
SHCIL Services Ltd.	-	-
Stockholding Document Management Services Limited	-	-
Stock Holding Securities IFSC Limited	-	-
IFCI Financial Services Ltd. (IFIN)	-	-
IFIN Securities Finance Ltd		
- receivable outstanding	-	-
IFIN Commodities Ltd.	-	-
IFIN Credit Ltd.	-	-
MPCON Ltd.	-	-

Terms and conditions

All transactions with these related parties are priced on an arm's length basis.

48 LEASES

A. Lease as lessee

The leases typically run for a period of 11 months, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Future minimum lease payments		
At year end, the future minimum lease payments to be made under cancellable operating leases are as follows:		
(a) Not later than one year	**2.24**	0.29
(b) Later than one year but not later than five years	**–**	–
(c) Later than five years	**–**	–
(ii) Amounts charged in profit or loss	**0.73**	0.86

B. Lease as lessor

The Company leases out its buidling (classified as investment property) on operating lease basis. The leases typically run for a period of 11 months - 7 years , with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Future minimum lease payments		
At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:		
(a) Not later than one year	**22.10**	47.57
(b) Later than one year but not later than five years	**23.23**	28.71
(c) Later than five years	**17.16**	19.46
(ii) Amounts recognised in profit or loss	**38.60**	36.19

(All amounts are in Rupees crores unless otherwise stated)

49 EARNINGS PER SHARE (EPS)

			Units	As at March 31, 2021	As at March 31, 2021
(i)	(a)	Profit Computation for Equity shareholders			
		Net profit as per Statement of Profit & Loss	₹	**(1,957.81)**	(277.88)
		Less: Preference Dividend	₹	**–**	–
		Net profit for Equity Shareholders	₹	**(1,957.81)**	(277.88)
	(b)	Weighted Average Number of Equity Shares outstanding	Nos	**1,895,993,092**	1,695,993,092
(ii)	(a)	Profit Computation for Equity shareholders (including potential shareholders)			
		Net profit as per Statement of Profit & Loss	₹	**(1,957.81)**	(277.88)
		Less: Preference dividend	₹	**–**	–
		Net profit for equity shareholders (including potential shareholders)	₹	**(1,957.81)**	(277.88)
	(b)	Weighted Average Number of Equity Shares outstanding	Nos	**1,895,993,092**	1,695,993,092
		Earnings Per Share			
		(Weighted Average)			
		Basic	₹	**(10.33)**	(1.64)
		Diluted	₹	**(10.33)**	(1.64)

50 OPERATING SEGMENTS

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108.

(a) Information about products and services:

The company deals in only one product i.e. granted loans to corporate customers. Hence, no separate disclosure is required.

(b) Information about geographical areas:

The entire sales of the Company are made to customers which are domiciled in India. Also, all the assets of the Company are located in India.

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

The Company does not earn revenues from the customers which amount to 10 per cent or more of Company's revenues

51 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Company enters into transactions that result in the transfer of loans and advances given to customers. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Company's continuing involvement, or are derecognised in their entirety.

The Company transfers financial assets that are not derecognised in their entirety are primarily through the sale of NPA loans to asset reconstruction companies (ARCs).

A. Transferred financial assets that are not derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

Sale of NPA loans to asset reconstruction companies (ARCs)' are transactions in which the Company sells loan and advances to an unconsolidated special vehicle and simultaneously purchases the majority portion of security receipts issued by said vehicle. The security receipts are collateralised by the loans purchased by the vehicle and hence the cash flow of the security receipts is dependent on the recovery of purchased loans.

The Company continues to recognise that part of the loans in their entirety against which security receipts have been subscribed by the Company because it retains substantially all of the risks and rewards of ownership w.r.t that part of the transferred loan. The part of loan transferred against which cash consideration is received is derecognised.

The following table sets out the carrying amounts and fair values of one financial asset transferred that is not derecognised in entirety and associated liabilities.

	Carrying amount		Fair value		
	Assets - Loans	Liabilities - Borrowings	Assets - Loans	Liabilities - Borrowings	Net position
Sale of NPA loans to asset reconstruction companies (ARCs)					
As at March 31, 2021	74.95	**–**	**178.18**	**–**	**178.18**
As at March 31, 2020	90.77	–	178.18	–	178.18

(All amounts are in Rupees crores unless otherwise stated)

B. Transferred financial assets that are derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

The Company has taken derecognition exemption and de-recognise the loans in their entirety against which security receipts have been subscribed by the Company. The Company has classified said invsetment in security receipts subsequently measured at fair value through profit and loss.

During the year the Company has recognised a fair value gain/(loss) of ₹193.26 crore (₹-275.50 crore in 2019-20). The cumulative fair value gain/(loss) on the security receipts as on 31 March 2021 is ₹-7.01 crore (31 March 2020 - ₹-34.34 crore).

The following table sets out the details of the assets that represents the Company's continuing involvement with the transferred assets that are derecognised in their entirety.

	Carrying amount	Fair value	
	Assets - Investment in security receipts	Assets - Investment in security receipts	Liabilities
Sale of NPA loans to asset reconstruction companies (ARCs)			
As at 31 March 2021	**414.55**	**414.55**	**–**
As at 31 March 2020	447.06	447.06	–

The amount that best represents the Company's maximum exposure to loss from its continuing involvement in the form of security receipts issued by ARCs is their carrying amount.

52 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

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

	As at March 31, 2021		
PARTICULARS	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets:			
Cash and cash equivalents	**–**	**–**	**533.56**
Bank balance other than above	**–**	**–**	**588.33**
Derivative financial instruments	**–**	**–**	**–**
Receivables	**–**	**–**	**57.32**
Loans	**–**	**–**	**6,479.71**
Investments	**2,289.31**	**661.03**	**–**
Other financial assets	**–**	**–**	**139.49**
	2,289.31	**661.03**	**7,798.41**
Financial liabilities:			
Derivative financial instruments			**15.91**
Trade payables	**–**	**–**	**165.68**
Debt securities	**–**	**–**	**7,270.78**
Borrowings (other than debt securities)	**–**	**–**	**2,285.70**
Subordinated liabilities	**–**	**–**	**1,313.30**
Other financial liabilities	**–**	**–**	**1,713.31**
	–	**–**	**12,764.68**

	As at March 31, 2020		
PARTICULARS	**FVTPL**	**FVTOCI**	**Amortised cost**
Financial assets:			
Cash and cash equivalents	–	–	1,034.03
Bank balance other than above	–	–	589.76
Derivative financial instruments	50.04	–	–
Receivables	–	–	78.43
Loans	–	–	10,295.36
Investments	1,038.67	843.87	–
Other financial assets	–	–	132.68
	1,088.71	843.87	12,130.26

(All amounts are in Rupees crores unless otherwise stated)

Financial liabilities:			
Derivative financial instruments	–	–	
Trade payables	–	–	66.60
Debt securities	–	–	7,844.60
Borrowings (other than debt securities)	–	–	3,165.50
Subordinated liabilities	–	–	1,313.30
Other financial liabilities	–	–	1,805.64
	–	–	14,195.64

B. Valuation framework

The respective operational department performs the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quaterly reporting period. Specific controls for valuation includes verification of observable pricing, review of siginificant unobservable inputs and valuation adjustments.

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

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

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

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

C. Fair value hierarchy

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

(a) recognised and measured at fair value and

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

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

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

As at 31 March 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Derivative financial instruments	–	–	–	–
Investments	**1,396.93**	**961.87**	**591.54**	**2,950.34**
	1,396.93	**961.87**	**591.54**	**2,950.34**
Financial liabilities:				
Derivative financial instruments	–	**15.91**	–	**15.91**
	–	**15.91**	–	**15.91**

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

As at 31 March 2021	**Amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:					
Loans	**6,479.71**	–	–	**6,479.71**	**6,479.71**
	6,479.71	–	–	**6,479.71**	**6,479.71**
Financial liabilities:					
Debt securities	**7,270.78**	–	–	**7,270.78**	**7,270.78**
Borrowings (other than debt securities)	**2,285.70**	–	**2,285.70**	–	**2,285.70**
Subordinated liabilities	**1,313.30**	–	–	**1,313.30**	**1,313.30**
	10,869.78	–	**2,285.70**	**8,584.08**	**10,869.78**

(All amounts are in Rupees crores unless otherwise stated)

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

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments	–	50.04	–	50.04
Investments	439.35	1,011.55	431.64	1,882.54
	439.35	1,061.59	431.64	1,932.58
Financial liabilities:				
Derivative financial instruments	–	–	–	–
	–	–	–	–

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

As at 31 March 2020	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	10,295.36	–	–	10,295.36	10,295.36
Investments	–	–	–	–	–
	10,295.36	–	–	10,295.36	10,295.36
Financial liabilities:					
Debt securities	7,844.60	–	–	7,844.60	7,844.60
Borrowings (other than debt securities)	3,165.50	–	3,165.50	–	3,165.50
Subordinated liabilities	1,313.30	–	–	1,313.30	1,313.30
	12,323.40	–	3,165.50	9,157.90	12,323.40

Financial instruments valued at carrying value

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

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input
Unquoted equity securities	Net asset value/Company comparable method/ Discounted cash flow	Weighted average cost of capital/Discount rate
Preference shares	Net asset value/Company comparable method/ Discounted cash flow	Future cash flows, discount rates
Loans	Discounted cash flow	Future cash flows, discount rates
Debt securities	Discounted cash flow	Future cash flows, discount rates
Borrowings (other than debt securities)	Discounted cash flow	Future cash flows, discount rates
Subordinated liabilities	Discounted cash flow	Future cash flows, discount rates

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Preference shares at fair value through profit and loss	Equity shares at fair value through other comprehensive income	Equity shares at fair value through other profit and loss
Balance as at 1 April 2020	27.46	–	404.18
Total gain or losses:			
- in profit or loss	48.37	–	240.40
- in OCI	–	–	–
Purchases	–	–	–
Settlement	(70.96)	–	(57.91)
Transfer to Level 3	–	–	–
Balance as at 31 March 2021	**4.87**	**–**	**586.67**

(All amounts are in Rupees crores unless otherwise stated)

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Preference shares at fair value through profit and loss	Equity shares at fair value through other comprehensive income	Equity shares at fair value through other profit and loss
Total gain or losses recognised in profit or loss :			
- Net fair value change from financial instruments carried at fair value	48.37	–	240.40
Total gain or losses recognised in OCI :			
- - Fair value reserve (equity instruments) - net change in fair value	–	–	–
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:			
- - Net fair value change from financial instruments carried at fair value	119.33	–	298.31

	Preference shares at fair value through profit and loss	Equity shares at fair value through other profit and loss
Balance as at 1 April 2019	84.96	1,392.43
Total gain or losses:	–	–
- in profit or loss	(45.54)	(1,845.93)
Purchases	–	–
Settlement	(11.96)	857.68
Balance as at 31 March 2020	**27.46**	**404.18**

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

	Preference shares at fair value through profit and loss	Equity shares at fair value through other profit and loss
Total gain or losses recognised in profit or loss :		
- Net fair value change from financial instruments carried at fair value	(45.54)	(1,845.93)
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:		
- Net fair value change from financial instruments carried at fair value	(33.58)	(17.02)

53 FINANCIAL RISK MANAGEMENT

The company's activities are primarily subjected to credit risk, market risk and operational risk for managing risk management committee exsists. The function of the committee is to identify, monitor, manage and mitigate these risks. The company also makes sure that it adheres to internal policies and procedures, complies with the regulatory guidelines and maintains sufficient loan documentation.

With regards to its lending activity, the company has established various limits and restrictions to manage the risks. There are various reports which are prepared and presented to senior management by the risk management committee at regular intervals and on ad-hoc basis which helps in risk monitoring. The company has also set-up procedures to mitigate the risks in case of any breach.

A. Risk management framework

The Company's Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. The board of directors have established the Risk Management and Asset Liability Management Committee of the Directors (RALMCD) which is responsible for developing and monitoring the Company's integrated risk management policies. The RALMCD is assisted in its oversight role by the Risk and Asset Liability Management Committee of Executives (RALMCE). The Integrated Risk Management Department undertakes regular reviews of risk management controls and procedures, the results of which are reported to the RALMCE on monthly basis.

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securties and deposits with banks and financial institutions and any other financial assets..

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers, trade receivables from customers; loans and investments in debt securities.

(a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer/obligor. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, business specific risk, management risk, transition specific risk and project related risks.

A financial asset is considered 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

(All amounts are in Rupees crores unless otherwise stated)

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as default
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of the active market for that financial asset because of financial difficulties
- Purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes minimum finalised internal rating, external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits have been established for each customer and reviewed periodically and modifications are done, as and when required. Any loan exceeding prescribed limits require approval from the respective competent authority..

(b) Probablity of defalut (PD)

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PD for a 12 month duration and lifetime duration based on the stage allocation of the borrower. A PD used for Ind AS 109 should reflect the institution's view of the future and should be unbiased (i.e. it should not include any conservatism or optimism).

To arrive at historical probability of default, transition matrix approach has been applied using IFCI internal obligor ratings.

(c) Definition of default

Default' has not been defined under Ind AS. An entity shall apply a default definition that is consistent with the definition used for internal credit risk management purposes and consider qualitative indicators when appropriate. A loan is considered as defaulted and therefore Stage-3 (credit impaired) for ECL calculations in the following cases:

- On deterioration of the IFCI internal combined ratings of the borrower to CR-9 or CR-10 (Comparison to be done between origination rating and current rating).
- On asset being classified as NPA as per RBI prudential norms
- On restructuring of assets with impairment in loan value
- On asset being more than 90 days past dues.

(d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments which is subject to the impairment calculation.

(e) Loss given default (LGD)

LGD is an estimate of the loss from the transaction given that a default occurs. The LGD component of ECL is independent of deterioration of asset quality, and thus applied uniformly across various stages. With respect to loan portfolio, NPA accounts which have originated in past 7 years and have been closed, along with NPA accounts ageing more than 5 years (assumed as closed), have been considered for LGD computation.

(f) Significant increase in credit risk (SICR)

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of the default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make that assessment, an entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

For the assessment of the SICR for the loans and advances, the following conditions have been considered:

- Deterioration of the IFCI internal combined ratings of the borrowers by 3 rating grades. (Comparison to be done between origination rating and current rating).
- Deterioration of the ratings of the borrowers from the investment grade to the sub-investment grade.
- On restructuring of assets without impairment in loan value
- On asset overdue beyond 60 days past dues

(g) Provision for expected credit losses

The following tables sets out information about the overdue status of loans and advances, loan commitments, financial guarantees, trades receivables and other financial assets to customers in Stages 1, 2 and 3.

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	**658.11**	**414.96**	**–**	**–**	**1,073.06**
Grade 7-8 : Higher risk	**–**	**738.73**	**–**	**–**	**738.73**
Grade 9-10 : Loss	**–**	**–**	**7,912.97**	**–**	**7,912.97**
	658.11	**1,153.69**	**7,912.97**	**–**	**9,724.77**
Loss allowance	**(4.40)**	**(114.01)**	**(4,833.02)**	**–**	**(4,951.43)**
Carrying value	**653.70**	**1,039.68**	**3,079.95**	**–**	**4,773.34**

	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Grade 1-6 : Low-fair risk	233.72	–	–	–	233.72
Grade 7-8 : Higher risk	554.70	–	–	–	554.70
Grade 9-10 : Loss	–	–	2,190.09	–	2,190.09
	788.42	–	2,190.09	–	2,978.51
Loss allowance	(10.86)	–	(1,261.27)	–	(1,272.13)
Carrying value	777.56	–	928.82	–	1,706.38

Trade receivables at amortised cost

	Lifetime	Credit Impaired	Total
Less than 6 months	54.10	–	54.10
More than 6 months less than 1 year	0.87	0.04	0.91
More than 1 year less than 2 years	1.31	0.06	1.37
More Than 2 years less than 3 years	1.03	0.05	1.08
Above 3 years	–	1.26	1.26
	57.31	1.41	58.72
Loss allowance	–	(1.41)	(1.41)
Carrying value	**57.31**	**–**	**57.31**

Other financial assets at amortised cost

	Lifetime	Credit Impaired	Total
Less than 6 months	139.11	0.00	139.11
More than 6 months less than 1 year	0.00	0.00	0.00
More than 1 year less than 2years	0.37	0.01	0.39
More Than 2 years less than 3 years	0.00	0.00	0.00
Above 3 years	–	70.42	70.42
	139.49	70.43	209.92
Loss allowance	–	(70.43)	(70.43)
Carrying value	**139.49**	**–**	**139.49**

Investment in debt securities at FVTOCI

	Stage 1	Stage 2	Stage 3	Total
BBB - to AAA	568.93	–	–	568.93
BB- to BB+	–	–	–	–
B- to B+	–	–	–	–
C to CCC+	–	–	–	–
D	–	–	98.72	98.72
	568.93	–	98.72	667.65
Loss allowance	(0.09)	–	(50.02)	(50.12)
Amortised cost	568.84	–	48.70	617.53
Fair value	581.04	–	39.60	620.64

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021				
	Stage 1	**Stage 2**	**Stage 3**	**POCI**	**Total**
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	**5.71**	**–**	**–**	**–**	**5.71**
Grade 7-8 : Higher risk	**10.52**	**–**	**–**	**–**	**10.52**
Grade 9-10 : Loss	**8.91**	**–**	**–**	**–**	**8.91**
	25.14	**–**	**–**	**–**	**25.14**
Loss allowance	**(5.35)**	**–**	**–**	**–**	**(5.35)**
Carrying value	**19.78**	**–**	**–**	**–**	**19.78**
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	**51.14**	**–**	**–**	**–**	**51.14**
Grade 7-8 : Higher risk	**64.91**	**–**	**–**	**–**	**64.91**
Grade 9-10 : Loss	**45.81**	**–**	**–**	**–**	**45.81**
	161.86	**–**	**–**	**–**	**161.86**
Loss allowance	**(27.92)**				**(27.92)**
Carrying value	**133.95**	**–**	**–**	**–**	**133.95**

	As at March 31, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	2,406.09	139.86	–	–	2,545.95
Grade 7-8 : Higher risk	–	910.79	–	–	910.79
Grade 9-10 : Loss	–	–	9,798.04	–	9,798.04
	2,406.09	1,050.65	9,798.04	–	13,254.78
Loss allowance	(133.76)	(193.30)	(4,805.94)	–	(5,133.00)
Carrying value	**2,272.33**	**857.35**	**4,992.10**	**–**	**8,121.78**
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Grade 1-6 : Low-fair risk	331.14	–	–	–	331.14
Grade 7-8 : Higher risk	526.06	444.11	–	–	970.17
Grade 9-10 : Loss	–	–	2,087.83	–	2,087.83
	857.20	444.11	2,087.83	–	3,389.13
Loss allowance	(64.77)	(126.71)	(1,024.08)	–	(1,215.55)
Carrying value	**792.43**	**317.40**	**1,063.75**	**–**	**2,173.58**

Trade receivables at amortised cost

	Lifetime	**Credit Impaired**	**Total**
Less than 6 months	73.91	–	73.91
More than 6 months less than 1 year	1.73	–	1.73
More than 1 year less than 2 years	1.81	–	1.81
More Than 2 years less than 3 years	1.18	–	1.18
Above 3 years	–	0.08	0.08
	78.63	0.08	78.71
Loss allowance	(0.20)	(0.08)	(0.28)
Carrying value	78.43	–	78.43

(All amounts are in Rupees crores unless otherwise stated)

Other financial assets at amortised cost

	Lifetime	Credit Impaired	Total
Less than 6 months	143.76	–	143.76
More than 6 months less than 1 year	0.01	–	0.01
More than 1 year less than 2 years	0.00	–	0.00
More Than 2 years less than 3 years	1.07	–	1.07
Above 3 years	–	52.02	52.02
	144.84	52.02	196.86
Loss allowance	(12.16)	(52.02)	(64.18)
Carrying value	132.68	–	132.68

	Stage 1	Stage 2	Stage 3	Total
Investment in debt securities at FVTOCI				
BBB - to AAA	780.13	–	–	780.13
BB- to BB+	–	–	–	–
B- to B+	–	–	–	–
C to CCC+	–	–	–	–
D	–	–	**98.72**	98.72
	780.13	**–**	**98.72**	**878.85**
Loss allowance	(0.19)	–	(46.97)	(47.16)
Amortised cost	779.94	–	51.75	831.68
Fair value	814.18	–	21.41	835.59

IL&FS Financial Services is given a 100% provision

	As at March 31, 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	46.69	–	–	–	46.69
Grade 7-8 : Higher risk	52.33	–	–	–	52.33
Grade 9-10 : Loss	–	–	–	–	–
	99.01	–	–	–	99.01
Loss allowance	(8.28)	–	–	–	(8.28)
Carrying value	90.73	–	–	–	90.73
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	1,045.33	–	–	–	1,045.33
Grade 7-8 : Higher risk	175.92	–	–	–	175.92
Grade 9-10 : Loss	58.89	–	–	–	58.89
	1,280.14	–	–	–	1,280.14
Loss allowance	(40.37)	–	–		(40.37)
Carrying value	1,239.77	–	–	–	1,239.77

(h) Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

(All amounts are in Rupees crores unless otherwise stated)

Loans and advances at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Loss allowance on 31 March 2019	**222.09**	**125.01**	**6,545.80**	**6,892.90**
Transfer to Stage 1	6.60	(6.60)	–	–
Transfer to Stage 2	(19.44)	19.44	–	–
Transfer to Stage 3	(13.10)	(42.06)	55.16	–
Net remeasurement of loss allowance	52.50	130.19	(3,874.78)	(3,692.09)
New financial assets originated or purchased	17.66	17.11	10.16	44.93
Financial assets that have been derecognised	(68.53)	(29.84)	(167.42)	(265.78)
Write offs	–	–	2,217.40	2,217.40
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
Loss allowance on 31 March 2020	**197.79**	**213.26**	**4,786.31**	**5,197.36**
Transfer to Stage 1	0.00	–	–	–
Transfer to Stage 2	(41.89)	41.89	–	–
Transfer to Stage 3	(6.17)	(69.48)	75.65	–
Net remeasurement of loss allowance	–	-56.17	(1,428.48)	(1,484.65)
New financial assets originated or purchased	-101.92	0.00	0.00	(101.92)
Financial assets that have been derecognised	(15.49)	(15.49)	(24.53)	(55.51)
Write offs	–	–	1,424.07	1,424.07
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
Loss allowance on 31 March 2021	**32.32**	**114.01**	**4,833.02**	**4,979.35**

Loans and advances at amortised cost- Greenfield

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Loss allowance on 31 March 2019	**68.63**	**83.21**	**1,311.16**	**1,463.00**
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	(6.52)	52.35	(45.83)	–
Transfer to Stage 3	–	(59.41)	59.41	–
Net remeasurement of loss allowance	29.92	53.93	(199.99)	(116.14)
New financial assets originated or purchased	–	–	–	–
Financial assets that have been derecognised	(18.97)	(3.38)	(100.67)	(123.02)
Write offs				–
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
	–	–	–	
Loss allowance on 31 March 2020	**73.05**	**126.71**	**1,024.08**	**1,223.84**

(All amounts are in Rupees crores unless otherwise stated)

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Transfer to Stage 1	0.87	(0.87)	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	(37.87)	37.87	–
Net remeasurement of loss allowance	(44.11)	-17.99	199.32	137.22
New financial assets originated or purchased	–	–	–	–
Financial assets that have been derecognised	(13.60)	(69.98)	–	(83.58)
Write offs	–	–	–	–
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
	–	–	–	–
Loss allowance on 31 March 2021	**16.21**	**0.00**	**1,261.27**	**1,277.48**

Investment in Debt securities at FVTOCI

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		Total
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	
Loss allowance on 31 March 2019	**0.08**	–	–	**0.08**
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	(0.01)	–	–	(0.01)
Net remeasurement of loss allowance	–	–	–	–
New financial assets originated or purchased	0.18	–	46.97	47.15
Financial assets that have been derecognised	(0.06)	–	–	(0.06)
Write offs	–	–	–	–
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
	–	–	–	–
Loss allowance on 31 March 2020	**0.19**	**–**	**46.97**	**47.16**
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Net remeasurement of loss allowance	(0.10)	–	3.05	2.95
New financial assets originated or purchased	0.01	–	–	0.01
Financial assets that have been derecognised	–	–	–	–
Write offs	–	–	–	–
Unwind of discount	–	–	–	–
Changes in risk parameters	–	–	–	–
	–	–	–	–
Loss allowance on 31 March 2021	**0.09**	**–**	**50.03**	**50.12**

(i) Collateral held and other credit enhancements

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Company's internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Company holds other types of collateral such as second charges and floating charges for which specific values are generally not available. The company has internal policised on the accepatability of specific classes of collateral or credit risk mitigation.The prinicipal collateral types for loans and advances are:

1. Mortgage of Immovable properties
2. Hypothecation of Movable property
3. Bank and Government Guarantees
4. Pledge of instruments through which promoter's contribution is infused in the project
5. Pledge of Promoter Shareholding
6. Corporate and Personal Guarantees of Promoters

(All amounts are in Rupees crores unless otherwise stated)

(j) Concentration of risk

The Company monitors Concentration of credit risk by sector and by geographic location. An analysis of Concentration of credit risk from loans and advances is shown below.

Loans and advances to customers	As at March 31, 2021	As at March 31, 2020
Carrying amount		
Concentration by sector		
Corporate:		
Power Generation	**2,222.41**	2,440.56
Diversified Infrastructure	**1,265.70**	1,649.91
Real Estate	**979.33**	1,190.61
Road Construction	**1,249.69**	1,546.65
Iron and Steel	**469.82**	487.53
Diversified	**750.82**	750.82
Steel Products	**247.61**	260.87
Construction Industry	**343.12**	406.22
Miscellaneous Services	**350.57**	414.85
NBFC	**173.99**	385.40
Motor Vehicles and Parts	**142.21**	142.09
Textile Products	**23.06**	27.82
Miscellaneous Food Products	**324.50**	333.80
Miscellaneous Manufacturing and Other Industries	**400.06**	751.23
Ship Building and Repairs	**170.10**	169.89
Others	**1,468.73**	1,595.21
Total	**10,582**	12,553
Concentration by location		
India	**10,582**	12,553

Concentration by location for loans and advances is based on the customer's country of domicile

* Loan amount excludes interest accrued but not due and Stage -3 Income

(k) Modified / Restructured loans

When the Company grants concession, for economic or legal reasons related to a borrower's financial difficulties, for other than an insignificant period of time, the related loan is classified as a Troubled Debt Restructuring (TDR). Concessions could include a reduction in the interest rate below current market rates, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. Loans, for which the terms have been modified, and for which the borrower is experiencing financial difficulties, are considered TDRs.

From a risk management point of view, once an asset is forborne or modified, the Company's special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

There were no modified assets which were forborne during the period and accordingly no loss were suffered by the Company.

l) Governance Framework

As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020, where provision requirement as per extant RBI norms is higher than ECL as computed under Ind AS, the provision as per RBI norms shall be adopted, on portfolio basis. Further, in accordance with RBI Guidelines, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the difference shall be appropriated from the net profit or loss after tax to a separate 'Impairment Reserve'.

C. Liquidity risk

Liquidity risk is the potential inability to meet the institution's liabilities as they become due. From IFCI perspective, it basically originates from the mismatches in the maturity pattern of assets and liabilities. Analysis of liquidity risk involves the measurement of not only the liquidity position of the institution on an ongoing basis but also examining how funding requirements are likely to be affected under severe but plausible scenarios. Net funding requirements are determined by analysing the institution's future cash flows based on assumptions of the future behaviour of assets and liabilities that are classified into specified time buckets, utilizing the maturity ladder approach and then calculating the cumulative net flows over the time frame for liquidity assessment.

(All amounts are in Rupees crores unless otherwise stated)

For the present, for measuring and managing net funding requirements, the use of maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is being utilized as a standard tool.

The ALM format prescribed by RBI in this regard is being utilized for measuring cash flow mismatches in different time bands. The cash flows are placed in different time bands based on projected future behaviour of assets, liabilities and off-balance sheet items. Apart from the above cash flows, the institution would also track the impact of prepayments of loans, premature closure of liabilities and exercise of options built in certain instruments which offer put/call options after specified times. Thus, cash outflows can be ranked by the date on which liabilities fall due, the earliest date a liability holder could exercise an early repayment option or the earliest date contingencies could be crystallized.

The company has initiated an exercise to identify its High Quality Liquid Investments and compute Liquidity Coverage Ratio.

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

- ₹94 crore overdraft facility that is secured. Interest would be payable between 7.75 percent and 8.21 percent.
- ₹130 crore facility that is unsecured and can be drawn down to meet short-term financing needs. Interest would be payable at a rate of 9.57 percent (weighted average rate).

Exposure to liquidity risk

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

	Contractual cash flows									
As at March 31, 2021	**Carrying amount**	**Gross nominal inflow/ (outflow)**	**1 day to 30 days**	**1-2 months**	**2-3 months**	**3-6 months**	**6 months - 1 year**	**1-3 year**	**3-5 year**	**More than 5 years**
Non - derivative financial liabilities										
Borrowings	2,285.70	1,902.75	–	27.03	339.20	298.85	519.12	718.55	–	–
Debt securities issued	7,270.78	7,284.08	26.20	0.30	–	545.07	2,343.17	(168.98)	1,848.59	2,689.73
Subordinated liabilities	1,313.30	1,313.30	–	–	–	–	–	662.27	–	651.04
Derivative financial liabilities										
Trading										
- Outflow	–	–	–	–	–	–	–	–	–	–
- Inflow	–	–	–	–	–	–	–	–	–	–
Risk management:										
- Outflow	15.91	15.91	15.91	–	–	–	–	–	–	–
- Inflow	–	–	–	–	–	–	–	–	–	–
Non - derivative financial assets										
Loans and advances	6,479.71	10,581.70	32.89	43.26	52.85	239.52	348.09	926.45	322.06	8,616.58
Investment securities	2,950.34	5,796.55	1,421.07	–	137.96	–	400.00	89.16	–	3,748.36

	Contractual cash flows									
As at March 31, 2020	Carrying amount	Gross nominal inflow/ (outflow)	1 day to 30 days	1-2 months	2-3 months	3-6 months	6 months - 1 year	1-3 year	3-5 year	More than 5 years
Non - derivative financial liabilities										
Borrowings	3,165.50	2,781.16	–	25.00	400.69	109.38	1,006.52	1,214.57	25.00	–
Debt securities issued	7,844.60	7,874.03	0.45	5.00	164.54	167.40	476.39	2,545.76	1,623.59	2,890.91
Subordinated liabilities	1,313.30	1,313.30	–	–	–	–	–	662.27	–	651.04
Derivative financial liabilities										
Trading										
- Outflow	–	–	–	–	–	–	–	–	–	–
- Inflow	–	–	–	–	–	–	–	–	–	–
Risk management:										
- Outflow	–	–	–	–	–	–	–	–	–	–
- Inflow	50.04	50.04	50.04	–	–	–	–	–	–	–
Non - derivative financial assets										
Loans and advances	10,295.36	13,023.49	36.40	0.88	270.21	620.44	594.11	1,546.90	570.70	9,383.85
Investment securities	1,882.54	5,086.03	325.51	–	–	–	16.17	627.12	152.07	3,965.16

(All amounts are in Rupees crores unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Contractual cash flows		
Other financial assets		
- within 12 months	**29.49**	45.00
- after 12 months	**110.00**	87.68
Gross nominal inflow/(outflow)	**139.49**	132.68
Other financial liabilities		
- within 12 months	**538.11**	547.76
- after 12 months	**1,175.20**	1,257.88
Gross nominal inflow/(outflow)	**(1,713.31)**	(1,805.64)

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contract maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross settlement.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	On demand	1 day to 30 days	1-2 months	2-3 months	3-6 months	6 months - 1 year	1-3 year	3-5 year	More than 5 years	Total
As at 31 March 2021										
Other undrawn commitments to lend	168.67	–	–	–	–	–	–	–	–	168.67
As at 31 March 2020										
Other undrawn commitments to lend	776.41	–	–	–	–	–	–	–	–	776.41

D. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. In line with regulatory guidelines, the Company classifies exposures to market risk into either Current or Long term portfolios and manages each of those portfolios separately.

The market risk management framework in IFCI comprises risk identification, setting up of limits & triggers, risk measurement, risk monitoring, risk reporting and taking corrective actions where necessitated. It is pertinent to highlight that the details pertaining to threshold investment grade rating, investment limits, approval authority, control mechanism including stop-loss triggers, compliances required, etc. for different treasury products including equity trading have been clearly outlined in the extant Treasury & Investment Policy of IFCI.

(a) Market risk - trading portfolios

The Company does not have any trading portfolios.

(b) Market risk - Non-trading portfolios

(i) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Company. The functional currency for the company is ₹The currency in which these transactions are primarily denominated is EURO.

Currency risks related to the principal amounts of the Company's EURO bank loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

(All amounts are in Rupees crores unless otherwise stated)

Particulars	March 31, 2021 INR	March 31, 2021 EURO	March 31, 2020 INR	March 31, 2020 EURO
Borrowings	**409.83**	**4.78**	424.84	5.49
Net exposure in respect of recognised assets and liabilities	**409.83**	**4.78**	**424.84**	**5.49**

Sensitivity analysis

A reasonably possible strengthening (weakening) of Rs and EURO against all currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021				
EURO (10% movement)	40.98	(42.48)	26.66	(27.64)
31 March 2020				
EURO (10% movement)	42.48	(42.61)	27.64	(27.72)

(ii) Interest rate risk

The Company makes attempts to minimize the gap between floating rate liabilities and floating rate assets, in order to minimize interest rate risk. This is achieved by way of borrowings at a floating rate and lending at rates linked to IFCI benchmark rate, which in turn is linked to, among others, its cost of borrowings. Further, analysis of impact of change in market rates of interest is carried out on a periodic basis, to undertsand impact on Net Interest Income of IFCI and Market Value of Equity of IFCI. In line with extant regulatory guidelines, Interest rate Sensitivity statement is prepared on a monthly basis and anlysed to understand gaps in various time buckets.

Exposure to interest rate risk

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

Particulars	**As at March 31, 2021**	As at March 31, 2020
Fixed rate instruments		
Financial assets	**–**	–
Financial liabilities	**8,584.08**	9,157.90
Variable rate instruments		
Financial assets	**6,479.71**	10,295.36
Financial liabilities	**2,285.70**	3,165.50

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have no impact in statement of profit and loss. This would have an impact on the fair value at the reporting dates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable rate instruments	**22.86**	**(22.86)**	**14.87**	**(14.87)**
Cash flow sensitivity (net)				
31 March 2020				
Variable rate instruments	31.66	(31.66)	20.59	(20.59)
Cash flow sensitivity (net)				

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities declines as a result of changes in the level of equity indices and market price of individual stocks. The non–trading equity price risk exposure arises from equity securities classified at Fair Value. The equity price risk same is more applicable to securities held for the purpose of trading. As the Company focuses on long term investments and curent investments are kept low (investments held for tradng purposes), IFCI may not be exposed to significant equity price risk.

(All amounts are in Rupees crores unless otherwise stated)

54 CAPITAL MANAGEMENT

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, IFCI as a Government owned NBFC-ND-SI is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. IFCI has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

(i) Regulatory capital

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

- Common equity Tier 1 (CET1) capital, which includes ordinary share capital, related share premiums, retained earnings and reserves after adjustment for dividend declared and deduction for goodwill, intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes preference shares, qualifying subordinated liabilities and any excess of impairment over expected losses.

	As at March 31, 2021	As at March 31, 2020
Common equity Tier 1 (CET1) capital	**(1,074.22)**	968.85
Tier 2 capital instruments	**15.26**	632.20
Total regulatory capital	**(1,058.96)**	1,601.04
Risk weighted assets	**9,797.27**	11,821.85
CRAR -Tier I Capital (%)	**-10.96%**	8.20%
CRAR -Tier II Capital (%)	**0.16%**	5.35%
CRAR (%)	**-10.81%**	13.54%

* As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Indian Accounting Standard(IndAS) in NBFC, the company has appropriated the difference between the impairment allowance under Ind AS 109 and the provisioning required under RBI Prudential (IRACP) Norms (including standard assets provisioning), a sum of ₹34.54 crore has been taken to "Impairment Reserve".

For the purpose of calculation of Net Owned Funds, DTA has been considered net of MAT credit entitlement.

(ii) Capital allocation

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the company's long term strategic objectives.

55 The following additional information is disclosed in terms of RBI Circulars applicable to Non-Banking Financial Companies. Ind AS adjsutements have not been made in these disclosures unless specifically stated :

(i) The company is registered with Securities and Exchange Board of India as debenture trustee having registration code i.e. "IND000000002".

(ii) There are no penalties imposed by RBI and other regulator during the year ended March, 2020. However, NSE & BSE had levied fine of ₹1,16,17,100/- & ₹13,85,600 inclusive of taxes (for the quarters ended September, 2018 to March 2021), for non-compliance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, relating to composition of the Board of Directors and Committees namely Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, in the absence of Independent Directors on the Board of IFCI. Further, BSE vide its mail dated Sep 24, 2020 & 19/4/21 had waived fines amounting to ₹1,01,98,740/- for the period September 2018 to December 2020. Communication from Stock Exchanges for waiver of fine for the quarter ended March 31, 2021 is awaited.

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year ended 31 March, 2021 are as under:

Long Term (Bonds/NCDs/Term Loans)

Ratings by	**31-Mar-21**	31-Mar-20
ICRA	**ICRA BBB- w.e.f 03/12/2019**	ICRA BBB- w.e.f 03/12/2019
CARE	**CARE BBB- w.e.f 20/01/2020**	CARE BBB- w.e.f 20/01/2020
Brickwork	**BWR BBB+ w.e.f 10/07/2019**	BWR BBB+ w.e.f 10/07/2019

(All amounts are in Rupees crores unless otherwise stated)

Short Term (Commercial Paper/Short term borrowings)

Ratings by	31-Mar-21	31-Mar-20
ICRA	**ICRA A3 w.e.f 17/06/2020**	ICRA A3 w.e.f 03/12/2019
Brickwork	**BWR A2+ w.e.f 23/06/2020**	BWR A2+ w.e.f 10/07/2019

For Structured Secured NCD

Ratings by	31-Mar-21	31-Mar-20
CARE	**CARE BBB+ w.e.f. 05/08/2020**	CARE BBB+ w.e.f. 13/09/2019
Brickwork	**BWR A+(CE) w.e.f 23/06/2020**	BWR A+(CE) w.e.f 14/09/2019

Subordinate Bonds

Ratings by	31-Mar-21	31-Mar-20
CARE	**CARE BBB- w.e.f 05/08/2020**	CARE BBB- w.e.f 21/01/2020

(iv) Disclosures relating to Customer Complaints

	Particulars	31-Mar-21	31-Mar-20
(a)	No. of complaints pending at the beginning of the period	**–**	–
(b)	No. of complaints received during the period	**2,044**	3,011
(c)	No. of complaints redressed during the period	**2,044**	3,011
(d)	No. of complaints pending at the end of the period	**–**	–

(v) Capital to Risk Assets Ratio (CRAR)

	Particulars	31-Mar-21	31-Mar-20
(a)	Capital to Risk Assets Ratio (CRAR)	**-10.81%**	13.54%
(i)	Core CRAR	**-10.96%**	8.20%
(ii)	Supplementary CRAR	**0.16%**	5.35%
(b)	Subordinated debt raised, outstanding as Tier II Capital (₹ crore)	**15.26**	632.20
(c)	Risk-weighted assets (₹ crore):		
(i)	On-Balance Sheet Items	**9,797.27**	11,225.38
(ii)	Off-Balance Sheet Items	**216.36**	596.47

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

		As on 31/03/2021		As on 31/03/2020	
		Outstanding	Overdue	Outstanding	Overdue
(a)	Debentures:				
(i)	Secured	**2,046.36**	**–**	2,046.36	–
(ii)	Unsecured	**818.19**	**–**	818.19	–
(b)	Deferred Credits	**–**	**–**	–	–
(c)	Term Loans	**1,902.75**	**–**	2,781.16	–
(d)	Inter Corporate loans & borrowing	**–**	**–**	–	–
(e)	CBLO/ Commercial Paper	**–**	**–**	–	–
(f)	Other Loans (incl. FC Loan)	**–**	**–**	–	–
(g)	Funds placed with IFCI	**–**	**–**	–	–
(h)	Bonds	**5,733.10**	**–**	6,322.78	–

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

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

	Category	As on 31/03/2021		As on 31/03/2020	
		Market/ Break- up/ Fair Value/ NAV	Book Value	Market/ Break- up/ Fair Value/ NAV	Book Value
	Related Parties				
(a)	Subsidiaries	**2,085.75**	**1,546.41**	1,632.01	1,546.41
(b)	Companies in same group	**8.06**	**0.04**	13.21	0.04
(c)	Joint Venture	**–**	**0.01**	–	0.01
(d)	Other than Related Parties	**3,217.11**	**4,250.41**	2,192.90	3,539.57
	Total	**5,310.91**	**5,796.88**	3,838.12	5,086.03

(All amounts are in Rupees crores unless otherwise stated)

(viii) Details of investment and movement in provision :

		31-Mar-21	31-Mar-20
(A)	**Value of Investment in India**		
	Provisions for Depreciation		
	Net Value of Investments		
(B)	**Movement of provisions held towards depreciation on investments**	**N.A. (Under Ind AS, investments have to be fair valued, hence not apllicable)**	
(i)	Opening balance		
(ii)	Add : Provisions made during the year		
(iii)	Less : Write-off / write-back of excess provisions during the year		
(iv)	Closing balance		

	31-Mar-21	31-Mar-20
(ix) Leased Assets and stock on hire and other assets counting towards Loan activities	**–**	–

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

		31-Mar-21	31-Mar-20
1	Related Parties		
(a)	Subsidiaries	**–**	–
(b)	Companies in same group	**–**	–
2	Other than Related Parties	**5,578.02**	8,187.51
	Total	**5,578.02**	8,187.51

Amount is net of provision against non-performing and standard restructured assets.

(xi) Details of Single Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

		As on 31/03/2021						As on 31/03/2020		
	Concern Name	**Poineer Gas Power Ltd**	**Shiga Energy P Ltd**	**Jaiprakash Associates Ltd**	**Videocon Industries Ltd**	**GTL Infrastructure Limited**	**KSK Energy P Ltd**	Videocon Industries Ltd	GTL Infrastructure Limited	Kalpataru Limited
(a)	Loan Total Outstanding	**434.73**	**331.38**	**407.19**	**394.73**	**0.00**	**337.30**	395.00	0.00	353.00
(b)	% of owned funds	**19.71%**	**15.02%**	**18.46%**	**17.89%**	**0.00%**	**15.29%**	17.55%	0.00%	15.68%
(c)	Investment outstanding	**0.00**	**0.00**	**0.00**	**0.00**	**456.79**	**–**	0.00	457.00	0.00
(d)	% of owned funds	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**20.71%**	**0.00%**	0.00%	20.30%	0.00%
(e)	Total Exposure	**434.73**	**331.38**	**407.19**	**394.73**	**456.79**	**337.30**	395.00	457.00	353.00
(f)	% of owned funds	**19.71%**	**15.02%**	**18.46%**	**17.89%**	**20.71%**	**15.29%**	17.55%	20.30%	15.68%

(xii) Details of Group Borrower Limit - exceeded by the NBFC on the basis of Gross Exposure

		31-Mar-21	31-Mar-20
		Jaiprakash Group	Jaiprakash Group
(a)	Loan Total Outstanding	**548.13**	548.73
(b)	%of owned funds	**24.85%**	24.37%
(c)	Investment outstanding	**0.00**	0.00
(d)	% of owned funds	**0.00%**	0.00%
(e)	Total Exposure	**588.13**	588.73
(f)	% of owned funds	**26.66%**	26.14%

(xiii) Concentration of Advances

	31-Mar-21	31-Mar-20
Total Advances to top twenty largest borrowers / customers	**4,643.84**	4,805.58
Percentage of Advances to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**43.89%**	38.28%

(All amounts are in Rupees crores unless otherwise stated)

(xiv) Concentration of Exposures

	31-Mar-21	31-Mar-20
Total Exposure to top twenty largest borrowers / customers	**5,274.17**	6,296.98
Percentage of Exposures to top twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	**31.30%**	24.44%

(xv) Concentration of NPAs

	31-Mar-21	31-Mar-20
Total Exposure to top Four NPA Accounts	**1631.37 (9.68%)**	1573.93 (8.37%)

(xvi) Status of Non-Performing Assets

		31-Mar-21	31-Mar-20
1	**Gross Non-Performing Assets**		
(a)	Related Parties	**–**	–
(b)	Other than Related parties	**7,801.01**	7,774.68
2	**Net Non-Performing Assets**		
(a)	Related Parties	**–**	–
(b)	Other than Related parties	**2,816.73**	3,495.93
	Assets acquired in satisfaction of debt	**–**	–

(xvii) Movement of NPA :

		31-Mar-21	31-Mar-20
(i)	**Net NPAs to Net Advances (%)**	**50.50%**	42.70%
(ii)	**Movement of NPAs (Gross)**		
(a)	Opening balance	**7,774.68**	8,609.79
(b)	Additions during the year	**453.92**	1,407.06
(c)	Reductions during the year	**427.59**	2,242.17
(d)	Closing balance	**7,801.01**	7,774.68
(iii)	**Movement of Net NPAs**		
(a)	Opening balance	**3,495.93**	4,069.33
(b)	Additions during the year	**410.04**	1,244.56
(c)	Reductions during the year	**1,089.25**	1,817.97
(d)	Closing balance	**2,816.73**	3,495.93
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
(a)	Opening balance	**4,278.76**	4,540.46
(b)	Provisions made during the year	**829.20**	1,206.86
(c)	Write-off / write-back of excess provisions	**123.66**	1,468.56
(d)	Closing balance	**4,984.30**	4,278.76

(xviii) Sector–Wise NPA

		% of NPAs to Total Advances	
Sector		**31-Mar-21**	31-Mar-20
1.	Agriculture and Allied Activities	**–**	–
2.	MSME	**–**	–
3.	Corporate Borrowers	**73.72%**	61.93%
4.	Services	**–**	–
5.	Unsecured Personal Loans	**–**	–
6.	Auto Loans	**–**	–
7.	Other personal loans	**–**	–

(xix) Provisions and contingencies made during the year

Break up of Provisions and Contingencies	**31-Mar-21**	31-Mar-20
Provisions for depreciation on Investment	**0.00**	0.00
Provision towards NPA	**705.54**	-261.71
Provision for Standard Assets	**-67.80**	-159.05
Provision made towards Income tax	**–**	–
Provision against trade receivables and other advances	**–**	–

(All amounts are in Rupees crores unless otherwise stated)

(xx) Exposure to Real Estate Sector

Category		31-Mar-21	31-Mar-20
(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	**979.33**	1,319.76
(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures:**	**–**	–
(b)	**Indirect Exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	**–**	–

(xxi) Exposure to Capital Market

	Particulars	31-Mar-21	31-Mar-20
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**3011.75**	3057.86
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	**–**	–
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**1143.69**	1287.80
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	**5.62**	7.45
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**0.00**	0.00
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**–**	–
(vii)	bridge loans to companies against expected equity flows / issues;	**50.11**	50.11
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	**103.07**	115.32
	Total Exposure to Capital Market	**4,264.13**	4,468.43

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

	Particulars	31-Mar-21	31-Mar-20
1.	Number of Accounts	**1**	0
2.	Aggregate outstanding of accounts sold to SC/ RC	**3.78 ***	–
3.	Aggregate consideration	**6.32**	–
4.	Additional consideration realized in respect of accounts transferred in earlier years	**–**	–
5.	Aggregate gain/ (loss) over net book value	**2.54***	–

*The assignment was done at the request of Borrower. Further, interest of ₹ 2.43 crores was booked in Memo 1 and as per the agreement with ARC, 100% cash consideration w.r.t both o/s principal and interest amount along with other charges was paid to IFCI.

(xxiii) Details of Assignment Transactions

Particulars	31-Mar-21	31-Mar-20
Assignment transactions undertaken	**–**	–

(All amounts are in Rupees crores unless otherwise stated)

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

Particulars	31-Mar-21	31-Mar-20
Number of accounts purchased during the year	–	–
Aggregate Outstanding (₹ crore)	–	–
Of the above number of accounts restructured during the year	–	–
Aggregate Outstanding (₹ crore)	–	–

(xxv) Non-performing financial assets sold to other than SC/RC

Particulars	31-Mar-21	31-Mar-20
Non-performing financial assets sold to other than SC/RC	–	–

(xxvi) Exchange traded interest rate (IR) derivatives

Particulars	31-Mar-21	31-Mar-20
Exchange traded interest rate (IR) derivatives	–	–

(xxvii) Details of Forward rate agreement/ interest rate swap

Particulars	31-Mar-21	31-Mar-20
Details of Forward rate agreement/ interest rate swap	–	–

(xxviii) Quantitative Disclosures:

		31-Mar-21	31-Mar-20
(i)	Currency Derivatives - Hedging	795.16	817.4
	Marked to Market Position		
(a)	Assets	-12.29	60.32
(b)	Liability	12.89	-13.73
(ii)	Interest Rate Derivatives	–	–

(xxix) Disclosures on Flexible Structuring of Existing Loans

Financial Year		No. of Borrowers taken up for Flexible Structuring	Amount of Loans Taken up for flexible Structuring		Exposure weighted average duration of Loans taken up for Flexible Structuring	
			Classified as Standard	Classified As NPA	Before Applying Flexible Structure	After Applying Flexible Structuring
(i)	FY 2020-21	–	–	–	–	–
(ii)	FY 2019-20	–	–	–	–	–

(xxx) Disclosures on Change in Ownership of Projects under Implementation (Accounts which are currently under the stand-still period).

Particulars	Amount Outstanding as on the reporting date		
	Classified as Standard	Classified as Standard Restructured	Classified as NPA
No. of Project Loan Accounts where Banks have decided to effect change in ownership	–	–	–

(xxxi) Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on 31st March, 2021

	No. of Accounts where S4A has been applied	Aggregate amount outstanding	Amount Outstanding		Provision Held
			In Part A	In Part B	
FY 2020-21					
(i) Classified as Standard	1	19.9692	5.39	14.57	6.85
(ii) Classified as NPA	1	92.71	46.19	46.52	43.12
FY 2019-20					
(i) Classified as Standard	1	20.28	5.71	14.57	5.71
(ii) Classified as NPA	1	93.83	47.31	46.52	37.03

(All amounts are in Rupees crores unless otherwise stated)

(xxxii) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

Financial Year	No. of Accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invocation of pledge of equity shares is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity /invocation of pledge of equity shares has taken place		Amount Outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2020-21	–	–	–	–	–	–	–	–	–
FY2019-20	–	–	–	–	–	–	–	–	–

(xxxiii) Disclosures on Strategic Debt Restructuring Scheme (Accounts which are currently under the stand-still period)

Financial Year	No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount Outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
		Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
FY2020-21	–	–	–	–	–	–	–
FY2019-20	–	–	–	–	–	–	–

(xxxiv) Maturity Pattern of assets and liabilities:

As at March 31, 2021

	1 day to 30 days	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	–	27.03	339.20	298.85	519.12	718.55	–	–	1,902.75
Market borrowings	26.20	0.30	–	545.07	2,343.17	493.29	1,848.59	3,340.76	8,597.38
TOTAL	**26.20**	**27.33**	**339.20**	**843.92**	**2,862.29**	**1,211.84**	**1,848.59**	**3,340.76**	**10,500.13**
ASSETS									
Advances	32.89	43.26	52.85	239.52	348.09	926.45	322.06	8,616.58	10,581.70
Investments	1,421.07	–	137.96	–	400.00	89.16	–	3,748.36	5,796.55
TOTAL	**1,453.96**	**43.26**	**190.81**	**239.52**	**748.09**	**1,015.61**	**322.06**	**12,364.94**	**16,378.25**

As at March 31, 2020

	1 day to 30 days	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
LIABILITIES									
Borrowing from Banks	–	25.00	400.69	109.38	1,006.52	1,214.57	25.00	–	2,781.16
Market borrowings	0.45	5.00	164.54	167.40	476.39	3,208.02	1,623.59	3,541.94	9,187.33
TOTAL	**0.45**	**30.00**	**565.23**	**276.78**	**1,482.91**	**4,422.59**	**1,648.59**	**3,541.94**	**11,968.49**
ASSETS									
Advances	36.40	0.88	270.21	620.44	594.11	1,546.90	570.70	9,383.85	13,023.49
Investments	325.51	–	–	–	16.17	627.12	152.07	3,965.16	5,086.03
TOTAL	**361.91**	**0.88**	**270.21**	**620.44**	**610.28**	**2,174.02**	**722.77**	**13,349.01**	**18,109.52**

(xxxv) Disclosure of Restructured Accounts

(All amounts are in Rupees crore unless otherwise stated)

Sl. No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April, 1 of the FY (opening figures)*	No. of borrowers	–	–	2	–	**2**	–	–	–	–	–	0	1	11	0	**12**	–	**1**	**13.00**	–	**14**
		Amount outstanding	–	–	196.00	–	**196**	–	–	–	–	–	0	100	1,250.88	–	**1350.88**	–	**100**	**1,446.88**	–	**1546.88**
		Provision thereon	–	–	123.83	–	**123.83**	–	–	–	–	–	0.00	18.63	851.13	–	**869.76**	–	**18.63**	**974.96**	–	**993.59**
2	Fresh restructuring during the year #	No. of borrowers	–	–	–	–	–	–	–	–	–	–	4	–	–	–	**4**	**4**	**0**	**0**	**0**	**4**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	193.91	–	–	–	**193.91**	**193.91**	–	–	–	**193.91**
		Provision thereon	–	–	–	–	–	–	–	–	–	–	19.40	–	–	–	**19.40**	**19.40**	–	–	–	**19.40**
3	Upgradations to restructured standard category during the FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	4	–	–	–	**4**	**4**	**0**	**0**	**0**	**4**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	193.91	–	–	–	**193.91**	**193.91**	–	–	–	**193.91**
		Provision thereon	–	–	–	–	–	–	–	–	–	–	19.40	–	–	–	**19.40**	**19.40**	–	–	–	**19.40**
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Downgradations of restructured accounts during the FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	1	1	**2**	**0**	–	**1**	**1**	**2**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	97	337	**434.30**	–	–	**97.00**	**337.30**	**434.30**
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	27	337	**364.37**	–	–	**27.07**	**337.30**	**364.37**
6	Write-offs of restructured accounts during the FY**	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**0**	**0**	**0**	**0**	**0**	**0**
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**722.68**	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**269.89**	–	–	–	–	–
7	Restructured Accounts as on March, 31 of the FY (closing figures)*	No. of borrowers	–	–	2	–	**2**	–	–	–	–	–	4.00	–	11	1	**16.00**	**4**	**0**	**13**	**1**	**18**
		Amount outstanding	–	–	147.21	–	**147.21**	–	–	–	–	–	193.91	–	1045.17	337	**1576.38**	**193.91**	**0.00**	**1,192.38**	**337.30**	**1723.59**
		Provision thereon	–	–	124.04	–	–	–	–	–	–	–	19.40	–	580.63	337	**937.33**	**19.40**	**0.00**	**704.67**	**337.30**	**1061.37**

There was no restructuring during the year, the case reported was inadvertently omitted in last year disclosures.

(All amounts are in Rupees crores unless otherwise stated)

(xxxvi) ECL -Disclosure in to Notes for Financial Statements IFCI Limited

As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 in respect of Implementation of Indian Accounting Standard(IndAS) in NBFC, the company has appropriated the difference between the impairment allowance under Ind AS 109 and the provisioning required under RBI Prudential (IRACP) Norms (including standard assets provisioning), a sum of ₹34.54 crore has been taken to "Impairment Reserve".

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1419.31	15.26	1404.05	5.68	9.58
	Stage 2	1153.69	114.01	1039.68	24.00	90.01
	Stage 3	207.69	119.61	88.08	0.83	118.78
Total		**2,780.69**	**248.88**	**2,531.81**	**30.51**	**218.37**
Non-Performing Assets (NPA)						
Substandard	Stage 3	342.96	197.51	145.45	43.88	153.63
Doubtful - up to 1 year	Stage 3	925.85	533.20	392.65	261.21	271.98
1 to 3 years	Stage 3	3402.75	2023.79	1378.96	2048.88	-25.09
More than 3 years	Stage 3	2678.39	1753.99	924.40	2179.26	-425.27
Subtotal for doubtful		**7,006.99**	**4,310.97**	**2,696.02**	**4,489.35**	**-178.38**
		-				
Loss	Stage 3	451.06	260.06	191.0	451.06	(191.0)
Subtotal for NPA (B)		**7,801.01**	**4,768.54**	**3,032.47**	**4,984.29**	**(215.75)**
Total (A+B)		**10,581.71**	**5,017.42**	**5,564.28**	**5,014.81**	**2.62**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	187.00	33.27		-	33.27
	Stage 2	-	-	-	-	-
	Stage 3	2,094.36	1,206.14	888.22	-	1,206.14
Accrued Income (Stage 1)	Stage 1	27.21	-	27.21	-	-
	-	-				
	Stage 1	1,446.52	15.26	1,431.26	5.68	9.58
	Stage 2	1,153.69	114.01	1,039.68	24.00	90.01
	Stage 3	10,103.06	6,094.29	4,008.77	4,985.13	1,109.17
Total		**12,703.28**	**6,223.57**	**6,479.71**	**5,014.81**	**1,208.76**

(xxxvii) Disclosures in Accordance with Guidelines On Liquidity Risk Management Framework and Liquidity Coverage Ratio as Per RBI's Master Direction- Non -Banking Financial Company- Systemically Important Non - Deposit Taking Company And Deposit Taking Company (Reserve Bank) Directions,2016.

(i) Funding Concenration based on Significant Counterparty (both deposits & borrowings)

S. No.	No. of Significant Counterparties	Amount (₹ in Crore)	% of Total Deposits
(i)	20	**5,968.00**	54.70%

(All amounts are in Rupees crores unless otherwise stated)

(ii) Top 20 Large Deposits

S. No.	Counterparty	Amount (₹ in Crore)	% of Total Deposits
		NIL	

(iii) Top 10 Borrowings

S. No.	No. of Significant Counterparties	Amount (₹ in Crore)	% of Total Borrowings
1	State Bank Of India	**1,173.10**	10.75%
2	Life Insurance Corporation Of India	**778.22**	7.13%
3	Punjab National Bank	**650.90**	5.97%
4	KfW -Foreign Currency Liability	**409.83**	3.76%
5	Union Bank Of India	**372.59**	3.42%
6	Bank Of Baroda	**343.73**	3.15%
7	Trustees Geb'S C P Fund	**271.15**	2.49%
8	Iocl Employees Prmb Fund	**260.00**	2.38%
9	The South Canara District Central Co Operative Bank Ltd	**221.11**	2.03%
10	Food Corporation Of India Cpf Trust	**165.70**	1.52%
11	A P S R T C Employees Provident Fund Trust	**150.50**	1.38%
12	The Mumbai District Central Co-Op Bank Ltd	**147.00**	1.35%
13	Powergrid Employee Provident Fund Trust	**143.03**	1.31%
14	Board Of Trustees M .S. R.T.C. Cpf	**139.30**	1.28%
15	Bank Of India	**134.00**	1.23%
16	Indian Oil Corporation Ltd (Refineries Division) Employees Provident Fund	**126.90**	1.16%
17	Neyveli Lignite Corporation Employees Provident Fund Trust	**126.64**	1.16%
18	Ramakrishna Mission	**125.16**	1.15%
19	KSRTC Employees Contributory Provident Fund Trust	**123.90**	1.14%
20	GWSSB -ECPF Trust	**111.50**	1.02%
	Total	**5,974.25**	54.76%

(iv) Funding Concentration based on significant instrument/ product

S. No.	Name of the Instrument / product	Amount (₹ in Crore)	% of Total Liabilities
1	Private Placement Bonds	**5,541.09**	50.79%
2	Term Loan	**1,902.75**	17.44%
3	Subordinate Bonds	**1,313.30**	12.04%
4	Public NCDs	**1,161.36**	10.64%
5	Foreign Currency Liability	**409.83**	3.76%
6	Tax Free Bonds	**310.00**	2.84%
7	Zero Coupon Bonds	**271.90**	2.49%
	Total	**10,910.23**	100.00%

(iv) Funding Concentration based on significant instrument/ product

S. No.	Particulars	%
a. (i)	Commercial Papers as a % of total public funds	**0.00**
(ii)	Commercial Papers as a % of total liabilities	**0.00**
(iii)	Commercial Papers as a % of total assets	**0.00**
b. (i)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total public funds	**0.00**
(ii)	Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total liabilities	**0.00**
(iii)	**Non-Convertible Debentures (Original Maturity less than 1 year) as a % of total assets**	**0.00**
c. (i)	**Other Short-Term Liabilities as a % of total public Funds**	
(ii)	Other Short-Term Liabilities as a % of total Liabilities	**30.14**
(iii)	Other Short-Term Liabilities as a % of total Assets	

Note: principal outstanding has been considered while calculating Stock Ratios

(All amounts are in Rupees crores unless otherwise stated)

Liquidty Coverage Ratio

Particulars	**For period ended 31.03.2021**		**For period ended 31.12.2020**		**For period ended 30.09.2020**		**For period ended 30.06.2020**	
High Quality Liquid Asset	**Unweighted Amount**	**Weighted Amount**	**Unweighted Amount**	**Weighted Amount**	**Unweighted Amount**	**Weighted Amount**	**Unweighted Amount**	**Weighted Amount**
Total High Quaity Liquidity Asset (HQLA)	**96244.66**	55303	**96059**	52458	**77323**	54040	**85715**	50454
Cash Outflow								
Outflow related to derivative exposur and other collateral requirement	**0**	0	**0**	0	**0**	0	**0**	0
Other Contractual funding obligation	**9088**	9088	**62267**	62267	**33193**	33193	**10735**	10735
Other Contingent funding obligation	**0**	0	**0**	0	**0**	0	**0**	0
Total Cash Outflows (1+2+3+4)	**9088**	9088	**62267**	62267	**33193**	33193	**10735**	10735
Cash Inflow								
Inflows from fully performing exposures	**27389**	27389	**21179**	21179	**25893**	3884	**8196**	1229
Lines of credit - Credit or liquidity facilities or other contingent funding	**0**	0	**0**	0	**0**	0	**0**	0
Other Cash Inflow	**0**	0	**0**	0	**0**	0	**0**	0
Total Cash Flow	**27389**	27389	**21179**	21179	**25893**	3884	**8196**	1229
TOTAL HQLA		55303		52458		54040		50454
25% of Total Cash outflow		2272		41088		29309		9506
Liquidty Coverage ratio		2434%		128%		184%		531%

Your company has taken several prudent steps to ensure ample liquidity. The prominent drivers of the LCR are the outflows on account of debt servicing and inflows on account of standard repayments and NPA recovery. The surplus funds available are majorly deployed in liquid mutual funds, government securities(G-Sec/Treasury Bills), commercial papers and other money market instruments as per the Board approved policy. Its an endeavour of your company to maintain LCR comfortable and within the stipulated norms.

56 Open interest in the Currency Futures as at 31/03/2021

Position (as at 31/03/2021)

		Value Date	**Counterparty**	**Number of Units Involved (EUR & USD)**
1	USD/INR	28 January 2022	SBI	52,464,300.00
2	EUR/USD	28 June 2021	SBI	5,000,000.00
3	USD/INR	29 January 2022	SBI	43,000,000.00

57 Foreign Currency exposure that is not hedged by derivative instrument or otherwise is USD 0.001 million (Previous Year ended March 2020: USD 0.001 million) and EUR 0.250 million (Previous Year ended March 2020: EUR 0. 0.090 million), equivalent to ₹2.15 crore (Previous Year ended March 2020: ₹0.75 crore).

(All amounts are in Rupees crores unless otherwise stated)

58 Details of securities sold and purchased under Repos and Reverse Repos Transactions:

	Maximum O/s during the period	Daily Average O/s during the period	O/s as on March 31, 2019
Securities sold under Repo:			
1 Govt. Securities	–	–	–
2 Corporate Bonds	–	–	–
Securities purchased under reverse repo:			
1 Govt. Securities	–	–	–
2 Corporate Bonds	–	–	–

Maximum & average outstanding is based on face value of securities.

59 Previous year figures have been re-grouped/ re-arranged/ restated wherever necessary, to conform to current period's presentation.

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of IFCI Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of IFCI Limited (hereinafter referred to as "Company") and its subsidiaries (the company and its subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2021, and their Consolidated Loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in "**Auditor's Responsibilities for the Audit of Consolidated Financial Statements** "section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and rules made there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidences obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

1. Emphasis of Matter

a) Emphasis of Matter reported in the main report

1. We draw attention to **Note No. 39 (ii)** of the Consolidated Financial Statements, regarding the reversal of "Interest charged on Interest" related to Moratorium period i.e. 1st March, 2020 to 31st August, 2020.
2. We draw attention to **Note No. 39 (iii)**, with regard to full impairment allowance on fraud accounts, in terms of RBI guidelines.
3. We draw attention to **Note No. 39 (iv)**, regarding change in accounting policy towards de-recognition of income on certain Stage-3 assets. Consequently, the loss for the year is higher by ₹613.71 Crores (net of ECL provision of ₹833.38 Crores) and loan assets are lower by ₹1447.08 Crores.
4. We draw attention to **Note No. 39 (v)**, regarding the entity's impact of COVID-19 pandemic on its financial results.
5. The Capital Risk Adequacy Ratio (CRAR) stands at (-) 10.81% as on 31.03.2021, below the RBI stipulated guideline vide circular dated 31st May, 2018 (RBI/2017-18/181 DNBR (PD) CC.No.092/03.10.001/2017-18

Our Opinion is not modified in respect of these matters.

b) Emphasis of Matter in case of M/s Stock Holding Corporation of India Limited

We draw attention to:

a. Note No. 42 of the Consolidated Financial Statements related to the outcome of continuing litigation with a Bank, pending adjudication of the matter by the Honorable Supreme Court. As per the legal opinion obtained by the Management, no provision has been recognized in the Statement of Profit and Loss.

b. With reference to the Consolidated Financial Statements of M/s Stock Holding Corporation of India Limited related to non-receipt of Direct confirmation in certain cases of receivables and payables:

In respect of Subsidiary "Stock holding Document Management Subsidiary" the statutory auditors has given below matter of emphasis:

1. We draw attention to Note 44.1 of the Consolidated Financial Statements regarding Company's liability to the third parties due to the fire occurred at Company's Premises.
2. We draw attention to the Consolidated Financial Statements of M/s Stock Holding Corporation of India Limited, regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Company is evaluating the situation on an ongoing basis with respect to the challenges faced.

2. Key Audit Matters reported in main report

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How our matter was addressed in the audit
1.	**Impairment of Loan Assets – Expected Credit Loss (ECL)** [Refer Note No. 56 to the Consolidated Financial Statements read with accounting policy No. F(b)] The most significant areas where we identified greater levels of management judgment are: • ECL model–Impairment loss measurement requires use of statistical models to estimate the Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These models are key driver to measure ECL. • Individually assessed classification of various Stages – the carrying value of loans and advances to borrowers may be materially misstated if individual impairments are not appropriately identified and estimated.	**Our Audit Procedure includes:** We have obtained an understanding of the guidelines as specified in Ind AS 109 "Financial Instruments", various regulatory updates and the Company's internal instructions and procedures in respect of the expected credit loss and adopted the following audit procedures: 1. Evaluation and understanding of the key internal control mechanisms with respect to the loan assets, assessment of the loan impairment including assessment of relevant data quality, and review of the real data entered. 2. Verification/review of the documentations, operations/ performance of Loan asset accounts, on test check basis of the large and stressed loan assets, to ascertain any overdue, unsatisfactory conduct or weakness in any loan asset account.

S. No.	Key Audit Matters	How our matter was addressed in the audit
	The effect of these matters is that, as part of our risk assessment, we determined that the value of ECL has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In the event of any improper application of assumptions, the carrying value of loan assets could be materially misstated either individually or collectively. In view of the significance of the amount of loan assets in the standalone Financial Statements, the impairment of loan assets thereon has been considered as Key Audit Matter in our audit.	3. Review of the reports of the internal audit and any other audit/inspection mechanisms to ascertain the loan assets having any adverse indication/ comments, and review of the control mechanisms of the Company to ensure the proper classification of such loan assets and expected credit loss thereof. 4. The accuracy of critical data elements input into the system used for computation of PD and LGD. 5. The completeness and accuracy of data flows from source systems into the ECL calculation. 6. Independent assessment of all Loan assets based on IRACP norms of RBI. **Our results:** We considered the credit impairment charge and provision recognized and the related disclosures to be acceptable & satisfactory.
2.	**Valuation of financial instruments at Fair Value** [Refer Note No. 55 to the Consolidated Financial Statements read with accounting policy No. F(b)] Company enters into derivative contracts in accordance with RBI guidelines to manage its currency and interest rate risk. These derivative contracts are categorized at FVTPL and certain derivative contracts are designated under cash flow hedge (Hedge Accounting). We consider the valuation of the derivative financial instruments and hedge accounting as a key audit matter due to its material exposure and the fact that the inappropriate application of these requirements could lead to a material effect on the income statement.	**Our Audit Procedure includes:** We involved our team to review the management's underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts and the possible outcome of the underlying contracts accruing any profit or loss to the company. Our team also considered general market practices and other underlying assumptions in arriving at such fair valuation of the financial derivative contracts as outstanding/pending for settlement as on March 31, 2021. Assessing whether the financial statement disclosures appropriately reflect the Company's exposure to derivatives valuation risks with reference to the requirements of the prevailing accounting standards and Reserve Bank of India Guidelines. **Our results:** We did not find any material misstatement in measuring derivative contracts at fair value and the related disclosures to be acceptable & satisfactory.
3.	**Assessment of Information Technology (IT)** The key financial accounting and reporting processes are highly dependent on the automated controls over the Company's IT systems. There is a risk that improper segregation of duties or user access management controls (in relation to key financial accounting and reporting systems) may undermine our ability to place some reliance thereon in our audit. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	**Our Audit Procedure includes:** Evaluated sample of key controls operating over the information/input in relation to financial accounting and reporting systems. **Our results:** We did not find any material deficiencies as per our analysis of reports emanating from IT systems on Financial Accounting and reporting.

3. Other Matters

a) Other Matters reported in main report

1. We did not audit the financial statements of six subsidiaries and seven step-down subsidiaries, whose financial statements reflect total assets of ₹6757.83 Crores, total income of ₹742.76 Crores, total net profit after tax of ₹60.30 Crores and total comprehensive income (net of tax) of ₹454.37 Crores for the year to date ended 31.03.2021, as considered suitably in the consolidated audited financial statements. These audited financial statements have been audited by other Auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Audited Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it related to the aforesaid subsidiaries, is based solely on the report of the other auditors.
2. In respect of Subsidiary Company " M/s IFCI Factors Limited", the statutory auditor has opined that "The company has classified one of the account as Standard on 31.03.2021, by providing an adhoc sanction of ₹1.20 Crore (10% of outstanding) on 31.03.2021 and accordingly the overdue has been adjusted and account regularized."
3. In respect of consolidated accounts of Subsidiary Company "M/s IFCI Infrastructure Development Limited", the statutory auditor has opined that, "During the year, the company has followed the system of processing its accounting transactions through the Accounting Software "Tally ERP". All the vouchers are approved manually and same are posted in the books of accounts maintained in Tally Software only. However, it has been observed that there is possibility of posting of entries in back date within the quarter of the financial year. Accordingly, the company did not have any appropriate Internal Control System in place in Tally Software to prohibit such back dated entries, which may have financial implications."

The above observations at S. No. 2 & 3 are not material in nature in respect of consolidated state of affairs of the group and hence our opinion is not modified in respect of these matters.

b) Other Matter reported in M/s IFCI Venture Capital Funds Limited

The company has invested a sum of INR 4.20 Crores in Equity Capital of an Infrastructure project based in West Bengal in the year 2015. The project has been functional partially till date. The fair valuation for IND AS purpose states that the estimate value is lower is around by 25%, although the valuer could not substantiate any specific reason why the decrease in value is limited to 25%. However, in absence of any particular information regarding the realizable value of the project, we have relied upon the best estimates made by the valuer in this regard.

c) Other Matter reported in M/s Stock Holding Corporation of India Limited

Further to the continuous spread of COVID-19 across India, the State Government of Maharashtra announced a 15 days lockdown on 05th April 2021, across Maharashtra to contain the spread of the virus. This has resulted in restrictions on a physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. We have been represented that the data provided for our audit purpose is correct, complete, reliable, and are directly generated by the accounting system of the company without any further manual modifications. WE bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions

d) **Other Matter reported in M/s IFCI Financial Services Limited**

Further to the continuous spread of COVID-19 across India, the state Government of Tamilnadu announced a Strict 14 days lockdown on 10th May 2021, which was further extended till the date of this report to contain the spread of the virus. This has resulted in restrictions on a physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/Remote Audit/Online Audit under current COVID-19 situation" issued by Auditing and Assurance Standards Board of ICAI. We have been represented that the data provided for our audit purpose is correct, complete, reliable, and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flow and consolidated changes in equity of the Group in accordance with the IND AS and accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we enclose herewith, as per Annexure "A", our report for the Group on the directions and sub-directions (Part A and Part B, respectively) issued by the Comptroller & Auditor General of India.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   a). We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
   b). In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   c). The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
   d). In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
   e). In terms of Notification No. GSR 463(E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Sub-section 2 of Section 164 of the Act, are not applicable to the Group, being Government Companies;
   f). With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; and
   g). With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, since it is a government company, the provision of section 197 of the Act is not applicable to the company as per GSR 463 (E) dated June 05, 2015, issued by the Ministry of Corporate Affairs
   h). With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity - Refer Note No. 37 to the Consolidated Financial Statements;;
      ii. The group has made appropriate adjustment in the Profit & Loss Account, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 55 to the financial statements;;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN:-21099374AAAAEQ5946

Place: New Delhi
Date: June 28, 2021

Annexure A referred to in paragraph 2 of Report on Other Legal and Regulatory Requirements of our report of even date of standalone financial statements.

Part A - Directions

Sl. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the accounting transactions process through IT system. The income tax computation and deferred tax computation have been done manually on MS excel, however the accounting entries for both is passed through IT system only.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	There is no restructuring of loans availed by the company during the year under reference. There are no cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan. However, according to the information and explanations provided to us by the Company, company as a lender, following are case(s) of waiver/ write-off of debts/ loan/ interest etc. The details of such write-off/waiver are as under: Sl. No. / Nature of Dues / No. of Cases / Amount (in crore) A. / Waiver/Write-off/ Technical write-off of loans / 4 / 53.43 B. / Debtors write-offs / 58 / 1.45 Further, the company has write off interest income (Stage 3 income) of ₹1424.07 Crores during the year. Also, company as lender has allowed one time restructuring in four cases in which no loss has been incurred by the company. It was informed that the waiver/write-off is decided on case to case basis with due assessment of the possibility of recovery/realization in each case considering the available security, status of the borrower/investee and pending litigation. The outstanding in technical write-offs/ waiver cases was fully provided for in the books of accounts to the extent of the amount of write-off/ waiver.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Yes, the funds received for Credit Enhancement Guarantee Scheme For Scheduled Castes have been properly accounted for and utilized as per terms and conditions of the scheme.

Part B – Sub-Directions

Sl. No.	Sub–Directions	Reply
1.	**Investments** Whether the titles of ownership in respect of CGS/SGS/ Bonds/Debentures etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts? If not, details may be stated.	According to the information and explanations provided by the Company and based on audit procedures performed by us, the titles of ownership in respect of CGS/ SGS/ Bonds/ Debentures, etc. are available in physical/de-mat form and these, in aggregate, agree with the respective amounts shown in the Company's books of accounts, except for the cases mentioned below. a) Where shares are lying in Demat or physical form but not accounted for in the books of accounts to the extent identified on test check basis.

Sl. No.	Company Name	Mode	No. of shares
1	Acc Ltd.	Demat	80
2	Reliance Industries Ltd.	Demat	4664
3	Tata Motors Limited	Demat	600
4	Tata Steel Limited	Demat	300
5	Asian Hotels (East) Ltd.	Demat	265
6	Asian Hotels (North) Ltd.	Demat	265
7	Asian Hotels (West) Ltd.	Demat	265
8	Bengal & Assam Company Ltd.	Demat	23
9	Bhilwara Technical Textiles Ltd.	Demat	958
10	Birla Precision Technology Ltd.	Demat	13
11	Cimmco Ltd.	Demat	24,550
12	Coromandel International Ltd.	Demat	69,220
13	E I D Parry (India) Ltd.	Demat	430
14	Eveready Industries India Ltd.	Demat	200
15	Excel Glasses Ltd.	Demat	50
16	Gabriel India Ltd., Parwanoo	Demat	3,500
17	Gkw Ltd.	Demat	110
18	Graphite India Ltd.	Demat	366
19	Gujarat Sidhee Cement Ltd.	Demat	275
20	Heg Ltd.	Demat	1,785
21	Hi-Tech Gears Ltd.	Demat	2,700
22	Indian Metals & Ferro-Alloys Ltd.	Demat	89
23	ITC Ltd.	Demat	67
24	J.k. Cement Ltd.	Demat	20
25	Larsen & Toubro Ltd.	Demat	1,125
26	National Organic Chemical Industries Ltd.	Demat	130
27	Ponni Sugars & Chemicals Ltd.	Demat	64,800
28	Rainbow Denim Ltd.	Demat	40

Sl. No.	Sub–Directions	Reply			
		29	Rajasthan Spg & Wvg Mills Ltd (RSWM Limited)	Demat	383
		30	Reliance Capital Ltd.	Demat	223
		31	Reliance Communications Ltd.	Demat	4,482
		32	Reliance Infrastructure Ltd.	Demat	335
		33	Reliance Power Ltd.	Demat	1,120
		34	Tata Power Co. Ltd.	Demat	900
		35	Titagarh Wagons Ltd.	Demat	25
		36	Ultratech Cement Ltd.	Demat	100
		37	Winsome Textile Industries Ltd.	Demat	200
		38	Zenith Ltd.	Demat	38
		39	Aditya Birla Capital Ltd.	Demat	194
		40	Aditya Birla Fashion And Retail Limited	Demat	483
		41	Banswara Syntex Limited	Demat	100
		42	Core Education & Technologies Ltd.	Demat	3
		43	Era Infra Engineering Ltd.	Demat	27
		44	Grasim Industries Limited	Demat	139
		45	Indian Seamless Enterprises	Demat	1,028
		46	Jaykay Enterprises Limited	Demat	100
		47	Kama Holdings Limited	Demat	150
		48	Reliance Home Finance Ltd.	Demat	223
		49	Western India Shipyard Ltd.	Demat	30
		50	Ansal Hotel	physical	4727750
		51	Aryavastra plywoods Ltd.	physical	60000
		52	Bhilwara Processors	physical	209998
		53	Biotech Synergy	physical	440000
		54	BR Foods	physical	350000
		55	Cimmco Ltd.	physical	2860
		56	DCM Shree Ram	physical	16016
		57	Depro Foods	physical	1320
		58	Essar Coated Steel Ltd.	physical	753000
		59	Excelsior Plants Co. Ltd.	physical	51998
		60	Flower and Tissue India Ltd.	physical	500000
		61	Gian Agra Industries Ltd.	physical	1995
		62	Globe United	physical	3958
		63	Golden Polymarbles Ltd.	physical	380000
		64	Hind Food Ltd.	physical	300000
		65	Hindal Co. India	physical	116
		66	Jauss Polymers Ltd.	physical	11000
		67	JCT Ltd.	physical	500315
		68	JK Paper Limited	physical	27813
		69	Kinzle India Samay Ltd.	physical	123400
		70	Maharastra Steel Ltd.	physical	2995
		71	MM Polytex Ltd.	physical	100000
		72	Modi Alkalies and Chemicals	physical	784590
		73	Mohta Electro Steel	physical	18361
		74	MP Plywood	physical	25000
		75	Naina Semiconductor Ltd.	physical	509481
		76	ORDe Textiles	physical	20000
		77	Orrissa Synthetics Ltd.	physical	100
		78	Oshi Foods Ltd.	physical	210000
		79	Perfect Drugs Ltd.	physical	400000
		80	Pratibha Syntex Ltd.	physical	1250000
		81	Punjab Fibre Ltd.	physical	87076
		82	Punsuni Frine and Components Ltd.	physical	220000
		83	Saurashtra Chemicals Ltd.	physical	1107024
		84	Shama Forge	physical	24863
		85	Shama Forge (PREF SHARES)	physical	7495
		86	Siel Ltd.	physical	336348
		87	Siel Sugar Ltd.	physical	300
		88	Standard Woolens	physical	50000
		89	Tridev Duplex Board Pvt. Ltd.	physical	200000
		90	Tripati Woolens	physical	59789
		91	Usha Forging and Stamping	physical	45000
		92	Usha Forging and Stamping (PREF)	physical	1968
		93	Rain Industries Ltd.	physical	115000
		94	Usha Spinning and Weaving Mill Ltd.	physical	2783
		As per management, with some exceptions, these shares have been transferred by the Company in the past and the beneficiaries did not get these shares transferred owing to various reasons. The historical values of the above shares are not ascertainable			

<table>
<tr><th>Sl. No.</th><th>Sub–Directions</th><th>Reply</th></tr>
<tr><td></td><td></td><td>(b) Where shares are accounted in the books of Account but are not available in Demat or physical form, to the extent identified on test check basis.
<table>
<tr><th>Sl. No.</th><th>Company Name</th><th>No. of shares</th></tr>
<tr><td>1</td><td>Minerva Holding Ltd.</td><td>120</td></tr>
<tr><td>2</td><td>Ajanta Textiles Ltd. (Pref Shares)</td><td>38219</td></tr>
<tr><td>3</td><td>BST Mfg Ltd. (Pref Shares)</td><td>9920</td></tr>
<tr><td>4</td><td>Digvijay Synthetics Ltd. (Pref Shares)</td><td>170000</td></tr>
<tr><td>5</td><td>I C Textiles Ltd. (Pref Shares)</td><td>952394</td></tr>
<tr><td>6</td><td>LML Ltd (Pref Shares)</td><td>2150912</td></tr>
<tr><td>7</td><td>Morepen Laboratories Ltd. (Pref Shres)</td><td>87373</td></tr>
<tr><td>8</td><td>OCM India Ltd.</td><td>589743</td></tr>
<tr><td>9</td><td>Parasrampuria Synthetics Ltd. (Pref Shares)</td><td>1389450</td></tr>
<tr><td>10</td><td>Prag Bosmi Synthetics Ltd. (Pref Shares)</td><td>2614577</td></tr>
<tr><td>11</td><td>Punj Steel Machine Tools Pvt. Ltd. (Pref Shares)</td><td>150000</td></tr>
<tr><td>12</td><td>Samcor Glass Ltd.</td><td>2000000</td></tr>
<tr><td>13</td><td>Southern Wind Farms Pvt. Ltd.</td><td>100000</td></tr>
<tr><td>14</td><td>Steel & Allied Products Ltd. (Pref Shares)</td><td>5980</td></tr>
<tr><td>15</td><td>Triveni Metal Tubes Ltd. (Pref Shres)</td><td>449</td></tr>
<tr><td>16</td><td>YUIL Measure (I) Ltd. (Pref Shares)</td><td>39500</td></tr>
<tr><td>17</td><td>Ashok Paper Mills Ltd (Pref.)</td><td>30000</td></tr>
<tr><td>18</td><td>Ashok Paper Mills Ltd</td><td>300000</td></tr>
<tr><td>19</td><td>Assam Ispat Ltd</td><td>95900</td></tr>
<tr><td>20</td><td>Bellary Steel & Alloys Ltd (Pref.)</td><td>567260</td></tr>
<tr><td>21</td><td>Cachar Sugar Mills Ltd (Pref.)</td><td>14953</td></tr>
<tr><td>22</td><td>Concast Products Ltd</td><td>45500</td></tr>
<tr><td>23</td><td>Kilburn Office Automation Ltd</td><td>400</td></tr>
<tr><td>24</td><td>Meghalaya Phyto-Chemicals Ltd</td><td>39483</td></tr>
<tr><td>25</td><td>S&P Engineering Products Ltd</td><td>24094</td></tr>
</table></td></tr>
<tr><td>2.</td><td>Loans
In respect of provisioning requirement of all restructured, rescheduled, renegotiated loan-whether a system of periodical assessment of realisable value of securities available against all such loans is in place and adequate provision has been created during the year? Any deficiencies in this regard, if any, may be suitably commented upon alongwith financial impact.</td><td>There is a system of assessment of realisable value of securities available for loan portfolio including restructured, rescheduled, renegotiated loans and is updated on quarterly basis. However, valuation exercise is undertaken on periodical basis or, as and when warranted by the circumstances.
In view of adoption of Ind AS norms the financial accounts of the company are drawn as per Ind AS. Resulting into non-adherence to IRAC norms of RBI. Impairment in the assets have been calculated in accordance with Ind AS by calculating Expected Credit Loss (ECL) in case of loans as per accounting policy of the company.</td></tr>
<tr><td>3.</td><td>Whether Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration for booking of the outstanding loan amount and for adjustment of Impairment loss allowance</td><td>Yes, Resolution Plan/One Time Settlement (OTS) entered into by the Company with the borrower has been taken into consideration by the company for booking of the outstanding loan amount and for adjustment of Impairment loss allowance.</td></tr>
</table>

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN:-21099374AAAAEQ5946

Place: New Delhi
Date: June 28, 2021

Annexure-"B" to the Independent Auditors' Report on the Audit of the Consolidated Financial Statements

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Company as of and for the year ended 31 March, 2021, We have audited the internal financial controls with reference to consolidated financial statements of IFCI Limited (hereinafter referred to as "the Company"), its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiaries, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its subsidiaries companies.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best our knowledge and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the criteria for internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

CA Atul Aggarwal
Partner
Membership No.: 099374
UDIN: -21099374AAAAEQ5946

Place: New Delhi
Date: June 28, 2021

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

(All amounts are in Rupees crores unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
I. ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	3	**1,179.73**	1,527.72
(b) Bank balance other than (a) above	4	**1,340.71**	1,052.86
(c) Derivative financial instruments	5	**–**	50.04
(d) Trade receivables	6	**193.63**	192.67
(e) Loans	7	**6,840.83**	10,767.31
(f) Investments	8	**5,504.10**	3,962.55
(g) Other financial assets	9	**1,538.06**	1,039.15
Total financial assets		**16,597.06**	18,592.30
(2) Non-financial Assets			
(a) Investment accounted using equity method	10	**–**	–
(b) Inventories		**88.63**	118.53
(c) Current tax assets (Net)		**111.03**	276.31
(d) Deferred tax Assets (Net)	11	**1,707.08**	1,635.93
(e) Investment property	12	**201.13**	206.01
(f) Property, plant and equipment	13	**1,068.88**	1,017.73
(g) Capital work-in-progress		**8.89**	4.28
(h) Intangible assets under development		**0.02**	0.01
(i) Goodwill	14	**446.64**	446.64
(j) Other intangible assets	15	**45.57**	49.82
(k) Other non-financial assets	16	**77.88**	79.96
Total non-financial assets		**3,755.75**	3,835.22
Assets held for sale	17	**11.31**	11.28
Total assets		**20,364.12**	22,438.80
II. LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative financial instruments	5	**15.91**	–
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		**0.40**	4.88
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	**409.92**	242.72
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	**211.10**	192.50
(c) Debt securities	19	**7,370.99**	7,973.93
(d) Borrowings (other than debt securities)	20	**2,356.95**	3,279.11
(e) Subordinated liabilities	21	**1,313.30**	1,313.30
(f) Other financial liabilities	22	**3,496.10**	2,871.52
Total financial liabilities		**15,174.67**	15,877.96
(2) Non-Financial Liabilities			
(a) Provisions	23	**152.39**	205.04
(b) Other non-financial liabilities	24	**12.57**	28.75
Total non-financial liabilities		**164.96**	233.79
(3) Equity			
(a) Equity Share capital	25	**1,895.99**	1,695.99
(b) Other Equity	26	**1,841.97**	3,553.04
Equity attributable to equity holders of the parent		**3,737.96**	5,249.03
Non controlling interest		**1,286.53**	1,078.02
Total equity		**5,024.49**	6,327.05
Total liabilities and equity		**20,364.12**	22,438.80

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in Rupees crores unless otherwise stated)

		Note	As at March 31, 2021	As at March 31, 2020
I.	**Revenue from operations**			
	Interest income	27	**1,192.86**	2,254.92
	Dividend income		**27.74**	63.21
	Rental income		**29.39**	28.17
	Fees and commission income	28	**46.98**	40.62
	Net gain on fair value changes	29	**196.55**	–
	Sale of products (including Excise Duty)		**56.02**	13.84
	Sale of services		**516.82**	471.23
	Total Revenue from operations		**2,066.36**	2,871.99
II.	Other Income	30	**27.45**	33.69
III.	**Total Income**		**2,093.81**	2,905.68
IV.	**Expenses**			
	Finance Costs	31	**1,147.23**	1,451.27
	Fees and commission expense		**60.57**	37.09
	Net loss on fair value changes	29	**–**	245.92
	Impairment on financial instruments	32	**2,305.11**	473.40
	Cost of materials consumed		**30.31**	37.35
	Purchases of Stock-in-trade		**21.40**	13.28
	Employee Benefits Expenses	33	**292.42**	326.06
	Depreciation and Amortization	34	**72.39**	81.34
	Others expenses	35	**251.54**	330.25
	Total Expenses		**4,180.97**	2,995.96
V.	**Profit / (loss) before exceptional items and tax (III- IV)**		**(2,087.16)**	(90.28)
	Exceptional items		**(2.37)**	3.96
VI.	**Profit/(Loss) before tax**		**(2,084.79)**	(94.24)
VII.	**Tax Expense:**			
	- Current Tax		**17.50**	3.70
	- Taxation for earlier years		**8.97**	44.38
	- Deferred Tax (Net)	11	**(199.68)**	80.89
	Profit/(loss) for the period		**(173.21)**	128.97
VIII.	**Profit/(Loss) for the period**		**(1,911.58)**	(223.21)
	Share of net profit of associates and joint ventures accounted for using the equity method		**–**	–
IX.	**Profit/(Loss) for the period**		**(1,911.58)**	(223.21)
X.	**Other Comprehensive Income**			
A.	**(i) Items that will not be reclassified to profit or loss**			
	- Fair value changes on FVTOCI - Equity securities		**542.33**	(119.94)
	- Gain/(loss) on sale of FVTOCI - Equity securities		**–**	(5.12)
	- Actuarial gain/(loss) on Defined benefit obligation		**0.42**	(4.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Equity securities		**(130.20)**	(15.37)
	- Tax on Actuarial gain/(loss) on Defined benefit obligation		**(0.07)**	19.76
	Subtotal (A)		**412.48**	(125.13)
B.	**(i) Items that will be reclassified to profit or loss**			
	- Debt securities measured at FVTOCI - net change in fair value		**2.35**	(10.76)
	- Debt securities measured at FVTOCI - reclassified to profit and loss		**–**	–
	- Exchange differences in translating the financial statements of a foreign operation		**(0.34)**	1.16
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	- Tax on Fair value changes on FVTOCI - Debt securities		**1.72**	18.72
	Subtotal (B)		**3.73**	9.12
	Other Comprehensive Income (A + B)		**416.21**	(116.01)
XI.	**Total Comprehensive Income for the period**		**(1,495.37)**	(339.22)
XII.	**Profit for the year attributable to Equity holders of the parent**		**(1,941.51)**	(230.44)
	Non-controlling interest		**29.93**	7.23
XIII.	**Total comprehensive income for the year attributable to Equity holders of the parent**		**(1,711.00)**	(310.65)
	Non-controlling interest		**215.63**	(28.56)
XIV.	**Earnings per equity share**			
	Basic Earnings per share of ₹10.00 each		**(10.24)**	(1.36)
	Diluted Earnings per share of ₹10.00 each		**(10.24)**	(1.36)

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2021

(All amounts are in Rupees crores unless otherwise stated)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITES**		
	Net Profit before Tax	**(2,084.79)**	(94.24)
	Adjustments for:		
	Depreciation and amortisation	**72.39**	81.34
	Impairment provision/ write offs	**2,305.11**	472.29
	Unrealised gain/(loss) on investments	**53.42**	(252.78)
	(Profit)/ Loss on Sale of Assets	**(0.01)**	(7.41)
	Operating Profit before Working Capital Changes & Operating Activities	**346.12**	199.20
	Adjustments for Operating Activities:		
	(Increase)/ decrease in Investments	**(1,050.30)**	1,734.49
	(Increase)/ decrease in Inventory	**29.90**	36.52
	(Increase)/ decrease in Loans & Advances	**1,621.38**	2,473.92
	(Increase)/ decrease in Derivative Financial Instruments	**65.95**	(35.38)
	Increase/ (decrease) in Trade Payables	**181.31**	60.42
	(Increase)/ decrease in Receivables	**(0.96)**	(17.53)
	Increase/ (decrease) in Debt Securities	**(602.94)**	(1,360.12)
	Increase/ (decrease) in Borrowings	**(922.16)**	(2,467.79)
	Operating Profit before Working Capital Changes	**(331.70)**	623.73
	Adjustments for:		
	(Increase)/ decrease in Other Financial Assets	**(498.91)**	(118.57)
	Increase/ (decrease) in Other Non-financial Asset	**1.66**	3.98
	Increase/ (decrease) in Other Financial Liability	**608.91**	175.11
	Increase/ (decrease) in Other Non-financial Liability	**(16.17)**	12.35
	Increase/ (decrease) in Provision	**(52.23)**	47.94
	Increase/ (decrease) in other bank balances	**(287.85)**	(113.91)
	Increase/ (decrease) in assets held for sale	**(0.03)**	46.66
	Cash Flow before taxation	**(244.62)**	53.57
	Income Tax (paid)/ refund - Net	**138.79**	(42.12)
	Net cash flow from Operating Activities	**(437.53)**	635.18
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of / Advance for property, plant and equipments (including Leased property)	**(93.38)**	(38.50)
	Proceeds from sale of investment property	**–**	–
	Purchase of/ Advance for Intangible Asset	**(0.71)**	(1.00)
	Proceeds from sale of property, plant and equipments (including leased property)	**(9.25)**	6.99
	Net cash flow from Investing Activities	**(103.34)**	(32.51)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share Premium (net of expenses)	**200.00**	200.00
	Dividend paid	**(7.12)**	(4.21)
	Net cash flow from Financing Activities	**192.88**	195.79
	Net Increase/ (Decrease) in Cash and Cash Equivalent Flow (A+B+C)	**(347.99)**	798.46
	Add : Cash and Cash Equivalents at beginning of the financial year	**1,527.72**	729.25
	Cash and Cash Equivalents at the end of the financial year	**1,179.73**	1,527.72
Details of Cash and Cash Equivalents at the end of the Year:			
	Cash in hand (including postage stamps)	**4.39**	0.69
	Balances with Banks		
	- Bank balance	**916.32**	725.73
	- Bank Deposits	**85.83**	801.30
	Collaterised borrowings lending operations (CBLO)	**173.20**	–
	Cheques on hand & under collection and remittances in transit	**–**	–
	Total Cash and Cash Equivalents at the end of the year	**1,179.73**	1,527.72

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March 2021

(All amounts are in Rupees crores unless otherwise stated)

a. Equity Share Capital

Balance as at 01 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
1,695.99	-	1,695.99	200.00	1,895.99

b. Other Equity

	Reserves and Surplus																			
	Deemed equity contri-bution-Share holders	Share applica-tion money pending allotment	Reserve u/s 45IC of RBI Act	Special reserve under section 36(1) (viii) of the income Tax Act, 1961 (foot-note 4)	Capital reserve	Contin-gency reserve	Securities Premium Reserve	Capital redemp-tion reserve	Debenture redemp-tion reserve	Amalga-mation reserve	General reserve	Impair-ment Reserve	Retained earnings	Debt instruments through other compreh-ensive income	Equity instruments through other compreh-ensive income	Foreign currency translation reserve	Remeasu-rements of the defined benefit plans	Total attributable to equity holders of the parent	Total non-controlling interest	Total
Balance as at 01 April 2019	**335.82**		**923.57**	**136.74**	**0.85**	**11.60**	**1,032.06**	**300.05**	**260.08**	**(0.60)**	**366.61**		**167.24**	**9.52**	**82.71**	**(0.08)**	**34.50**	**3,660.68**	**1,110.79**	**4,771.47**
Total Comprehensive Income for the year			0.10	-		11.90				-	3.31	111.56	(126.87)	7.96	(105.47)	0.61	16.68	(310.66)	(28.56)	(339.22)
Application money received during the year		200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00		200.00
Impact on transition to Ind AS 116	-	-	-	-	-	-	-	-	-	-	-		(1.13)	-			-	(1.13)		(1.13)
Dividends paid including tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.21)	(4.21)
Others	-	-	-	-	-	-	-	-	-	-	-	-	4.16	-	-		-	4.16	-	4.16
Balance as at 31 March 2020	**335.82**	**200.00**	**923.67**	**136.74**	**0.85**	**23.50**	**1,032.06**	**300.05**	**260.08**	**(0.60)**	**369.92**	**111.56**	**(187.05)**	**17.48**	**(22.76)**	**0.53**	**51.18**	**3,553.04**	**1,078.02**	**4,631.06**
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,941.51)	4.07	226.37	(0.18)	0.25	(1,711.00)	215.63	(1495.37)
Transfer to/from retained earnings			0.56			13.80					4.09	20.44	(38.93)		0.05			(0.00)		(0.00)
Application money received during the year		(200.00)																(200.00)		(200.00)
Application money received during the year		200.00																200.00		200.00
Dividends paid including tax																			(7.12)	(7.12)
Others													(0.08)					(0.08)		(0.08)
Balance as at 31 March 2021	**335.82**	**200.00**	**924.23**	**136.74**	**0.85**	**37.30**	**1,032.06**	**300.05**	**260.08**	**(0.60)**	**374.01**	**132.00**	**(2,167.56)**	**21.55**	**203.66**	**0.35**	**51.43**	**1,841.97**	**1,286.53**	**3,128.50**

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

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CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 GROUP INFORMATION

A Background

IFCI Limited ('the Company'), incorporated in Delhi, India is a Non-Banking Finance Company in the public sector. Established in 1948 as a statutory corporation, IFCI is currently a company listed on BSE and NSE. The Company provide financial support for the diversified growth of Industries across the spectrum. The financing activities cover various kinds of projects such as airports, roads, telecom, power, real estate, manufacturing, services sector and such other allied industries. The Group's registered office is at 61 Nehru Place, New Delhi-110 019.The Company together with its subsidiaries are collectively referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation of Financial Statements

"The consolidated financial statements for the year ended March 31, 2021 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in this regard.

For periods up to and including the year ended March 31, 2018, the Group presented its financial statements on accrual basis under historical cost convention, and conform in all material aspects to the Generally Accepted Accounting Principles in India ('Indian GAAP' or 'previous GAAP') which encompasses applicable accounting standards relevant provisions of the Companies Act, 2013, the applicable guidelines issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies, other statutory provisions and regulatory framework.

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

The financial statements were authorised for issue by the Group's Board of Directors on 28 June 2021."

B Functional and Presentation currency

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

C Basis of measurement

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

- Financial assets at FVTOCI that is measured at fair value
- Financial instruments at FVTPL that is measured at fair value
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation
- Assets held for sale - Measured at fair value less cost to sale

D Use of judgements and estimates

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

E Principles of consolidation and equity accounting

a. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group..

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

b. Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

c. Joint ventures

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

d. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

F Significant accounting policies

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

a. Revenue recognition

i. Interest income from financial assets is recognised on an accrual basis using Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate. The interest revenue continues to be recognised at the original EIR applied on the gross carrying amount for financial assets (when the asset is not credit impaired). However, for the financial assets that have become credit impaired subsequent to the initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset. During FY21 the company has derecognised income on certain stage 3 assets. Further, Interest on Stage 3 Assests shall not be recognised in the books with effect from 1 April 2021.

ii. Penal interest and other overdue charges which are not included in effective interest rate is recognised on realisation, due to uncertainty of realisation and is accounted for accordingly.

iii. Amount received from borrowers against loans and advances are appropriated due date-wise towards other debits, interest overdue and principal overdue, in that order, across the due dates, except in the case of one time or negotiated settlements, where the appropriation is done as per the terms of the settlement..

iv. Premium on pre-payment of loans/ reduction in interest rates is recognised as income on receipt basis.

v. Dividends declared by the respective Companies till the close of the accounting period are accounted for as income when the right to receive the dividend is established.

vi. LC Commission is recognised over time as the services are rendered as per the terms of the contract.

vii. The dividend unclaimed on account of shares sold and outstanding in the books are recognised as income after the end of three years, the limitation period.

viii. Income from physical custody services is recognized on a monthly basis as per agreements with customers.

ix Broking Income is recognised on the trade date of the transaction upon confirmation of the transactions by the Exchanges.

x Service charges received are recognised as income on completion of post trading operations. A post trading operation is treated as complete on settlement under the electronic segment and on lodgement/ delivery of securities under the paper segment.

xi Annual maintenance charges received from beneficiary account holders/clearing members for depository services are amortised on time proportion basis over the period of contract.

xii Charges collected on cheques dishonored/ bounced are recognised on actual basis.

xiii Income from digitisation and software services is recognised over a period of time. Income from software products is recognised on either delivery or installation of product.

xiv Commission from selling of Mutual Funds, Fee income from Portfolio Management and advisory services and fees for project advisory and execution services is accounted over a period of time.

xv Revenue from hospitality services is recognised on accrual basis:

(i) (i) Selling price is determined on the basis of published rack rate less discount offered to customers

(ii) Income in foreign exchange: The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate/ rates prevalent on the date of receipt of payment. The gains/ losses arising out of the fluctuation in the exchange rates are accounted for on realization.

xvi Revenue from real estate development of constructed properties is recognised either on point in time or over the period. Conditions whether revenue shall be recognised over time:

a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

b) The entity's performance creates or enhances an asset (e.g., work in process) that the customer controls as the asset is created or enhanced.

c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

xvii Project cost includes cost of land, estimated cost of construction and development of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates recognised in the period such changes are determined.

(i) Revenue from external project services is recognized based on the Cost plus method. A fixed markup percentage is added to the cost incurred towards construction and the total is recognized as revenue. Revenue is recorded based on point in time when conditions satisfying over time are not met.

(ii) Revenue from sale of property held as stock-in-trade is recognized upon transfer of control of the said property.

xviii Income & Expenses on Project Consultancy, Entrepreneurship Development Trainings etc. under the Grants-In Aid (G.I.A)/ similar other programmes awarded by the Central/ State Govt. Department/ Other Agencies are accounted on an over time basis.

b. Financial instruments

I. Initial recognition and measurement

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

II. Classifications and subsequent measurement Financial assets

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

Business Model Assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized;

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

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

Financial assets at Amortised Cost

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

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

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

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

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

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

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at FVTPL.

Subsequently, these are measured at fair value and changes therein, are recognised in profit and loss account. However on initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment by investment basis.

Derivative instruments

All derivative instruments are measured as FVTPL.

Financial liabilities and equity instruments

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost, as appropriate and is accordingly accounted for.

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

III. Measurement Basis

Amortised cost

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

Fair Valuation

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

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

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

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

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or fully recovered or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. The Group also recognise a liability for the consideration received attributable to the Group's continuing involvement on the asset transferred. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

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

V. Offsetting of financial instruments

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

VI. Impairment of Financial Assets

The Group recognises impairment allowances for ECL on all the financial assets that are not measured at FVTPL:

- financial assets that are debt instruments
- lease receivables
- financial guarantee contracts issued
- loan commitment issued

No impairment loss is recognised on equity investments

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

- financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows
- undrawn loan commitments – as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive

  With respect to trade receivables and other financial assets, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

  Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For financial assets at FVTOCI, the loss allowance is recognised in OCI.

Write-off

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

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

d. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

I. The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

II. The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

e. Employee benefits

i. Short term employee benefits

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

ii. **Post employment benefits**

a. **Defined contribution plans**

Pension

Prior to 1 April 2008, the employees were governed by the provisions of the pension scheme in operation at the time of their retirement and are accordingly entitled to DA relief and family pension as and when due. The contribution made on account of same is charged to revenue as and when due. The Group switched to defined contribution scheme in August 2008 for employees existing on 1 April 2008 and opting for the same. The administration of Pension Fund in respect of the employees has been entrusted by Trustees to Life Insurance Corporation of India (LIC) by entering into a Group Superannuation Cash Accumulation Scheme.

Provident fund

Group Companies other than IFCI pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

b. **Defined benefit plans**

Provident Fund

IFCI pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss. The obligation of the Group is to make such fixed contributions and to ensure a minimum rate of return to the members as specified by the Government of India (GoI).

Gratuity

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

Medical facility

The Group has a post-retirement medical benefit scheme for employees and their dependents subject to certain limits for hospitalization and normal medical treatment.

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

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

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

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

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

iii. **Other long term employee benefits**

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

f) **Income Taxes**

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

I. Current tax

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

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

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

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

II. Deferred tax

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

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

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

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

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

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

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

g) Property, plant and equipment and Investment property

Recognition and measurement

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

Investment Property consists of building let out to earn rentals. The Group follows cost model for measurement of investment property

Depreciation

Depreciation is provided using the straight line method over the useful life as prescribed under Schedule II to the Companies Act, 2013. Depreciation is calculated on pro-rata basis, including the month of addition and excluding the month of sale/disposal. Leasehold improvements are amortised over the underlying lease term on a straight line basis. Residual value in respect of Buildings and Vehicles is considered as 5% of the cost and in case of other assets ₹ 'Nil'.

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

Considering the nature of business and operations of the company, SHCIL and step down subsidiary of SHCIL considered shorter life for certain assets as detailed below:

Nature of Asset	Useful life Adopted	Useful life in Companies Act
Computer Servers and Network	4 years	6 years
Mobiles	2 years	5 years
Vehicles	3 years	8 years
Building	58 years	60 years
SHCILMahape Building	63 years	60 years

De-recognition

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

h) Intangible assets

Recognition and measurement

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

Amortisation

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In the case of IFIN, the computer software has been amortised at the rate of 40% following written down value method.

De-recognition

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

k) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit and loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Foreign currency transactions

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

Foreign currency balances pertaining to Hospitality Business have been converted at the closing TT buying rate at the year end.

m) Provisions and contingencies related to claims, litigation, etc.

Provisions are recognised when the Group has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

n) Contingent liabilities and contingent assets

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

Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

o) Cash and cash equivalent

Cash and cash equivalents include balance with banks in current accounts and term deposits, cash & cheques in hand and money lent on collateralized lending & borrowing obligations transactions.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. Refer note 53 for details on segment information presented.

q) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets measured at the lower of their carrying amount and fair value less cost to sell with gains and losses on remeasurement recognised in profit or loss.

Once classified as held for sale, assets are no longer amortised. depreciated or impaired.

r) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

s) Stock in trade

(a) Inventory comprises of lands (with or without removable structure) incl. existing/ added boundary walls, Land and Building/ Residential Complex, Built-up floor space acquired/ purchased for development and/or sale, other removable/ disposable assets existing thereon. These are valued at lower of Cost or net realizable value. Costs are determined by adding all considerations/ costs which are attributable to purchase/ acquisition, and other expenses incurred specifically thereto.

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

(c) Securities held for trade and those devolved on SHCIL in the process of settlement are held as stock-in trade and are valued at lower of cost or net realisable value.

(d) Securities on Deposit receipts received as collateral or directly deposited by clients with stock exchanges are not recorded in the accompanying financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in Rupees crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

	As at 31 March 2021	As at 31 March 2020
Cash in hand (including postage stamps)	**4.39**	0.69
Balances with Banks		
-Bank balance	**916.32**	725.73
-Bank Deposits	**85.83**	801.30
'Collaterised Borrowings Lending Operations (CBLO) (secured against Treasury Bills)	**173.20**	-
Cheques on hand & under collection and remittances in transit	**-**	-
Total	**1,179.73**	1,527.72

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Bank Deposits against fund placed with company under Credit Guarantee Enhancement Scheme		
- Bank balance	**0.15**	0.06
- Bank deposits	**293.96**	281.09
Unclaimed dividend account	**8.23**	10.69
Balances with banks (margin money against guarantees/lien marked) *	**602.93**	371.17
Bank deposits under directions of Court & Tribunal etc.	**205.97**	231.66
Other bank balances/deposits #	**229.47**	158.19
Total	**1,340.71**	1,052.86
* Includes balances for more than 12 months	**472.25**	282.64
# Includes balances for more than 12 months	**26.85**	23.52

5 DERIVATIVE FINANCIAL INSTRUMENTS:

	As at 31 March 2021			As at 31 March 2020		
	Notional amounts	**Fair Value - Assets**	**Fair Value - Liabilities**	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
Currency derivatives:						
- Spot and forwards	**795.16**	**-**	**15.91**	817.40	50.04	-
Total Derivative Financial Instruments - Part I	**795.16**	**-**	**15.91**	817.40	50.04	-
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
Undesignated derivatives	**795.16**	**-**	**15.91**	817.40	50.04	-
Total derivative financial instruments - Part II	**795.16**	**-**	**15.91**	817.40	50.04	-

The derivatives have been used by the Group for hedging the interest rate and principle risk for loans taken in foreign currency. Refer Note No.59 for management of risk arising from derivatives.

6 RECEIVABLES:

	As at 31 March 2021	As at 31 March 2020
(A) Secured		
- considered good	**3.76**	2.58
- considered doubtful	**-**	-
(B) Unsecured		
- considered good	**195.59**	191.46
- considered doubtful	**9.84**	23.45
- others	**29.20**	13.92
	238.39	231.40
Less: Allowance for bad and doubtful debts	**44.76**	38.74
Total	**193.63**	192.67

For terms and conditions of trade receivables owing from related parties and transactions with related parties, see Note 50.
The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 56.

7 LOANS

(All amounts are in Rupees crores unless otherwise stated)

		As at 31 March 2021	As at 31 March 2020
(A)	**At Amortised cost**		
(i)	Term loans	**11,997.66**	15,968.78
(ii)	Leasing	**0.04**	0.04
(iii)	Factoring	**434.74**	501.74
(iv)	Debentures	**1,065.14**	1,069.14
	Total (A) -Gross	**13,497.58**	17,539.70
	Less: Impairment loss allowance	**6,656.75**	6,772.39
	Total (A) - Net	**6,840.83**	10,767.31
(B)	**Security Details**		
(i)	Secured by tangible assets and intangible assets	**8,273.14**	11,225.88
(ii)	Covered by bank/government guarantees	**205.46**	205.04
(iii)	Unsecured	**5,018.98**	6,108.78
	Total (B) Gross	**13,497.58**	17,539.70
	Less: Impairment loss allowance	**6,656.75**	6,772.39
	Total (B) Net	**6,840.83**	10,767.31
(C)	**Loans in India**		
(i)	Public sector	**54.39**	421.75
(ii)	Others	**13,443.19**	17,117.95
	Total (C)- Gross	**13,497.58**	17,539.70
	Less: Impairment loss allowance	**6,656.75**	6,772.39
	Total (C)-Net	**6,840.83**	10,767.31

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56

8 INVESTMENTS

		Amortised cost	At Fair Value: Through other comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Others	Total
As at 31 March 2021							
(A)							
(i)	Mutual funds	-	-	1,155.07	-	-	1,155.07
(ii)	Government securities	**58.55**	**481.43**	-	-	-	539.98
(iii)	Debt securities	-	**114.36**	-	-	-	114.36
(iv)	Equity instruments	-	**2,482.24**	653.68	-	-	3,135.91
(v)	Others	-	-	-	-	-	
	Venture capital	-	-	114.50	-	-	114.50
	Security receipts	-	-	414.55	-	-	414.55
	Commercial Paper	-	**24.85**	-	-	-	24.85
	Preference shares	-	-	4.87	-	-	4.87
	Total – Gross (A)	**58.55**	**3,102.88**	2,342.67	-	-	5,504.10
(B)							
(i)	Investments in India	**58.55**	**3,102.88**	2,342.67	-	-	5,504.10
(ii)	Investments outside India	-			-	-	
	Total – Gross (B)	**58.55**	**3,102.88**	2,342.67	-	-	5,504.10
(C)	Less: Allowance for Impairment loss		-		-		-
(D)	**Total – Net (A-C)**	**58.55**	**3,102.88**	2,342.67	-	-	5,504.10

Note 8 (contd..)

		Amortised cost	At Fair Value: Through other comprehensive Income	At Fair Value: Through profit or loss	At Fair Value: Designated at fair value through profit or loss	Others	Total
As at 31 March 2020							
(A)							
(i)	Mutual funds	-	-	90.70	-	-	90.70
(ii)	Government securities	**72.38**	**632.47**	-	-	-	704.85
(iii)	Debt securities	-	**198.78**	-	-	-	198.78
(iv)	Equity instruments	-	**1,939.93**	436.10	-	-	2,376.03
(v)	Others						
	Venture capital	-	-	117.68	-	-	117.68
	Security receipts	-	-	447.06	-	-	447.06
	Certificate of deposit	-	-		-	-	-
	Preference shares	-	-	27.46	-	-	27.46
	Total – Gross (A)	**72.38**	**2,771.17**	1,119.00	-	-	3,962.55
(B)							
(i)	Investments in India	**72.38**	**2,771.17**	1,119.00	-	-	3,962.55
(ii)	Investments outside India	-	-	-	-	-	-
	Total – Gross (B)	**72.38**	**2,771.17**	1,119.00	-	-	3,962.55
(C)	Less: Allowance for Impairment loss	-	-	-	-	-	-
(D)	**Total – Net (A-C)**	**72.38**	**2,771.17**	1,119.00	-	-	3,962.55

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56

9 OTHER FINANCIAL ASSETS

(All amounts are in Rupees crores unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
Security Deposits	**124.56**	155.35
Accrued Income		
- Interest on Investments	**21.24**	27.43
- Other income	**15.06**	26.99
Unbilled revenue	**17.18**	16.61
Amounts due on settlement from Clearing House	**136.57**	22.52
Fixed Deposits with companies	**-**	38.34
Amounts recoverable from government towards stamp duty payments	**7.93**	0.03
Amounts due on settlement from Clients and Brokers, Others	**1,057.43**	645.05
Other advances receivable	**49.47**	19.74
Loans to employees	**28.93**	28.98
Other Deposits	**88.93**	68.09
Other doubtful deposits	**12.12**	12.12
Other recoverables	**58.20**	51.37
	1,617.61	1,112.63
Less: Impairment loss allowance	**79.55**	73.48
Total	**1,538.06**	1,039.15

The Group's exposure to credit and currency risks, and loss allowances related to loans are disclosed in Note 56

10 INVESTMENT ACCOUNTED USING EQUITY METHOD

	As at 31 March 2021	As at 31 March 2020
Investment in associates	**-**	**-**
Investment in joint ventures	**-**	-
Total	**0.00**	0.00

11. DEFERRED TAX ASSETS AND LIABILITIES

	As at 01 April 2020	Recognised in equity	Recognised in profit or loss during the year	Recognised in OCI during the year	**As at 31 March 2021**
Deferred tax assets:					
Loans	1,718.74		276.55	-	**1,995.29**
Minimum alternate tax credit entitlement	-		-	-	**-**
Others	81.60		(118.81)	(0.07)	**(37.26)**
	1,800.34	**-**	**157.74**	**(0.07)**	**1,958.03**
Deferred tax liabilities:					
Property, plant and equipment	246.30	-	(4.87)	-	**241.43**
Investments	(153.04)	-	(26.77)	128.48	**(51.33)**
DTL on Special Reserve u/s 36(i)(viii)	46.72	-	-	-	**46.72**
Borrowings	24.43	-	(10.30)	-	**14.13**
	164.41	-	(41.94)	128.48	**250.95**
Net deferred tax assets	**1,635.93**	**-**	**199.68**	**(128.55)**	**1,707.08**

12 INVESTMENT PROPERTY

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions / Adjustments	Disposals / Adjustment	**As at 31 March 2021**	As at 1 April 2020	For the year	Disposals / Adjustment	**As at 31 March 2021**	**As at 31 March 2021**	As at 31 March 2020
Owned Assets										
Freehold Land	9.84	-	-	**9.84**	-	-	-	**-**	**9.84**	9.84
Buildings	202.22	-	-	**202.22**	13.87	4.71	-	**18.58**	**183.64**	188.35
Flats	9.29		-	**9.29**	1.51	0.15	-	**1.66**	**7.63**	7.79
Assets under finance lease										
Leasehold land	0.02	-	-	**0.02**	-	-	-	**-**	**0.02**	0.02
Total	**221.38**	**-**	**Nil**	**221.38**	15.38	4.86	-	**20.24**	**201.13**	206.01

	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	**Additions / Adjustments**	**Disposals / Adjustment**	**As at 31 March 2020**	As at 1 April 2019	For the year	Disposals / Adjustment	As at 31 March 2020	As at 31 March 2020	As at 1 April 2019
Owned Assets										
Freehold Land	9.84	-	-	9.84	-	-	-	-	9.84	9.84
Buildings	202.22	-	-	202.22	10.44	4.70	1.28	13.87	188.35	191.78
Flats	9.29	-	-	9.29	1.36	0.15		1.51	7.79	7.93
Assets under finance lease										
Leasehold land	0.02	-	-	0.02	-	-	-	-	0.02	0.02
Total	**221.38**	**-**	**-**	**221.38**	11.80	4.85	1.28	15.38	206.01	209.58

Fair value of investment property

	As at 31 March 2021 *	As at 31 March 2020
Freehold Land	**12.60**	12.60
Leasehold Land	**0.73**	0.73
Buildings	**311.85**	311.85

*Considering the present Real Estate market situation and prolonged COVID-19 situation in the country, the FV as on 31st March, 2020 has been retained for 31st March, 2021 also.

Measurement of fair values

i. Fair value hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

ii. Valuation technique

The Group follows direct sale comparison technique. The valuation model considers the value of the subject property by comparing recent sales / listing of similar interest in the properties located in the surrounding area. By analysing sales which qualify as 'arms-lenght' transactions, between willing buyers and salers, adjustments would be made for size, location, time, amenities and other relevant factors when comparing such sales price against the subject property. This approach is commonly used to value standard properties when realisable sales evidence is available.

13 PROPERTY, PLANT AND EQUIPEMNT

	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions / adjustments	Disposals / adjustments	**As at 31 March 2021**	As at 1 April 2020	For the year	Disposals / adjustments	**As at 31 March 2021**	**As at 31 March 2021**	As at 31 March 2020
Owned Assets										
Freehold Land	114.67	46.39	(0.03)	**161.09**	-	-	-	**-**	**161.09**	114.67
Buildings	598.10	35.44	-	**633.54**	36.66	15.62	0.04	**52.24**	**581.30**	561.44
Leasehold Improvement	2.34	1.23	0.01	**3.56**	0.66	0.51	0.01	**1.17**	**2.39**	1.68
Plant & Machinery	95.00	10.14	0.03	**105.11**	20.21	8.20	0.02	**28.39**	**76.72**	74.79
Furniture & Fixtures	26.09	0.37	0.04	**26.41**	19.61	1.62	0.03	**21.19**	**5.22**	6.48
Vehicles	3.40	0.24	0.85	**2.80**	1.67	0.75	0.50	**1.92**	**0.88**	1.73
Office Equipments	48.44	4.06	0.64	**51.85**	30.48	9.14	0.61	**39.00**	**12.85**	17.96
Electrical Installations and Equipments	11.84	0.12	0.14	**11.82**	9.04	1.11	0.06	**10.08**	**1.73**	2.80
Assets under Lease										
Leasehold Land	264.42	-	-	**264.42**	28.25	9.47	-	**37.72**	**226.70**	236.18
Total	1,164.30	97.98	1.68	**1,260.60**	146.57	46.42	1.27	**191.72**	**1,068.88**	1,017.73

	Gross Block				Depreciation				**Net Block**	
	As at 1 April 2019	Additions / adjustments	Disposals / adjustments	**As at 31 March 2020**	As at 1 April 2019	For the year	Disposals / adjustements	**As at 31 March 2020**	**As at 31 March 2020**	As at 1 April 2019
Owned Assets										
Freehold Land	114.67	**-**	**-**	**114.67**	-	-	-	**-**	**114.67**	114.67
Buildings	**602.78**	**22.46**	**27.14**	**598.10**	31.31	15.02	9.67	**36.66**	**561.44**	571.47
Leasehold Improvement	**2.44**	**0.67**	**0.77**	**2.34**	0.38	0.51	0.23	**0.66**	**1.68**	2.06
Plant & Machinery	**84.75**	**17.24**	**6.99**	**95.00**	13.77	8.80	2.36	**20.21**	**74.79**	70.98
Furniture & Fixtures	**24.04**	**2.07**	**0.02**	**26.09**	12.35	7.27	0.01	**19.61**	**6.48**	11.68
Vehicles	**2.27**	**1.20**	**0.07**	**3.40**	1.17	0.64	0.14	**1.67**	**1.73**	1.11
Office Equipments	**37.92**	**11.13**	**0.61**	**48.44**	19.91	11.08	0.51	**30.48**	**17.96**	18.01
Electrical Installations and Equipments	**11.46**	**0.38**	**-**	**11.84**	6.38	2.72	0.06	**9.04**	**2.80**	5.08
Assets under Lease										
Leasehold Land	264.06	0.36	-	264.42	18.77	9.49	0.01	28.25	236.18	245.29
Total	**1,144.40**	**55.50**	**35.60**	**1,164.30**	104.04	55.52	12.99	**146.57**	**1,017.73**	1,040.35

14 GOODWILL

		As at 31 March 2021	As at 31 March 2020
Gross Block			
(i)	Opening Balance	**446.64**	446.64
(ii)	Additions	**-**	-
(iii)	Acquisitions through business combinations	**-**	-
(iv)	Disposals	**-**	-
(v)	Other adjustments	**-**	-
(vi)	Closing Balance	**446.64**	446.64
Impairment provision			
(i)	Opening balance	**-**	-
(ii)	Acquisitions through business combinations	**-**	-
(iii)	Impairment for the period	**-**	-
(iv)	Disposals	**-**	-
(v)	Reversals in provision	**-**	-
(vi)	Other adjustments	**-**	-
(vii)	Closing Balance	**-**	-
Net Goodwill		**446.64**	446.64

15 OTHER INTANGIBLE ASSESTS

	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Disposals	**As at 31 March 2021**	As at 1 April 2020	For the year	Disposals	**As at 31 March 2021**	**As at 31 March 2021**	As at 31 March 2020
Computer Software	13.94	0.71	0.48	**14.17**	10.00	2.22	0.48	**11.75**	**2.42**	3.93
Right to use lease assests	71.56	16.23	-	**87.79**	26.23	18.83	-	**45.06**	**42.72**	45.33
Licenses and franchises	1.80	-	1.20	**0.60**	1.25	0.12	1.20	**0.17**	**0.43**	0.55
Total	87.31	16.94	1.68	**102.57**	37.49	21.17	1.68	**56.99**	**45.57**	49.82

	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Disposals	**As at 31 March 2020**	As at 1 April 2019	For the year	Disposals	**As at 31 March 2020**	**As at 31 March 2020**	As at 1 April 2019
Computer Software	11.10	2.84	-	**13.94**	6.67	3.34	-	**10.00**	**3.93**	4.43
Right to use lease assests	-	71.68	0.12	**71.56**	-	26.28	0.04	**26.23**	**45.33**	-
Licenses and franchises	1.20	0.60	-	**1.80**	1.13	0.12	-	**1.25**	**0.55**	0.07
Total	12.30	75.12	0.12	**87.31**	7.80	29.73	0.04	**37.49**	**49.82**	4.51

16 OTHER NON-FINANCIAL ASSETS

	As at 31 March 2021	As at 31 March 2020
Capital advances	**3.86**	7.47
Pre-paid expenses	**17.09**	14.95
Provident fund - asset*	**13.20**	20.95
Statutory Dues	**15.97**	17.12
Other assests	**27.76**	25.56
	77.88	86.05
Less: Provision for impairment	**-**	6.09
Total	**77.88**	79.96
* Net of Provident fund liability	**81.69**	81.08

17 ASSETS HELD FOR SALE

	As at 31 March 2021	As at 31 March 2020
Freehold Land	**3.77**	3.77
Assistance under development financing (AUF) - Associates	**7.54**	7.50
Total	**11.31**	11.28

18 PAYABLES

	As at 31 March 2021	As at 31 March 2020
Trade payables		
Total outstanding dues to MSMEs	**0.40**	4.88
Total outstanding dues of creditors other than MSMEs	**409.92**	242.72
Total	**410.32**	247.61
Other payables		
Total outstanding dues to MSMEs	**-**	-
Total outstanding dues of creditors other than MSMEs	**211.10**	192.50
Total	**211.10**	192.50

The amount overdue to the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2021 is ₹0.40 crores (Previous Year: ₹4.88 crores). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Group.

19 DEBT SECURITIES

		As at 31 March 2021	As at 31 March 2020
(A)	**At Amortised cost**		
(i)	***Non-Convertible Debentures***		
	- 6.00% LIC - Redeemable on 28.12.2021	**193.57**	185.61
	- 6.00 % SBI - Redeemable on 25.01.2022	**192.85**	184.96
	- 9.37% LIC - Redeemable on 01.04.2022	**418.19**	418.18
(ii)	*Bonds*		
	- Privately Placed Bonds	**3,606.71**	3,979.96
	- Privately Placed Zero Coupon Bonds	**271.90**	247.79
	- Infrastructure Bonds	**896.27**	1,256.61
	- Others	**230.21**	259.33
	- Less: Interest accrued but not due	**(430.08)**	(549.88)
(iii)	*Tax-free Bonds (secured by floating charge on receivables of IFCI Ltd.)*		
	- held by others	**265.00**	265.00
(iv)	*Public issue of NCDs*		
	Secured Redeemable Non Convertible Debentures (secured by floating charge on receivables of IFCI Ltd.)		
	- held by others	**1,208.27**	1,199.37
	- Less: Interest accrued but not due	**(56.90)**	(48.00)
(v)	*Privately Placed Bonds (Redeemable Non Convertible Debentures secured by floating charge on receivables of IFCI Ltd. & Lien on G-Sec)*		
	- Others (Bonds/ Debentures etc.)	**575.00**	575.00
	Total (A)	**7,370.99**	7,973.93
(B)	**Inside/Outside India**		
(i)	*Debt securities in India*	**7,370.99**	7,973.93
(ii)	*Debt securities outside India*	**-**	-
	Total (B)	**7,370.99**	7,973.93

Privately placed Bonds includes ₹331.84 cr of bonds which were guaranteed by the Govt. of India at the time of issue. these bonds were, subsequently, rolled over for 10 years from dates of maturity in terms of the decision at meetings of stakeholders in November 24 and December 2, 2002 under the aegis of the Govt. of India, but the guarantee did not continue. However, on the behalf of investors, Govt. of India was requested to guarantee these bonds during the rolled over period and accordingly, these bonds were shown under Bonds guaranteed by Govt. of India till March 31, 2013, with suitable disclosure of the fact in Notes to Accounts. Since all such bonds have been rolled over by March, 2012 and Govt. of India has not provided guarantee during the rolled over period, such olled over erstwhile government guaranteed bonds are clustered under Privately Place Bonds as on 31 March 2021 above.

20 BORROWINGS (OTHER THAN DEBT SECURITIES)

		As at 31 March 2021	As at 31 March 2020
(A)	**At Amortised cost**		
(i)	*Term loans*		
	- from banks and other parties	**1,782.56**	2,650.57
	- from other parties		
	- from financial institutions	**94.10**	90.74
	- from KfW Line	**409.83**	424.84
(ii)	*Loans repayable on demand from Banks*	**70.46**	112.96
(iii)	*others*	**-**	-
Total		**2,356.95**	3,279.11
(B)	**Inside/Outside India**		
(i)	Borrowings in India	**1,947.12**	2,854.27
(ii)	Borrowings outside India	**409.83**	424.84
Total		**2,356.95**	3,279.11

Term loan of ₹40.00 crore (PY ₹59.73 crore) are secured by way of hypothecation of factored debt of IFCI Factors Ltd. on pari pasu basis.

Loan from banks payable on demand of ₹11.14 crore (PY ₹29.04 crore) are secured by way of hypothecation of pari-passu charge on factored receivables of IFCI Factors Ltd and ₹19.31 crore (PY ₹24.19 crore) secured by way of pledge of fixed deposit, cash & cash equivalents by Stock Holding Corporation of India Ltd.

21 SUBORDINATED LIABILITIES

		As at 31 March 2021	As at 31 March 2020
(A)	**At Amortised cost**		
(i)	Subordinate - Tier II Bonds	**1,464.29**	1,441.03
	- Less: Interest accrued but not due	**(150.99)**	(127.73)
Total (A)		**1,313.30**	1,313.30
(B)	**Inside/Outside India**		
(i)	Subordinated Liabilities in India	**1,313.30**	1,313.30
(ii)	Subordinated Liabilities outside India	**-**	-
Total (B)		**1,313.30**	1,313.30

22 OTHER FINANCIAL LIABILITIES

	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due on bonds & borrowings	**1,074.34**	1,173.32
Unsecured Loan	**(0.54)**	-
Security Deposits	**11.81**	13.55
Unpaid Matured Debentures & interest	**0.23**	0.24
Scheduled Cast Credit Guarantee Enhancement Scheme (placed by Govt. of India)	**294.65**	281.75
Unclaimed redemption proceeds and interest on Relief and Saving Bonds	**19.52**	20.00
Amounts due on settlement to Clearing House, Clients and Brokers	**1,197.23**	662.93
Amounts payable to Government on account of stamp duty collection	**103.70**	2.55
Amounts payable to Reserve Bank of India on account of distribution of Relief Bonds/Inflation indexed bonds (net)	**-**	14.72
Advance Depository Participant charges, Advances from Customers, Statutory dues including Provident Fund and Taxes (includes amount due on settlement)	**340.80**	235.41
Contractual liability against Factoring	**20.02**	50.38
Unclaimed Dividend	**8.24**	10.71
Right of use lease Liabilities	**49.11**	50.78
Other Liabilities (trade deposits and other payables)	**377.00**	355.18
	3,496.10	2,871.52

23 PROVISIONS

	As at 31 March 2021	As at 31 March 2020
Impairment provision on off balance sheet exposure	**33.27**	72.65
Employee Benefits	**71.90**	86.23
Provisions for others expenses	**21.74**	21.69
Provision for Claims-Long term Provisions	**25.48**	24.46
Total	**152.39**	205.04

Refer Note No. 49 for detailed disclosure on employee benefits

24 OTHER NON-FINANCIAL LIABILITIES

	As at 31 March 2021	As at 31 March 2020
Income received in Advance	**9.21**	13.20
Grant in Aid received for trainings	**2.09**	2.46
Statutory Dues	**0.41**	0.83
Other	**0.85**	12.26
	12.57	28.75

25 EQUITY

	As at 31 March 2021	As at 31 March 2020
Authorised		
4,00,00,00,000 Equity Shares of ₹ 10/- each	**4,000.00**	2,000.00
	4,000.00	2,000.00
Issued		
196,32,40,546 Equity Shares of ₹ 10/- each	**1,963.24**	1,763.24
	1,963.24	1,763.24
Subscribed		
189,73,09,792 Equity Shares of ₹ 10/- each	**1,897.31**	1,697.31
	1,897.31	1,697.31
Paid up		
189,59,93,092 Equity Shares of ₹ 10/- each	**1,895.99**	1,695.99
	1,895.99	1,695.99

Reconciliation of the number of equity shares and share capital:

"The shareholders at its 27th Annual General Meeting held on December 22, 2020 approved the increase in Authorised Equity Share Capital from extant ₹2000 Crore comprising of 200 Crore number of equity shares of ₹10 each to ₹4,000 Crore comprising of 400 Crore number of equity shares of ₹10 each. Further, the Company has received ₹200 crores from GOI, Department of Financial Services, Ministry of Finance, on March 23, 2020, towards subscription to the share capital of the Company. The same has been classified under Other Equity (Share application money pending allotment) as on 31st March 2020. The Company has subsequently allotted 20 crore number of equity shares @ ₹10 each to the President of India (Government of India) on May 21, 2020. Also, the Company received ₹200 crore on March 15, 2021 from the Government of India towards subscription to the share capital during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85401 number of equity shares of face value of ₹10/- each to the Government of India on April 23, 2021 @ ₹13.70/- per equity share (including security premium of ₹3.70/- per equity share)".

	As at 31 March 2021		As at 31 March 2020	
Particulars	**Number**	**Amount**	Number	Amount
Equity shares				
Outstanding at beginning of the period	**1,695,993,092**	**1,695.99**	1,695,993,092	1,695.99
Add: Shares issued to Government of India	**200,000,000**	**200.00**	-	-
Outstanding at the end of the period	**1,895,993,092**	**1,895.99**	1,695,993,092	1,695.99
Paid up share capital	**1,895,993,092**	**1,895.99**	1,695,993,092	1,695.99

Terms/ rights attached to equity shares:

The Group has only one class of equity share, i.e. equity shares having face value of ₹10 per share entitled to one vote per share.

Shareholders holding more than 5% of equity shares

	As at 31 March 2021		As at 31 March 2020	
Name of the shareholder	**Number of shares**	**Shareholding %**	Number of shares	Shareholding %
President of India	**1,156,955,857**	**61.02%**	956,955,857	56.42%

26 OTHER EQUITY

	As at 31 March 2021	As at 31 March 2020
i Share application money pending allotment		
Opening balance	**200.00**	-
Less: transfer during the year	**(200.00)**	-
Add: Application money received during the year	**200.00**	200.00
Closing balance	**200.00**	200.00

		As at 31 March 2021	As at 31 March 2020
ii	**Reserve u/s 45IC of RBI Act**		
	Opening balance	**923.67**	923.57
	Add: Transfer from retained earnings	**0.56**	0.10
	Closing balance	**924.23**	923.67
iii	**Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961**		
	Opening balance	**136.74**	136.74
	Closing balance	**136.74**	136.74
iv	**Capital Reserve**		
	Opening balance	**0.85**	0.85
	Sale of associate	**-**	-
	Closing balance	**0.85**	0.85
v	**Securities Premium Reserve**		
	Opening balance	**1,032.06**	1,032.06
	Add: Issue of equity shares	**-**	-
	Closing balance	**1,032.06**	1,032.06
vi	**Capital Redemption Reserve**		
	Opening balance	**300.05**	300.05
	Add: Transfer from retained earnings	**-**	-
	Closing balance	**300.05**	300.05
vii	**Debenture Redemption Reserve**		
	Opening balance	**260.08**	260.08
	Add: Transfer from retained earnings	**-**	-
	Closing balance	**260.08**	260.08
viii	**General Reserve**		
	Opening balance	**369.92**	366.61
	Add:	**4.09**	3.31
	Closing balance	**374.01**	369.92
ix	**Deemed equity contribution**		
	Opening balance	**335.82**	335.82
	Less: Early redemption of prefernce shares	**-**	-
	Closing balance	**335.82**	335.82
x	**Impairment Reserve**		
	Opening balance	**111.56**	-
	Add: Transfer from retained earnings	**20.44**	111.56
	Closing balance	**132.00**	111.56
xi	**Retained Earnings**		
	Opening balance	**(187.05)**	167.24
	Add: profit/(loss) during the year	**(1,941.51)**	(230.44)
	Less: Transfer to capital redemption reserve	**-**	-
	Less: Transfer to reserve u/s 45IC of RBI Act	**(0.56)**	(0.10)
	Less: Transfer to general reserve	**(4.09)**	(3.31)
	Less: Transfer to impairment reserve	**(20.44)**	(111.56)
	Less: Transfer to contingency reserve	**(13.80)**	(11.90)
	Less: Dividends (incl dividend distribution tax)	**-**	-
	Add: Others	**(0.13)**	4.16
	Closing balance	**(2,167.56)**	(187.05)

		As at 31 March 2021	As at 31 March 2020
xii	**Debt instruments through Other Comprehensive Income**		
	Opening balance	**17.48**	9.52
	Add: other comprehensive income during the year	**4.07**	7.96
	Closing balance	**21.55**	17.48
xiii	**Equity instruments through Other Comprehensive Income**		
	Opening balance	**(22.76)**	82.71
	Add: Transfer from retained earnings	**0.05**	-
	Add: other comprehensive income during the year	**226.37**	(105.47)
	Closing balance	**203.66**	(22.76)
xiv	**Remeasurements of the defined benefit plans**		
	Opening balance	**51.18**	34.50
	Add: other comprehensive income during the year	**0.25**	16.68
	Closing balance	**51.43**	51.18
xv	**Contingency reserve**		
	Opening balance	**23.50**	11.60
	Add: other comprehensive income during the year	**13.80**	11.90
	Closing balance	**37.30**	23.50
xvi	**Foreign currency translation reserve**		
	Opening balance	**0.53**	(0.08)
	Add: other comprehensive income during the year	**(0.18)**	0.61
	Closing balance	**0.35**	0.53
xvii	**Amalgamation reserve**		
	Opening balance	**(0.60)**	(0.60)
	Closing balance	**(0.60)**	(0.60)
	Total Balance	**1,841.97**	3,553.04

Reserve u/s 45IC of RBI Act

Pusuant to increase in shareholding of Govt. of India more than 50% of the paid-up Share Capital, the Group has become Government Company u/s 2(45) of the Companies Act, 2013 and therefore in view of the exemption available to Government Companies, no transfer has been made to the statutory reseve created u/s 45IC of RBI Act, 1934.

Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961

Section 36(1)(viii) of the Income Tax Act allowes financial institutions to transfer 20% of profit from eligible business i.e. net income from long-term industrial financing, to this Reserve and the same is allowed as a deduction while computing taxable income. The Income Tax Act, by an amendment in Finance Act, 1998, has put a condition on maintaining the Reserve created w.e.f FY 1997-98. Any withdrawal would attract tax liability. Upto FY 1996-97, utilisation of the said Reserve created in the earlier year did not attract tax liability and accordingly Deferred Tax Liability (DTL) has been created on the reserve transferred after FY 1997-98.

Capital Reserve

Capital Reserve represents proceeds of forfeited shares

Securities Premium Reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

Capital Redemption Reserve represents amount transferred from surplus in statement of profit and loss towards redemption of preference shares without fresh issue of capital, as was required under section 55 of the Companies Act, 2013.

Debenture Redemption Reserve

Debenture Redemption Reserve has been created in terms of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 for Non Convertible Debentures issued by IFCI Ltd. through public offer. Later vide Notification GSR-574(E) dated 16/08/19, Ministry of Corporate Affairs (MCA) has notified amended rules for Share Capital and Debentures (Rules 2014), no additional DRR has to be created either for public issue of bonds or for private placements in case of existing bonds and debentures.

General Reserve

General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Deemed equity contribution

Deemed equity contribution on account of preferential rate borrowings from shareholders.

Retained Earnings

Represnets as at date accumulated surplus/(deficiet) of the profits earned by the Group.

Contingency reserve

Contingency reserve was created through an annual transfer of net income attributed to a specific reserve to be used in case of any continegencies arising.

Foreign currency translation reserve

Foreign currecny translation reserve is created out of the exchange difference arising on on conversion of foreign subsidiary into presentation currency.

Amalgamation reserve

Represents reserve created on merger of two or more entities.

Debt instruments through Other Comprehensive Income

This comprises changes in the fair value of debt instruments recognised in other comprehensive income and accumulated within equity. The Group transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

Equity instruments through Other Comprehensive Income

This comprises changes in the fair value of certain identified equity instruments recognised in other comprehensive income and accumulated within equity.

Remeasurements of the defined benefit plans

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

27 Interest Income

	For the year ended 31 March 2021		For the year ended 31 March 2020	
	On Financial Assets measured at fair value through other comprehensive income	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through other comprehensive income	On Financial Assets measured at Amortised Cost
Interest on loans	**-**	1,054.64	-	2,119.89
Interest income from investments	**75.83**	9.44	80.27	11.67
Interest on deposits	**-**	42.28	-	39.61
Other Interest Income	**-**	10.68	-	3.47
Total	**75.83**	1,117.04	80.27	2,174.65

28 Fees and commission Income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Fund Management Fees	**9.30**	6.49
Business Services Fees and Commission (including guarantee commission)	**35.98**	32.99
Application and Administration Charges	**1.70**	0.72
Others	**-**	0.41
Total	**46.98**	40.62

29 Net gain/ (loss) on fair value changes

		For the year ended 31 March 2021	For the year ended 31 March 2020
(A)	Net gain/ (loss) on financial instruments at fair value through profit or loss		
	- Equity securities	**121.97**	(216.12)
	- Derivatives	**(0.60)**	(3.34)
	- Security Receipts	**(7.01)**	(34.34)
	- Preference Shares	**48.37**	(18.24)
	- Units of Venture Capital Funds	**10.07**	(1.94)
	- Units of Mutual Funds	**17.76**	23.34
(B)	Net gain on derecognition of financial instruments at fairv value through other comprehensive income	**5.99**	4.72
(C)	Total Net gain/(loss) on fair value changes	**196.55**	(245.92)
	Fair value changes :		-
	- Realised	**(109.64)**	689.45
	- Unrealised	**306.20**	(935.38)
(D)	Total Net gain/(loss) on fair value changes	**196.55**	(245.92)

30 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain/(loss) on derecognition of property, plant and equipment	**0.01**	7.41
Foreign exchange gain/loss	**-**	(0.01)
Interest from Income Tax Refund	**15.10**	8.39
Deferred Income from Land	**5.25**	5.25
Profit on sale of associates	**0.62**	-
Sundry balances written back (net)	**1.54**	3.29
Others	**4.92**	9.36
Total	**27.45**	33.69

31 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on borrowings	**1,133.94**	1,424.74
Interest on debt securities	**5.40**	10.72
Other interest expenses	**2.30**	10.79
Interest on Right of Use Lease Liability	**5.45**	4.86
Bank charges	**0.14**	0.16
Total	**1,147.23**	1,451.27

32 Impairment on financial instruments

	"For the year ended 31 March 2021"		For the year ended 31 March 2020	
	On Financial Assets measured at fair value through OCI	**On Financial Assets measured at Amortised Cost**	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost
Loans *	**-**	**2,293.61**	-	345.12
Investments	**2.95**	**-**	108.80	-
Provision for doubtful debts/ advances	**-**	**7.75**	-	18.43
Other assets	**-**	**0.78**	-	1.04
Total	**2.95**	**2,302.14**	108.80	364.60
* Includes net write off during the year		**1,490.15**		2,229.85

33 Employee benefit expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	**236.01**	229.08
Contribution to provident and other funds	**28.09**	36.31
Expenses towards post employment benefits	**18.79**	38.33
Staff welfare expenses	**9.18**	22.07
Others	**0.36**	0.26
Total	**292.42**	326.06

34 Depreciation and amortisation

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	**46.36**	55.54
Depreciation on Investment Property	**4.85**	4.85
Amortisation of intangible assets	**21.17**	20.95
Total	**72.39**	81.34

35 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	**1.46**	3.50
Rates and Taxes	**6.81**	6.91
Insurance	**6.95**	4.23
Repairs and Maintenance		
- Buildings	**15.81**	17.52
- Plant and Machinery	**11.58**	12.42
- IT	**2.74**	2.18
- Others	**5.64**	7.95
Electricity & Water Charges	**14.56**	16.54
Security expenses	**8.89**	9.09
Payment to Auditors *	**1.68**	1.58
Directors' Fee & Expenses	**0.98**	0.42
Publications, Advertisement	**0.60**	1.41
Consultation & Law charges	**13.03**	31.85
Travelling & Conveyance	**4.73**	8.35
Training & Development	**1.00**	1.84
Postage & Telephone	**4.45**	5.22
Printing & Stationery	**6.18**	8.02
Listing/ Filing/ Custody Fee	**1.91**	2.23
Library/ Membership Subscription	**0.73**	1.32
Expenses on CSR Activity	**1.96**	0.99
Impairment loss on assets held for sale	**(19.01)**	29.11
Advertising & Business Promotion	**1.92**	4.88
Communication Costs	**6.06**	7.44
Outsourcing Expenses and Feet on Street	**25.29**	39.95
Technical Know-how Fees	**79.10**	54.32
Software Expenses	**11.30**	11.27
Foreign exchange gain/loss	**8.96**	8.43
Miscellaneous Expenses	**26.22**	31.29
Total	**251.54**	330.25

* Refer note 36 for details on payment to auditors

36 Payment to Auditors

	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit Fees	**1.57**	1.45
Certification and other services	**0.05**	0.08
Reimbursement of Expenses	**0.06**	0.05
Total	**1.68**	1.58

37 Contingent liabilities and commitments (to the extent not provided for)

		As at 31 March 2021	As at 31 March 2020
A.	**Contingent Liabilities#**		
(i)	Claims not acknowledged as debts	**61.72**	61.44
(ii)	Guarantees excluding financial guarantees	**3.23**	3.27
(iii)	Export obligations under EPCG Licenses	**4.81**	-
(iv)	Tax Matters :		
	Income Tax*	**1.46**	3.69
	Service tax / GST	**-**	-
	Total	**71.22**	68.40

* IFCI has filed application/declarations under Vivad se Vishwas (Direct tax Dispute Resolution) Scheme, 2020.

\# Considering the current status of the pending litigation cases, no material financial impact is expected on the financial statements as on March 31, 2021.

B.	**Commitments**		
(i)	Estimated amount of contract (including lease contract) remaining to be executed on capital account (net of advances)	**0.90**	29.96
(ii)	Undrawn Commitments	**204.83**	838.73
	Total	**205.73**	868.69
C.	**Contingent assets**	**Nil**	Nil

37.1 Tax Expense

A. Amount recognised in Profit or Loss

Particulars	**As at 31 March 2021**	As at 31 March 2020
Current tax (a)		
Current tax expense	**17.50**	3.70
Current tax expense/ (benefit) pertaining to earlier years	**8.97**	44.38
Sub-total (a)	**26.47**	48.08
Deferred tax (b)		
Deferred tax expense/ (credit)	**(199.68)**	80.89
Sub-total (b)	**(199.68)**	80.89
Tax expense (a)+(b)	**(173.21)**	128.97

B. Reconciliation of effective tax rate

	As at 31 March 2021		As at 31 March 2020	
Particulars	**%**	**Amount**	**%**	**Amount**
Profit before tax		**(2,084.79)**		(94.24)
Tax using the Group's domestic tax rate of 34.944%	**34.94%**	**(728.51)**	34.94%	(32.93)
Effect of:				
Tax exempt income	**0.00%**	**-**	16.03%	(15.11)
Non-deductible expenses	**0.00%**	**-**	-2.89%	2.72
Changes in estimates related to prior years for current tax	**-0.43%**	**8.97**	-47.09%	44.38
Current year depreciation for which no deferred tax asset was recognised	**0.43%**	**(8.97)**	10.12%	(9.54)
Others	**-26.64%**	**555.30**	-147.97%	139.45
Effective tax rate	**8.31%**	**(173.21)**	-136.85%	128.97

38 Certain balances appearing under trade receivables and payables are subject to confirmation.

39 In case of IFCI Limited :-

i). The shareholders at its 27th Annual General Meeting held on December 22, 2020 approved the increase in Authorised Equity Share Capital from extant ₹2000 Crore comprising of 200 Crore number of equity shares of ₹10 each to ₹4,000 Crore comprising of 400 Crore number of equity shares of ₹10 each. Further, the Company has received ₹200 crores from GOI, Department of Financial Services, Ministry of Finance, on March 23, 2020, towards subscription to the share capital of the Company. The same has been classified under Other Equity (Share application money pending allotment) as on 31st March 2020. The Company has subsequently allotted 20 crore number of equity shares @ ₹10 each to the President of India (Government of India) on May 21, 2020. Also, the Company received ₹200 crore on March 15, 2021 from the Government of India towards subscription to the share capital during the Financial Year 2020-21 as share application money. In this regard, the Committees of Directors had allotted 14,59,85401 number of equity shares of face value of ₹10/- each to the Government of India on April 23, 2021 @ ₹13.70/- per equity share (including security premium of ₹3.70/- per equity share)".

ii). 'In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 for refund/adjustment of ' interest on interest' charged during moratorium period i.e. March 1, 2020 to August 31, 2020, an amount of Rs 8.23 crore has been estimated. Accordingly such provision has been created in books of account by debiting interest income.

iii). As on March 31, 2021, Impairment allowance under Ind AS 109 is higher than RBI Prudential (IRACP) Norms (including standard assets provisioning). Accordingly the company has provided for the amount as per Ind As norms in the books of accounts as on 31st March 2021. The existing impairment reserve of ₹34.54 crores created upto March 31, 2021 has not been reversed.

Though ECL on Loan Assets is computed on portfolio basis, however during the current year, full impairment allowance has been made on loan accounts declared as fraud as per RBI norms.

iv). During FY21 , the company has derecognised stage 3 income on cases categorised as C3 & D as per IRAC norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to P&L account. Thus the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹1447.08 crore.

v). The (Covid-19) pandemic globally and in India is causing significant disturbance in the financial Markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization (WHO). It has resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the Company to take prompt actions for continuity of business operation is optimized manner. The Company believes that going forward, the impact of this outbreak will not be significant on its business and financial position.

vi). These financial statements have been prepared as per Schedule III Division III of the Companies Act, 2013 which has been notified by the Ministry of Corporate Affairs and published in the official Gazette on 11th October 2018. Any application guidance/ clarifications/ directions issued by RBI or other regulators will be implemented as and when they are issued/ applicable.

vii). During FY21, to arrive at historical probability of default, last 7 years rating migration has been used as input to ECL model against 5 years taken previously. Consequently, weighted average ECL has reduced by ₹19.78 crore.

40 In the context of reporting business/geographical segment as required by Ind AS 108 - "Operating Segments", the Company operations comprise of only one business segment of financing . Hence, there is no reportable segment as per Ind AS 108.

41 On all the secured bonds and debentures issued by the Company and outstanding as on 31st March 2021, 100% security cover has been maintained against principal and interest, by way of floating charge on receivables of the Company and/or Government Securities owned by the Company.

42 Stockholding Corporation of India Ltd. (SHCIL) had during the year 2000-01 undertaken a transaction of ₹ 24.45 crore with a client through the Calcutta Stock Exchange (CSE) under the 'Cash on Payout' scheme for the sale of 7,20,000 equity shares of DSQ Industries Limited. The said transaction was confirmed by CSE based on which post-dated cheques were issued. The cheques were stopped for payment before their due date by the Company as the underlying trade transaction was contended to be non-bonafide and disallowed by CSE. A Bank, which had granted financial assistance against the said cheques, issued a notice of demand against the Company under Section 138 of the Negotiable Instrument Act, 1881. The Bank also filed an application in the Debt Recovery Tribunal (DRT) for recovery of the amount alongwith compound interest from the Company and the client. The Company disputed the claim of the Bank. The Bank's application to the DRT was dismissed and only the client was held liable. The Bank and the client had filed an appeal in the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT. The appeals were allowed vide the DRAT order dated September 23, 2011, which stated that the amount would carry compound interest from 1st August 2001 @ 19% p.a. with quarterly rests till realisation and the Bank was entitled to realize the sum from both the client and the Company. The Company filed a Revision Application in High Court, Calcutta on November 30, 2011 which was admitted but no interim relief was granted. Hence, the Company filed a Special Leave Petition (SLP) in the Supreme Court for stay of the High Court Order for not granting interim relief of staying the DRAT order, the Order of the DRAT and the recovery certificate and notice of demand issued by Presiding Officer and recovery officer of DRT respectively. The Supreme Court vide its order dated April 23, 2012 granted stay on the recovery proceedings and requested the Calcutta High Court to dispose off the Revision Application within a period of four months and the Company to deposit ₹ 30.00 crore with the Calcutta High Court Registry within a period of 4 weeks from the date of order by way of a short term deposit in a nationalised bank. Accordingly, the Company had deposited the money with the Calcutta High Court, Registry. The revision application was dismissed. The Company filed Special Leave Petition (SLP) in the Supreme Court in May 2015. The Supreme Court vide its order dated May 14, 2015 stayed the operation of the execution proceedings and the Company to deposit with the Registrar, Supreme Court of India, a fixed deposit receipt in the name of the Company and endorsed in favour of the Registrar an amount of not less than ₹ 30.00 crore. Accordingly, the Company made the deposit. The amount of ₹ 60.00 crore, deposited by the Company in the High Court (₹ 30.00 crore) and Supreme Court (₹ 30.00 crore) is shown under the heading "Long Term Loans and Advances" under the sub heading "Security and other deposits" in the Statement of Balance Sheet. The bank was granted liberty to withdraw ₹ 30.00 crore along with interest that had been lying as deposit before the High Court of Kolkata which is subject to final decision in the SLP. Accordingly, an amount of ₹ 38.04 crore was released to the Bank. Further by an order dated October 12, 2015, the Supreme Court directed the bank to withdraw an additional amount of ₹ 5.00 crore along with accrued interest from the money deposited with the Supreme Court. Accordingly, an amount of ₹ 15.45 crore was released to the Bank. The Special Leave petition has been converted into a Civil Appeal on February 08, 2017 and the matter is listed in the Supreme Court for final disposal. The matter is appearing regularly and was last taken up for hearing in February 2020.

The amounts released to the Bank is subject to the final decision in the matter. In view of the nature of dispute, the amount of contingent liability has not been ascertained. Pending final adjudication of the matter by the Honorable Supreme Court and also in view of the legal opinion obtained by SHCIL, in the opinion of SHCIL management no provision is required to be made in the statement of Profit and Loss for year ended March 21, 2021.

43 In case of Stock Holding Corporation of India Ltd (SHCIL), there were certain unreconciled Items amounting to ₹3.50 Cr grouped under trade receivable as on 31st March 2019. On further Investigation It has been revealed that one of the employee of the company had fraudulently made payments to the non-clients amounting to ₹2.94 Cr (net after recovery) from client bank accounts. The company has filed a First Information Report to the Rabale police station. And the company has filed an insurance claim to New India Assurance Company Limited.

As at March 31, 2020, the Company can determine the amount of embezzlement of fund to prior accounting periods however it cannot determine the amount of period specific loss as required under IndAS 8, as amounts recoverable from the employee and that from the Insurance claim is not fully determinable at March 31, 2020. Therefore it falls under the exception to IndAS 8 which states that If the quantum of loss cannot be ascertained clearly during the current period the accounting effects can be taken prospectively. The company on a conservative assessment, has provided an impairment of ₹2.94 cr for the entire recoverable in the profit & loss statement of the previous financial year. Also the company had appointed an outside agency to prepare the bank reconciliation of the said bank account from FY 2014-15 to FY 2018-19. Rectification entries have been passed on receipt of revised bank reconciliation statement in the previous financial year.

During the current financial year , the insurance company has granted ₹2.75 cr against a claim of ₹2.94 cr. Out of the awarded claim, ₹2.21 cr has been received from the insurance company and the balance of ₹53.79 lakhs will be recived upon the monetization of assets owned by the said employee or from the insurance company in case of any shortfall. Accordingly, the reversal of an impairment of ₹2.75 cr accounted in the current financial year.

The company had appointed a forensic auditor to conduct detailed analysts of the embezzlement of fund . The final report has been submitted by Forensic Auditor. Based on report management believes that there is unlikely of any further financial Impact of the same on the financial statements.

44 There was a fire incident on December 11, 2017 at Mahape premises of the Company. The insurance company have appointed surveyors. The surveyors are in the process of assessing the damage to the property of the Company. The Company has appointed contractors to carry out the repair work for the Interior & Basement areas. Expenses amounting to ₹36.02 lakhs has been transferred to Repairs & Maintenance Account for Mahape Interiors furnishing and Nil for Basement Area for year ended March 31, 2021. (Previous Year ₹423.76 Lakhs for Interiors & ₹36.83 Lakhs for Basement area). The completion of the repair/renovation work has been delayed due to the outbreak of the COVID-19 pandemic and the lockdown enforced by the Government. The work resumed at the end of August 2020 and is expected to complete in next financial year.

44.1 StockHolding Document Management Services Limited

(a) A fire incident occurred on December 11, 2017 at Mahape premise of the company. The insurance company has not yet settled the claim

(b) The company has been receiving claims for loss of documents from its clients. Majority of the clients have completed audit while others are in various stages of conducting audit through their auditors to assess damage to their documents for the final claims. Pending ascertainment of actual claim, the company has not provided/disclosed for such claim/contingent liabilities and corresponding insurance claim receivable in the books of account as on March 31, 2021.

45 In case of SHCIL Services Limited, the Company has received summons dated 6th March 2018 from Court of Additional Chief Metropolitan Magistrate, 4th court, Girgaon, Mumbai) for violation of provisions of section 81, 193 and 285 of Companies Act 1956 which took place prior to financial year 2008-09. SHCIL Services Limited had earlier filed the compounding applications with Regional Director, Mumbai. However on follow up it was understood that the compounding applications are not traceable. Now on the advice of legal consultants we have filed a fresh compounding application dated September 11, 2018 with ROC. The Compounding fee is the prerogative of Court, however based on past compounding orders, penal provision and as discussed with Advocates, the liability on account of Compounding application will not be a material amount and the same is un ascertainable at the present.

46 In case of Stock Holding Corporation of India Ltd (SHCIL) the Company in the year 1992-93 had purchased 18 residential flats admeasuring 9216 square feet from MAHADA vide their possession and allotment letter at Tilak Nagar, Chembur on outright sale basis for the use as staff quarters. Pending registration of flats in favour of Company, these properties are shown under fixed assets - building. The Company is rigourously following up with the respective authoriteis for getting the registration to get the clear title of the property.

47 In case of IFCI infrastructure development Ltd. (IIDL) :-

a) Inventory includes one property against which the Regional Provident Fund Commissioner - II has ordered for the recovery of those defaulted by the earlier company, i.e. Haryana Sheet Glass Limited (HSGL). A Writ Petition has been filed by the company before High Court of Punjab and Haryana at Chandigrah against the said order. The Court was of prima facie opinion that proper procedures has not been followed in assessing the liability. Accordingly, the impugned order has been quashed giving liberty to PF department to decide afresh after following due procedure.

b) The Company has received a notice from AIG Stamp Ghaziabad, for short payment of stamp duty amounting to ₹1.50 crore. The Honable high court has granted stay in favour of the company & the case is pending for the final judgement. c) An award dated 25.01.2018 was passed by the Arbitral Tribunal in the arbitration proceedings between M/s Subir Engineering Work(s) Pvt Ltd. vs. IIDL directing IIDL to pay claimant ₹7.68 crore with interest @ 6% from 27.10.2016 against the total claim of ₹ 21.18 crore claimed by the Claimant. (The Award includes VAT amount of ₹3.09 crore and security deposit of ₹2.72 crore). IIDL has filed a petition u/s 34 of The Arbitration and Conciliation Act 1996 before Hon'ble Delhi High Court against this award. Further, an amount of ₹4.00 crore has been deposited in the court as per the direction of Honable High Court.

The Company has received a notice from AIG Stamp Ghaziabad, for short payment of stamp duty amounting to ₹150.02/- Lakhs. The Honable high court has granted stay in favour of the company & the case is pending for the final judgement.

c) An award dated 25.01.2018 was passed by the Arbitral Tribunal in the arbitration proceedings between M/s Subir Engineering Work(s) Pvt Ltd. vs. IIDL directing IIDL to pay claimant ₹768.00 lakhs with interest @ 6% from 27.10.2016 against the total claim of ₹2118 lakhs claimed by the Claimant. (The Award includes VAT amount of ₹309.00 lakhs and security deposit of ₹272.00 lakhs). IIDL has filed a petition u/s 34 of The Arbitration and Conciliation Act 1996 before Hon'ble Delhi High Court against this award. Further, an amount of ₹400.00 lakhs has been deposited in the court as per the direction of Honable High Court.

d) The Company is contesting several matters pertaining to its project 21st Milestone Residency at Ghaziabad before Real Estate Regulatory Authority/ Real Estate Appellate Tribunal. In two of the matter i.e. Vinay Kumar Balyan and Rajesh Kumar Singh, an attachment order was passed by the RERA authority against which the company has filed an appeal before REAT. Further, the company has filed appeal before REAT wherein as per the direction of the tribunal the company was required to deposit an amount of ₹88.04 Lakhs and the same was deposited

48 IIDL has constructed a campus for MDI Gurgaon at Jangipur, District - Murshidabad, West Bengal. The financials relating to the contract are as under:

Contract	Amount
Contract revenue recognized during the year	Nil
Contract expenses recognized during the year	Nil
Recognized Profits	Nil
Estimated Contract Cost	Nil
Amount recoverable from MDI	0.75

- 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 engineer / architect.

49 EMPLOYEE BENEFITS

The Group operates the following post-employment plans -

i. Defined contribution plan

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

Particulars	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Contribution to Pension Fund	**0.01**	0.01
Contribution to Employees' Provident Fund	**7.12**	7.07
Contribution to Employees' Superannuation Fund	**3.90**	3.90

ii. Defined Benefit plan

A. Gratuity

The Group has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months (Maximum Limit – ₹20,00,000/-), based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC). This defined benefit plan expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability	**4.80**	9.65

(a) Funding

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

Expected contributions to gratuity plan for the year ending 31 March 2021 is ₹ 1.62 cr

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

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

	As at 31 March 2021			As at 31 March 2020		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	**80.18**	**70.54**	**9.65**	69.61	64.88	4.73
Current service cost	**4.96**	**-**	**4.96**	4.74	-	4.74
Past service cost including curtailment Gains/Losses	**-**	**-**	**-**	-	-	-
Interest cost (income)	**5.46**	**(4.84)**	**0.62**	5.31	(4.98)	0.33
	10.43	**(4.84)**	**5.59**	10.05	(4.98)	5.07
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions	**0.00**	**-**	**0.00**	(0.03)	-	(0.03)
- financial assumptions	**0.00**	**(0.66)**	**0.66**	3.23	-	3.23
- experience adjustment	**(2.93)**	**0.07**	**(3.00)**	2.36	-	2.36
- on plan assets	**-**	**(0.11)**	**(0.11)**	-	0.65	0.65
	(2.93)	**(0.70)**	**(2.45)**	5.56	0.65	6.21
Contributions paid by the employer	**-**	**7.98**	**(7.98)**	-	6.31	(6.31)
Benefits paid	**(6.50)**	**(6.50)**	**-**	(5.04)	(4.99)	(0.05)
	(6.50)	**1.49**	**(7.98)**	(5.04)	1.32	(6.36)
Balance at the end of the year	**81.18**	**77.56**	**4.80**	80.18	70.54	9.65

(c) Plan assets

	As at 31 March 2021	As at 31 March 2020
Investment with Life insurance Corporation	**100%**	100%

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

(d) Actuarial assumptions

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

	As at 31 March 2021	As at 31 March 2020
Discount rate	**6.69%**	6.69%
Future salary growth	**6.00%**	6.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2012-14)

(e) Sensitivity analysis of significant assumptions

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

	As at 31 March 2021		As at 31 March 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(1.19)**	**1.33**	(1.23)	1.31
Future salary growth (0.50% movement)	**1.33**	**(1.20)**	1.32	(1.26)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated

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

	As at 31 March 2021	As at 31 March 2020
0 to 1 Year	**3.75**	4.26
2 to 6 Year	**10.84**	14.95
6 Year onwards	**17.92**	11.40
Total	**45.51**	43.61

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 12.94 years (31 March 2020: 12.88 years).

(g) Discription of risk exposures

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

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

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

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

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

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

B. Post retirement medical benefit

IFCI is extending post-retirement medical benefits to the employees and eligible dependent family members after their retirement. As per the scheme, employees who are members of Voluntary Welfare Scheme (VWS) are eligible for reimbursement of medical expenses after retirement The benefits under the scheme are extended to the retired employees, his/her spouse and dependent children and entitlement for reimbursement, although within the ceilings and is based upon the Grade in which an employee retires, subject to the condition that spouse of the concerned employee is not availing of any medical benefits from his/her employer, if any. Reimbursement of the medical bills is made at the rates applicable to the employees at the center at which the employee resides after retirement as per the rates circulated by IFCI for its working employees time to time.

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

	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability	**29.92**	27.28

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

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

	Defined benefit obligation	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	**27.28**	9.73
Current service cost	**0.14**	0.18
Past service cost including curtailment Gains/Losses	**1.83**	16.38
	1.96	16.56

Remeasurements loss (gain)		
- Actuarial loss (gain) arising from:		
- demographic assumptions	**-**	-
- financial assumptions	**-**	1.22
- experience adjustment	**0.97**	0.28
	0.97	1.50
Benefits paid	**(0.30)**	(0.50)
	(0.30)	(0.50)
Balance at the end of the year	**29.92**	27.28

Expected contributions to the plan for the year ending 31 March 2021 is ₹0.36 crore.

(b) Plan assets

There were no plan assets with the Group w.r.t said post retirement medical benfit plan.

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to a restricted fund in order to manage the liability risk.

(c) Actuarial assumptions

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

	As at 31 March 2021	As at 31 March 2020
Discount rate	**6.69%**	6.69%
Future medical cost increase	**3.00%**	3.00%
Withdrawal rate:		
Up to 30 years	**1.00%**	1.00%
From 31 to 44 years	**1.00%**	1.00%
Above 44 years	**1.00%**	1.00%
Retirement Age (in year)	**60**	60
Mortality	**IALM (2012-14)**	IALM (2006-08)

(d) Sensitivity analysis of significant assumptions

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

	As at 31 March 2021		As at 31 March 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.90)**	**0.90**	(0.89)	0.88

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at 31 March 2021	As at 31 March 2020
0 to 1 Year	**2.41**	0.22
1 to 2 Year	**1.86**	0.17
2 to 3 Year	**1.86**	0.17
3 to 4 Year	**1.65**	0.15
4 to 5 Year	**1.76**	0.16
5 to 6 Year	**1.37**	0.13
6 Year onwards	**19.01**	1.73
Total	**29.92**	2.73

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 7.77 years (31 March 2020: 7.62 years).

(f) **Description of risk exposures**

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

Medical Cost Increase - increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.

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

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

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

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

C. **Provident Fund**

The Group has a defined benefit provident fund, governed by the IFCI Employees' Provident Fund Regulations. Monthly contributions to the Provident Fund is being charged against revenue. IFCI has been paying interest on the provident fund balance at the rate notified by the Employees' Provident Fund Organization (EPFO) for the relevant year. The Provident Fund is administered through duly constituted and approved administrators. The Committee of Administrators of IFCI Employees' Provident Fund has approved earmarking of specific investments against the PF liability in the current financial year. For the purpose, investments have been earmarked towards PF liability in line with the notification issued by Ministry of Labour & Employment notifying the pattern of investment for EPFO and EPF exempted establishments.

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

	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability/ (assets)	**(11.15)**	(12.76)

(a) **Funding**

During the Financial year 2018-19, the Company has earmarked some of its investments in government securities, mutual funds against Provident fund liability.

Expected contributions to provident fund plan for the year ending 31 March 2021 is ₹1.49 cr.

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

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

	As at 31 March 2021			As at 31 March 2020		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	**81.76**	**94.51**	**(12.76)**	75.96	77.79	(1.83)
Current service cost	**1.25**	**-**	**1.25**	6.33	6.33	-
Past service cost including curtailment Gains/Losses				1.27	-	1.27
Interest cost (income)	**5.85**	**-**	**5.85**	-	-	-
	7.10	**-**	**7.10**	7.60	6.33	1.27
Included in Other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions						
- financial assumptions	**-**	**-**	**-**	-	-	-
- experience adjustment	**1.13**		**1.13**	0.07	-	0.07
- on plan assets		**12.19**	**(12.19)**	0.11	1.78	(1.67)
	1.13	**12.19**	**(11.06)**	0.19	1.78	(1.60)
Contributions paid by the employer	**6.37**	**6.37**	**-**	5.41	5.41	-
Benefits paid	**(13.48)**	**(13.48)**	**-**	(7.40)	(7.40)	-
Employer contribution	**-**	**1.25**	**(1.25)**	-	1.27	(1.27)
Settlements/transfers	**-**	**(6.81)**	**6.81**	-	9.33	(9.33)
	(7.11)	**(12.68)**	**5.57**	(1.99)	8.61	(10.60)
Balance at the end of the year	**82.87**	**94.02**	**(11.15)**	81.76	94.51	(12.76)

(c) Plan assets

	As at 31 March 2021	As at 31 March 2020
Investment in government securities	**100%**	100%

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to a trust which in turn make invstements in order to manage the liability risk.

(d) Actuarial assumptions

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

	As at 31 March 2021	As at 31 March 2020
Discount rate	**6.69%**	6.69%
Expected statutory interest rate on the ledger balance	**8.50%**	8.50%
Expected year/Current short fall in interest earnings on the fund	**0.30%**	0.30%
Mortality	**IALM (2012-14)**	IALM (2012-14)
Disability	**None**	None
Withdrawal Rate (Age related)		
Up to 30 Years	**1.00%**	1.00%
Between 31 - 44 Years	**1.00%**	1.00%
Above 44 Years	**1.00%**	1.00%
Normal Retirement Age	**60**	60

(e) Sensitivity analysis of significant assumptions

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

	As at 31 March 2021		As at 31 March 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.50% movement)	**(0.06)**	**0.06**	(0.04)	0.04

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.
Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

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

	As at 31 March 2021	As at 31 March 2020
1 year	**13.01**	11.01
Between 2-5 years	**23.92**	28.79
Between 6-10 years	**17.62**	14.93
Over 10 years	**28.32**	27.02
Total	**82.87**	81.75

As at 31 March 2021, the weighted-average duration of the defined benefit obligation was 12.94 years (31 March 2020: 12.88 years).

(g) Description of risk exposures

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

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

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

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

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

iii. Other long-term employment benefits

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

	Year ended 31 March 2021	Year ended 31 March 2020
Amount recognised in Statement of Profit and Loss		
Leave encashment	**1.90**	5.15
Leave fair concession	**0.33**	7.13
Medical benefits	**2.49**	3.37

50 RELATED PARTY DISCLOSURE

i. Name of the related party and nature of relationship:-

Nature of Relationship	**Name of the Related Party**
Associates *	IFCI Social Foundation
	Management Development Institute
	Institute of Leadership Development
	Associates held for sale
	- Athena Chattisgarh Power Pvt. Ltd.
	- Gati Infrastructure Bhasmey Power Pvt. Ltd.
	- KITCO Ltd.
	- Nagai Power Pvt. Ltd.
	- Shiga Energy Private Ltd.
	- Vadraj Cements Ltd.
	- Vadraj Energy (Gujarat) Ltd.

* The accounts of Associates have not been consolidated in the Consolidated Financial Statements for the year ending March 31, 2021. However, the names of the Associates have been disclosed in the related party for meeting the Ind AS requirements.

Joint venture	IFCI Sycamore Capital Advisors Pvt. Ltd. (under voluntary liquidation).
Key Managerial Personnel*	Shri Manoj Mittal- Managing Director and Chief Executive Officer (w.e.f 12 June 2021)
	Dr. E S Rao - Managing Director and Chief Executive Officer (upto 17 Aug 2020)
	Shri. Sunil Kumar Bansal Deputy Managing Director (w.e.f 4 June 2020)
	Ms. Jhummi Mantri - Chief Financial Officer (w.e.f. 24 May 2018)
	Ms. Rupa Deb - Company Secretary (w.e.f 3 March 2008)
	Dr. Bhushan Kumar Sinha (w.e.f. 21 May 2018)
	Prof. N Balakrishnan (w.e.f. 30 October 2017)
	Prof. Arvind Sahay (w.e.f. 30 October 2017)
	Shri. Anand Madhukar (upto 15 December 2020)
	Shri MML Verma (w.e.f. 31 July 2020)
	Ms. Anindita Sinharay (w.e.f. 5 January 2021)
Entities under the control of same government	The Group is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Group has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements.

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

	Name of related party		**Nature of transaction**	**For the year ended 31 March 2021**	For the year ended 31 March 2020
A.	**Associates**				
	KITCO	(i)	Dividend Received	-	-
	IFCI Social Foundation Trust	(i)	Contribution for CSR activities	0.15	0.05

Name of related party		Nature of transaction	**For the year ended 31 March 2021**	For the year ended 31 March 2020
	(ii)	Salaries/other Estt. Exp. recovered/recoverable for employees deputed by IFCI	-	-
B. Entities under the control of same government				
CEGSSC, GOI	(i)	Agency Commission - Credit Guarantee Fund For SC/ST	0.17	0.13
Ministry Of Electronics & Information Technology, GOI	(i)	Commission - M Sips	3.67	3.53
	(ii)	Scheme Management Fees -PLI	5.00	-
	(iii)	Agency Fees SPECS	3.15	-
Ministry of Chemical & Fertilizer - Department of Pharmaceuticals, GOI	(i)	Scheme Management Fee-PLI-Bulk Drugs	1.50	-
	(ii)	Scheme Management Fee-PLI-Medical Devices	2.50	-
	(iii)	Scheme Management Fee-PLI-Bulk Drugs Parks	1.43	-
	(iv)	Scheme Management Fee-PLI-Medical Devices Parks	0.95	-
Ministry of Food Processing Industries, GOI	(i)	Monitoring Agency Fees	0.50	-
SDF, Ministry Of Consumer Affairs, Food & Public Distribution, GOI	(i)	Agency Commission - Sugar Development Fund	9.90	9.90
Steel Authority of India Ltd.	(i)	Advisory & Appraisal Fee received	0.04	0.05
Central Government	(i)	Interest Income on G Sec	47.11	46.62
State Bank Of India	(i)	Rental Income	0.02	0.02
Registrar Of Companies	(i)	Rental Income	2.60	2.58
ONGC Tripura Power Company Ltd.	(i)	Rental Income	2.61	2.60
Power System Operation Corporation Ltd.	(i)	Rental Income	7.13	7.65
SBI Life Insurance	(i)	Rental Income	0.15	-
United India Insurance	(i)	Rental Income	0.25	0.22
Canara Bank	(i)	Rental Income	0.36	0.36
C. Compensation of key managerial personnel				
Short-term employee benefits			3.19	2.60
Post-employment defined benefit			0.28	0.27
Compensated absences			0.31	0.20
Sitting fees			0.08	0.13
Termination Benefit			0.03	-

Terms & Conditions

All transactions with these related parties are priced on an arm's length basis.

51 LEASES

A. Lease as lessee

The leases typically run for a period of 11 months, with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

		Year ended 31 March 2021	Year ended 31 March 2020
i.	**Future minimum lease payments**		
	At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:		
	(a) Not later than one year	**0.29**	0.29
	(b) Later than one year but not later than five years	**-**	-
	(c) Later than five years	**-**	-
ii.	**Amounts recognised in profit or loss**	**4.07**	6.03

B. Lease as lessor

The Group leases out its buidling (classified as investment property) on operating lease basis. The leases typically run for a period of 11 months - 7 years , with an option to renew the lease after that period. Lease payments are renegotiated on regular intervals to reflect market rentals.

			Year ended 31 March 2021	Year ended 31 March 2020
i.	**Future minimum lease payments**			
	At year end, the future minimum lease payments to be made under non-cancellable operating leases are as follows:			
	(a)	Not later than one year	**47.57**	47.57
	(b)	Later than one year but not later than five years	**28.71**	28.71
	(c)	Later than five years	**19.46**	19.46
ii.	**Amounts recognised in profit or loss**		**38.60**	36.19

52 EARNINGS PER SHARE (EPS)

			Units	Year ended 31 March 2021	Year ended 31 March 2020
i	(a)	Profit Computation for Equity shareholders			
		Net profit as per Statement of Profit & Loss	₹ in crores	**(1,941.51)**	(230.44)
		Net profit for Equity Shareholders	₹ in crores	**(1,941.51)**	(230.44)
	(b)	Weighted Average Number of Equity Shares outstanding*	Nos	**1,895,993,092**	1,695,993,092
ii	(a)	Profit Computation for Equity shareholders (including potential shareholders)			
		Net profit as per Statement of Profit & Loss	₹ in crores	**(1,941.51)**	(230.44)
		Net profit for equity shareholders (including potential shareholders)	₹ in crores	**(1,941.51)**	(230.44)
	(b)	Weighted Average Number of Equity Shares outstanding*	Nos	**1,895,993,092**	1,695,993,092
		Earnings Per Share			
		(Weighted Average)			
		Basic	₹	**(10.24)**	(1.36)
		Diluted	₹	**(10.24)**	(1.36)

53 OPERATING SEGMENTS

The Board has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Group's operating segments are established in the manner consistent with the components of the Group that are evaluated regularly by the Chief Operating Decision Maker as defined in 'Ind AS 108 - Operating Segments.' The Group is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108.

a. Information about products and services:

The Group deals in only one product i.e. granted loans to corporate customers. Hence, no separate disclosure is required.

b. Information about geographical areas:

The entire sales of the Group are made to customers which are domiciled in India. Also, all the assets of the Group are located in India.

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

The Group does not earn revenues from the customers which amount to 10 per cent or more of Group's revenues.

54 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into transactions that result in the transfer of loans and advances given to customers. In accordance with the accounting policy set out in Note 2, the transferred financial assets continue to be recognised in their entirety or to the extent of the Group's continuing involvement, or are derecognised in their entirety.

The Group transfers financial assets that are not derecognised in their entirety are primarily through the sale of NPA loans to asset reconstruction companies (ARCs).

A. Transferred financial assets that are not derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

Sale of NPA loans to asset reconstruction companies (ARCs)' are transactions in which the Group sells loan and advances to an unconsolidated special vehicle and simultaneously purchases the majority portion of security receipts issued by said vehcle. The security receipts are collateralised by the loans purchased by the vehicle and hence the cash flow of the security receipts is dependent on the recovery of purchased loans.

The Group continues to recognise that part of the loans in their entirety against which security receipts have been subscribed by the Group because it retains substantially all of the risks and rewards of ownership w.r.t that part of the transferred loan. The part of loan transferred against which cash consideration is received is derecognised.

The following table sets out the carrying amounts and fair values of one financial asset transferred that is not derecognised in entirety and associated liabilities.

	Carrying amount		Fair value		
	Assets - Loans	**Liabilities - Borrowings**	Assets - Loans	Liabilities - Borrowings	Net position
Sale of NPA loans to asset reconstruction companies (ARCs)					
As at 31 March 2021	**74.95**	**-**	178.18	-	178.18
As at 31 March 2020	**90.77**	**-**	178.18	-	178.18

B. Transferred financial assets that are derecognised in their entirety

Sale of NPA loans to asset reconstruction companies (ARCs)

The Group has taken derecognition exemption and de-recognise the loans in their entirety against which security receipts have been subscribed by the Group. The Group has classified said invsetment in security receipts subsequently measured at fair value through profit and loss.

During the year the group has recognised a fair value gain/(loss) of ₹-193.26 crore (₹ -275.50 crore in 2019-20). The cumulative fair value gain/(loss) on the security receipts as on 31 March 2021 is ₹-7.01 crore (31 March 2020 - ₹-34.34 crore)

The following table sets out the details of the assets that represents the Group's continuing involvement with the transferred assets that are derecognised in their entirety.

	Carrying amount	Fair value	
	Assets - Investment in security receipts	Assets - Investment in security receipts	Liabilities
Sale of NPA loans to asset reconstruction companies (ARCs)			
As at 31 March 2021	**414.55**	414.55	-
As at 31 March 2020	**447.06**	447.06	-

The amount that best represents the Group's maximum exposure to loss from its continuing involvement in the form of security receipts issued by ARCs is their carrying amount.

55 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

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

	As at 31 March 2021		
Particluars	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	1,179.73
Bank balance other than above	-	-	1,340.71
Derivative financial instruments		-	-
Receivables	-	-	193.63
Loans	-	-	6,840.83
Investments	2,342.67	3,102.88	58.55
Other financial assets	-	-	1,538.06
	2,342.67	3,102.88	11,151.51
Financial liabilities:			
Derivative Financial Instrument	-	-	15.91
Trade payables	-	-	410.32
Other payables	-	-	211.10
Debt securities	-	-	7,370.99
Borrowings (other than debt securities)	-	-	2,356.95
Subordinated liabilities	-	-	1,313.30
Other financial liabilities	-	-	3,496.10
	-	-	15,174.67

	As at 31 March 2020		
Particluars	FVTPL	FVTOCI	Amortised cost
Financial assets:			
Cash and cash equivalents	-	-	1,527.72
Bank balance other than above	-	-	1,052.86
Derivative financial instruments	50.04	-	-
Receivables	-	-	192.67
Loans	-	-	10,767.31
Investments	1,119.00	2,771.17	72.38
Other financial assets	-	-	1,039.15
	1,169.04	2,771.17	14,652.09

Particluars	As at 31 March 2020 FVTPL	FVTOCI	Amortised cost
Financial liabilities:			
Derivative Financial Instrument	-	-	-
Trade payables	-	-	247.61
Other payables	-	-	192.50
Debt securities	-	-	7,973.93
Borrowings (other than debt securities)	-	-	3,279.11
Subordinated liabilities	-	-	1,313.30
Other financial liabilities	-	-	2,871.52
	-	-	15,877.96

B. Valuation framework

The respective operational department performs the valuation of financial assets and liabilities required for financial reporting purposes, either externally or internally for every quaterly reporting period. Specific controls for valuation includes verification of observable pricing, review of siginificant unobservable inputs and valuation adjustments.

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

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

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

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Fair value hierarchy

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

(a) recognised and measured at fair value and

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

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

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

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments				
Investments	1,404.29	961.87	3,137.94	5,504.10
	1,404.29	961.87	3,137.94	5,504.10
Financial liabilities:				
Derivative financial instruments	-	-	-	-
	-	-	-	-

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

As at 31 March 2021	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	6,840.83			6,840.83	6,840.83
	6,840.83	-	-	6,840.83	6,840.83
Financial liabilities:					
Debt securities	7,370.99			7,370.99	7,370.99
Borrowings (other than debt securities)	2,356.95		2,356.95		2,356.95
Subordinated liabilities	1,313.30			1,313.30	1,313.30
	11,041.24	-	2,356.95	8,684.29	11,041.24

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

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Derivative financial instruments		50.04		50.04
Investments	475.77	1,011.55	2,475.23	3,962.55
	475.77	1,061.59	2,475.23	4,012.59
Financial liabilities:				
Derivative financial instruments				-
	-	-	-	-

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

As at 31 March 2020	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	10,767.31			10,767.31	10,767.31
	10,767.31	-	-	10,767.31	10,767.31
Financial liabilities:					
Debt securities	7,973.93			7,973.93	7,973.93
Borrowings (other than debt securities)	3,279.11		3,279.11		3,279.11
Subordinated liabilities	1,313.30			1,313.30	1,313.30
	12,566.34	-	3,279.11	9,287.23	12,566.34

Financial instruments valued at carrying value

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

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input
Unquoted equity securities	Net asset value/Company comparable method/Discounted cash flow	Weighted average cost of capital/ Discount rate
Preference shares	Net asset value/Company comparable method/Discounted cash flow	Weighted average cost of capital/ Discount rate
Loans	Discounted cash flow	Future cash flows, discount rates
Debt securities	Discounted cash flow	Future cash flows, discount rates
Borrowings (other than debt securities)	Discounted cash flow	Future cash flows, discount rates
Subordinated liabilities	Discounted cash flow	Future cash flows, discount rates

ii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Investment in preference shares	Equity shares at fair value through other comprehensive income	Investment in unquoted equity instrument
Balance as at 31 March 2020	27.46	-	2,447.77
Total gain or losses:	-	-	-
- in profit or loss	48.37	-	743.20
- in OCI	-	-	-
Purchases	-	-	-
Settlement	(70.96)	-	(57.91)
Transfers into Level 3	-	-	-
Balance as at 31 March 2021	4.87	-	3,133.07

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Investment in preference shares	Equity shares at fair value through other comprehensive income	Investment in unquoted equity instrument
Total gain or losses recognised in profit or loss :			
- Net fair value change from financial instruments carried at fair value	48.37	-	743.20
Other revenue			
Total gain or losses recognised in OCI :			
- Fair value reserve (equity instruments) - net change in fair value	-	-	-
Profit or loss - attributable to the change in unrealised gain and losses relating to assets and liabilities held at the end of the year:			
- Net fair value change from financial instruments carried at fair value	119.33	-	801.11

Particulars	Investment in preference shares	Investment in unquoted equity instrument
Balance as at 31 March 2019	32.46	3,540.79
Total gain or losses:		-
- in profit or loss	(18.24)	(1,950.70)
- in OCI		
Purchases	-	857.68
Settlement	13.24	
Balance as at 31 March 2020	27.46	2,447.77

Total gain or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows :

Particulars	Investment in preference shares	Investment in unquoted equity instrument
Total gain or losses recognised in profit or loss :		
- Net fair value change from financial instruments carried at fair value	(18.24)	(1,950.70)
Other revenue		
Total gain or losses recognised in OCI :		
- Net fair value change from financial instruments carried at fair value	(31.48)	(17.02)

56 FINANCIAL RISK MANAGEMENT

The group's activities are primarily subjected to credit risk, market risk and operational risk for managing risk management committee exsists. The function of the committee is to identify, monitor, manage and mitigate these risks. The group also makes sure that it adheres to internal policies and procedures, complies with the regulatory guidelines and maintains sufficient loan documentation.

With regards to its lending activity, the group has established various limits and restrictions to manage the risks. There are various reports which are prepared and presented to senior management by the risk management committee at regular intervals and on ad-hoc basis which helps in risk monitoring. The group has also set-up procedures to mitigate the risks in case of any breach.

A. Risk management framework

The group's Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. The board of directors have established the Risk Management and Asset Liability Management Committee of the Directors (RALMCD) which is responsible for developing and monitoring the group's integrated risk management policies. The RALMCD is assisted in its oversight role by the Risk and Asset Liability Management Committee of Executives (RALMCE). The Integrated Risk Management Department undertakes regular reviews of risk management controls and procedures, the results of which are reported to the RALMCE on monthly basis..

B. Credit risk

Credit risk arises from loans and advances, cash and cash equivalents, investment in debt securties and deposits with banks and financial institutions and any other financial assets.

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's loans and advances to customers, trade receivables from customers; loans and investments in debt securities.

a) Credit risk management

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer/obligor. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry, business specific risk, management risk, transition specific risk and project related risks.

A financial asset is considered 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as default
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of the active market for that financial asset because of financial difficulties
- Purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes minimum finalised internal rating, external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Credit limits have been established for each customer and reviewed periodically and modifications are done, as and when required. Any loan exceeding prescribed limits require approval from the respective competent authority.

b) Probablity of defalut (PD)

The Probability of Default (PD) defines the probability that the borrower will default on its obligations in the future. Ind AS 109 requires the use of separate PD for a 12 month duration and lifetime duration based on the stage allocation of the borrower. A PD used for Ind AS 109 should reflect the institution's view of the future and should be unbiased (i.e. it should not include any conservatism or optimism).

To arrive at historical probability of default, transition matrix approach has been applied using IFCI internal obligor ratings.

c) Definition of default

Default has not been defined under Ind AS. An entity shall apply a default definition that is consistent with the definition used for internal credit risk management purposes and consider qualitative indicators when appropriate. A loan is considered as defaulted and therefore Stage-3 (credit impaired) for ECL calculations in the following cases:

- On deterioration of the IFCI internal combined ratings of the borrower to CR-9 or CR-10 (Comparison to be done between origination rating and current rating).
- On asset being classified as NPA as per RBI prudential norms
- On restructuring of assets with impairment in loan value
- On asset being more than 90 days past dues

d) Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments which is subject to the impairment calculation.

e) Loss given default (LGD)

LGD is an estimate of the loss from the transaction given that a default occurs. The LGD component of ECL is independent of deterioration of asset quality, and thus applied uniformly across various stages. With respect to loan portfolio, NPA accounts which have originated in past 7 years and have been closed, along with NPA accounts ageing more than 5 years (assumed as closed), have been considered for LGD computation.

f) Significant increase in credit risk

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, an entity shall use the change in the risk of the default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make that assessment, an entity shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

For the assessment of the SICR for the loans and advances, the following conditions have been considered:

- Deterioration of the IFCI internal combined ratings of the borrowers by 3 rating grades. (Comparison to be done between origination rating and current rating).
- Deterioration of the ratings of the borrowers from the investment grade to the sub-investment grade.
- On restructuring of assets without impairment in loan value
- On asset overdue beyond 60 days past dues

g) Provision for expected credit losses

The following tables sets out information about the overdue status of loans and advances, loan commitments, financial guarantees, trades receivables and other financial assets to customers in Stages 1, 2 and 3.

	As at 31 March 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	**658.11**	**414.96**	**-**	**-**	**1,073.06**
Grade 7-8 : higher risk	**-**	**738.73**	**-**	**-**	**738.73**
Grade 9-10 : Loss	**-**	**-**	**7,912.97**	**-**	**7,912.97**
Others	**188.63**	**50.17**	**555.51**	**-**	**794.31**
	846.74	**1,203.86**	**8,468.48**	**-**	**10,519.07**
Loss allowance	**(12.13)**	**(217.51)**	**(5,154.98)**	**-**	**(5,384.62)**
Carrying value	**834.60**	**986.36**	**3,313.50**	**-**	**5,134.45**

	As at 31 March 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost-Greenfield					
Rating -1 to 6	**233.72**	-	-	-	**233.72**
Rating - 7 to 8	**554.70**	-	-	-	**554.70**
Rating - 9 to 10	-	-	**2,190.09**	-	**2,190.09**
	788.42	-	**2,190.09**	-	**2,978.51**
Loss allowance	**(10.86)**	-	**(1,261.27)**	-	**(1,272.13)**
Carrying value	**777.56**	-	**928.82**	-	**1,706.38**

Trade receivables at amortised cost	Lifetime	Credit Imparied	Total
Less than 6 months	54.10	-	54.10
More than 6 months less than 1 year	0.87	0.04	0.91
More than 1 year less than 2years	1.31	0.06	1.37
More Than 2 years less than 3 years	1.03	0.05	1.08
Above 3 years	-	1.26	1.26
Others	136.31	43.35	179.67
	193.62	44.76	238.39
Loss allowance	-	-44.76	-44.76
Carrying value	193.62	(0.00)	193.62

Other financial assets at amortised cost	Lifetime	Credit Imparied	Total
Less than 6 months	139.11	-	139.11
More than 6 months less than 1 year	0.00	-	0.00
More than 1 year less than 2years	0.39	-	0.39
More Than 2 years less than 3 years	0.00	-	0.00
Above 3 years	-	79.55	79.55
Others	896.51	502.05	1,398.56
	1,036.01	581.60	1,617.61
Loss allowance	-	(79.55)	(79.55)
Carrying value	1,036.01	502.05	1,538.07

Investment in debt securities at FVTOCI

	Stage-1	**Stage-2**	**Stage-3**	**Total**
BBB - to AAA	568.93	-	-	568.93
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	98.72	98.72
	568.93	-	98.72	667.65
Loss allowance	(0.09)	-	(50.02)	(50.12)
Amortised cost	568.84	-	48.70	617.53
Fair value	581.04	-	39.60	620.64

	As at 31 March 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loan commitments & Financial Guarantee Contracts-Greenfield					
Grade 1-6 : Low-fair risk	5.71	-	-	-	5.71
Grade 7-8 : higher risk	10.52	-	-	-	10.52
Grade 9-10 : Loss	8.91	-	-	-	8.91
	25.14	-	-	-	25.14
Loss allowance	(5.35)	-	-	-	(5.35)
Carrying value	19.78	-	-	-	19.78
Loan commitments & Financial Guarantee Contracts-Others					
Grade 1-6 : Low-fair risk	51.14	-	-	-	51.14
Grade 7-8 : higher risk	64.91	-	-	-	64.91
Grade 9-10 : Loss	45.81	-	-	-	45.81
	161.86	-	-	-	161.86
Loss allowance	(27.92)				(27.92)
Carrying value	133.95	-	-	-	133.95

	As at 31 March 2020				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances at amortised cost					
Grade 1-6 : Low-fair risk	2,406.09	139.86	-	-	2,545.95
Grade 7-8 : Higher risk	-	910.79	-	-	910.79
Grade 9-10 : Loss	-	-	9,798.04	-	9,798.04
Others	131.67	74.86	689.26	-	895.79
	2,537.76	1,125.51	10,487.29	-	14,150.57
Loss allowance	(191.04)	(218.38)	(5,147.41)	-	(5,556.83)
Carrying value	2,346.72	907.13	5,339.88	-	8,593.74

	As at 31 March 2020				
Loan commitments-Greenfield	Stage 1	Stage 2	Stage 3	POCI	Total
Rating -1 to 6	331.14	-	-	-	331.14
Rating - 7 to 8	526.06	444.11	-	-	970.17
Rating - 9 to 10	-	-	2,087.83	-	2,087.83
	857.20	444.11	2,087.83	-	3,389.13
Loss allowance	(64.77)	(126.71)	(1,024.08)	-	(1,215.55)
Carrying value	792.43	317.40	1,063.75	-	2,173.58

Trade receivables at amortised cost	Lifetime	Credit Imparied	Total
Less than 6 months	73.91	-	73.91
More than 6 months less than 1 year	1.73	-	1.73
More than 1 year less than 2 years	1.81	-	1.81
More Than 2 years less than 3 years	1.18	-	1.18
Above 3 years	-	0.08	0.08
Others	115.36	37.33	152.69
	193.99	37.41	231.40
Loss allowance	(1.32)	(37.41)	(38.73)
Carrying value	192.67	-	192.67

Other financial assets at amortised cost	Lifetime	Credit Imparied	Total
Less than 6 months	143.76	-	143.76
More than 6 months less than 1 year	0.01	-	0.01
More than 1 year less than 2years	0.00	-	0.00
More Than 2 years less than 3 years	1.07	-	1.07
Above 3 years	-	52.02	52.02
Others	673.79	241.98	915.77
	818.63	294.00	1,112.63
Loss allowance	(12.16)	(61.32)	(73.48)
Carrying value	806.47	232.68	1,039.15

Investment in debt securities at FVTOCI	Stage 1	Stage 2	Stage 3	Total
BBB - to AAA	780.13	-	-	780.13
BB- to BB+	-	-	-	-
B- to B+	-	-	-	-
C to CCC+	-	-	-	-
D	-	-	98.72	98.72
	780.13	-	98.72	878.85
Loss allowance	(0.19)	-	(46.97)	(47.16)
Amortised cost	779.94	-	51.75	831.68
Fair value	814.18	-	21.41	835.59

	As at 31 March 2020				
Loan commitments-Greenfield	Stage 1	Stage 2	Stage 3	POCI	Total
Rating -1 to 6: Low-fair risk	46.69	-	-	-	46.69
Rating - 7 to 8: Higher risk	52.33	-	-	-	52.33
Rating - 9 to 10: Loss	-	-	-	-	-
	99.01	-	-	-	99.01
Loss allowance	(8.28)				(8.28)
Carrying value	90.73	-	-	-	90.73
Loan commitments & Financial Guarantee Contracts-Others					
Rating -1 to 6: Low-fair risk	222.68	-	-	-	222.68
Rating - 7 to 8 Higher risk	142.16	-	-	-	142.16
Rating - 9 to 10 Loss	83.90	-	-	-	83.90
	448.74	-	-	-	448.74
Loss allowance	(64.37)	-	-		(64.37)
Carrying value	384.37	-	-	-	384.37

h) Movements in the allowance for impairment in respect of loans, Investment in debt securities, trade receivables and other financial assets

The movement in the allowance for impairment in respect of asset on finance, trade receivables and other financial assets is as follows:

Loans and advances at amortised cost

		Loss allowance measured at life-time		
Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2019	369.49	158.99	6,773.84	7,302.31
Transfer to Stage 1	6.60	(6.60)	-	-
Transfer to Stage 2	(19.44)	19.44	-	-
Transfer to Stage 3	(13.10)	(42.06)	55.16	-
Net remeasurement of loss allowance	(37.62)	121.30	(3,761.35)	(3,677.67)
New financial assets originated or purchased	17.66	17.11	10.16	44.93
Financial assets that have been derecognised	(68.53)	(29.84)	(167.42)	(265.78)
Write offs	-	-	2,217.40	2,217.40
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2020	255.07	238.34	5,127.79	5,621.19
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(41.89)	41.89	-	-
Transfer to Stage 3	(6.17)	(69.48)	75.65	-
Net remeasurement of loss allowance	(151.46)	22.25	(1,448.00)	(1,577.21)
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(15.49)	(15.49)	(24.53)	(55.51)
Write offs	-	-	1,424.07	1,424.07
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2019	40.05	217.51	5,154.98	5,412.54

Loans and advances at amortised cost- Greenfield

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and not credit-impaired	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2019	68.63	83.21	1,311.16	1,463.00
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(6.52)	52.35	(45.83)	-
Transfer to Stage 3	-	(59.41)	59.41	-
Net remeasurement of loss allowance	29.92	53.93	(199.99)	(116.14)
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(18.97)	(3.38)	(100.67)	(123.02)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2018	73.05	126.71	1,024.08	1,223.84
Transfer to Stage 1	0.87	(0.87)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	(37.87)	37.87	-
Net remeasurement of loss allowance	(44.11)	-17.99	199.32	137.22
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(13.60)	(69.98)	-	(83.58)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2019	16.21	0.00	1,261.27	1,277.48

Investment in Debt securities at FVTOCI

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and not credit-impaired	Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and credit-impaired	Total
Loss allowance on 1 April 2019	0.08	-	-	0.08
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(0.01)	-	-	(0.014)
Net remeasurement of loss allowance	-	-	-	-
New financial assets originated or purchased	0.18	–	46.97	47.15
Financial assets that have been derecognised	(0.06)	-	-	(0.06)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2020	0.19	–	46.97	47.16
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(0.10)	–	3.05	2.95
New financial assets originated or purchased	0.01	-	-	0.01
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters	-	-	-	-
Loss allowance on 31 March 2021	0.09	–	50.02	50.12

i) Collateral held and other credit enhancements

Collateral securing each individual loan may not be adequate in relation to the value of the loan. All borrowers must meet the Company's internal credit assessment procedures, regardless of whether the loan is secured. In addition to the collateral stated above, the Company holds other types of collateral such as second charges and floating charges for which specific values are generally not available. The company has internal policised on the accepatability of specific classes of collateral or credit risk mitigation.The prinicipal collateral types for loans and advances are:

1. Mortgage of Immovable properties
2. Hypothecation of Movable property
3. Bank and Government Guarantees
4. Pledge of instruments through which promoter's contribution is infused in the project
5. Pledge of Promoter Shareholding
6. Corporate and Personal Guarantees of Promoters

k) Modified / Restructured loans

When the Group grants concession, for economic or legal reasons related to a borrower's financial difficulties, for other than an insignificant period of time, the related loan is classified as a Troubled Debt Restructuring (TDR). Concessions could include a reduction in the interest rate below current market rates, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. Loans, for which the terms have been modified, and for which the borrower is experiencing financial difficulties, are considered TDRs

From a risk management point of view, once an asset is forborne or modified, the Group's special department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of the existing agreement are modified such that the renegotiated loan is a substantially different instrument.

Where the renegotiation of such loans are not derecognised, impairment continues to be assessed for significant increases in credit risk compared to the initial origination credit risk rating.

There were no modified assets which were forborne during the period and accordingly no loss were suffered by the Group.

l) Governance Framework

As required by the RBI Notification no. "DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020, where provision requirement as per extant RBI norms is higher than ECL as computed under IndAS, the provision as per RBI norms shall be adopted, on portfolio basis. Further, in accordance with RBI Guidelines, where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), the difference shall be appropriated from the net profit or loss after tax to a separate 'Impairment Reserve'.

C. Liquidity risk

Liquidity risk is the potential inability to meet the institution's liabilities as they become due. From Group perspective, it basically originates from the mismatches in the maturity pattern of assets and liabilities. Analysis of liquidity risk involves the measurement of not only the liquidity position of the institution on an ongoing basis but also examining how funding requirements are likely to be affected under severe but plausible scenarios. Net funding requirements are determined by analysing the institution's future cash flows based on assumptions of the future behaviour of assets and liabilities that are classified into specified time buckets, utilizing the maturity ladder approach and then calculating the cumulative net flows over the time frame for liquidity assessment

For the present, for measuring and managing net funding requirements, the use of maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is being utilized as a standard tool.

The ALM format prescribed by RBI in this regard is being utilized for measuring cash flow mismatches in different time bands. The cash flows are placed in different time bands based on projected future behaviour of assets, liabilities and off-balance sheet items. Apart from the above cash flows, the institution would also track the impact of prepayments of loans, premature closure of liabilities and exercise of options built in certain instruments which offer put/call options after specified times. Thus, cash outflows can be ranked by the date on which liabilities fall due, the earliest date a liability holder could exercise an early repayment option or the earliest date contingencies could be crystallized.

The Group has initiated an exercise to identify its High Quality Liquid Investments and compute Liquidity Coverage Ratio.

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

- ₹ 194.00 crore overdraft facility that is secured. Interest would be payable between 7.75 percent and 8.21 percent.
- ₹ 130 crore facility that is unsecured and can be drawn down to meet short-term financing needs. Interest would be payable at a rate of 9.57 percent (weighted average rate).

Exposure to liquidity risk

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

As at 31 March 2021	Carrying amount	Contractual cash flows: Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Borrowings	2,356.95	2,111.64	716.22	519.12	876.30	-	-
Debt securities issued	7,370.99	7,356.54	571.60	2,402.74	(158.22)	1,850.69	2,689.73
Subordinated liabilities	1,313.30	1,313.30	-	-	662.27	-	651.04
Derivative financial assets							
Forwards and spots	(15.91)	(15.91)	(15.91)	-	-	-	-
Non-derivative financial assets							
Loans and advances	6,840.83	10,943.69	488.51	405.48	985.64	361.67	8,702.39
Investment securities	5,504.10	5,844.49	1,559.03	407.37	89.16	31.19	3,757.74

As at 31 March 2020	Carrying amount	Contractual cash flows: Gross nominal inflow/ (outflow)	6 month or less	6-12 months	1-3 years	3-5 years	More than 5 years
Non - derivative financial liabilities							
Borrowings	3,279.11	3,129.91	624.50	1,007.68	1,294.11	203.62	-
Debt securities issued	7,973.93	7,874.04	337.39	476.39	2,545.76	1,623.59	2,890.91
Subordinated liabilities	1,313.30	1,313.30	-	-	662.27	-	651.04
Derivative financial assets							
Forwards and spots	50.04	50.04	50.04	-	-	-	-
Non-derivative financial assets							
Loans and advances	10,767.31	13,495.55	1,156.36	644.07	1,611.43	619.37	9,464.33
Investment securities	3,962.55	5,161.95	325.51	18.28	677.28	157.07	3,983.80

Contractual cash flows	As at 31 March 2021	As at 31 March 2020
Other financial assets		
- within 12 months	1,280.21	744.23
- after 12 months	599.54	431.02
Gross nominal inflow/(outflow)	1,879.75	1,175.25
Other financial liabilities		
- within 12 months	1,955.81	1,357.36
- after 12 months	1,175.58	1,257.94
Gross nominal inflow/(outflow)	(3,131.39)	(2,615.29)

The inflows/(outflows) disclosed in the above table represents contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contract maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross settlement.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

	On demand	6 month or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
As at 31 March 2021							
Other undrawn commitments to lend	204.83	-	-	-	-	-	204.83
As at 31 March 2020							
Other undrawn commitments to lend	838.73	-	-	-	-	-	838.73

D. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses.All such transactions are carried out within the guidelines set by the Risk Management Committee.

a. Market risk - trading portfolios

Objectives and limitations of the VaR methodology

The Group uses simulation models to assess possible changes in the market value of the trading portfolio based on historical data from the past five years. The VaR models are designed to measure market risk in a normal market environment. The models assume that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution. The distribution is calculated by using exponentially weighted historical data. Due to the fact that VaR relies heavily on historical data to provide information and does not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the normal distribution assumption.

VaR may also be under– or over–estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99% confidence level.

In practice, the actual trading results will differ from the VaR calculation. In particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation.

VaR assumptions

The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current market risk positions were to be held unchanged for one day. The use of a 99% confidence level means that, within a one-day horizon, losses exceeding the VaR figure should occur, on average under normal market conditions, not more than once every hundred days.

Since VaR is an integral part of the Group's market risk management, VaR limits have been established for all trading operations and exposures are required to be reviewed daily against the limits by management.

b. Market risk - Non-trading portfolios

(i) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings are denominated and the respective functional currencies of Group. The functional currency for the Group is INR. The currency in which these transactions are primarily denominated is EURO.

Currency risks related to the principal amounts of the Group's EURO bank loans, have been fully hedged using forward contracts that mature on the same dates as the loans are due for repayment.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group – primarily INR. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows:

Particulars	31 March 2021		31 March 2020	
	INR	EURO	INR	EURO
Borrowings	409.83	4.78	424.84	5.13
Net exposure in respect of recognised assets and liabilities	409.83	4.78	424.84	5.13

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR and EURO against all currencies at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2021	40.98	(40.98)	26.66	(26.66)
EURO (10% movement)				
31 March 2020	42.48	(42.48)	27.64	(27.64)
EURO (10% movement)				

(ii) Interest rate risk

The Group makes attempts to minimize the gap between floating rate liabilities and floating rate assets, in order to minimize interest rate risk. This is achieved by way of borrowings at a floating rate and lending at rates linked to Group benchmark rate, which in turn is linked to, among others, its cost of borrowings. Further, analysis of impact of change in market rates of interest is carried out on a periodic basis, to undertsand impact on Net Interest Income of Group and Market Value of Equity of Group. In line with extant regulatory guidelines, Interest rate Sensitivity statement is prepared on a monthly basis and anlysed to understand gaps in various time buckets.

Exposure to interest rate risk

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

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	361.12	538.60
Financial liabilities	8,704.39	9,285.14
Variable rate instruments		
Financial assets	6,479.71	10,767.31
Financial liabilities	2,336.84	3,281.20

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have no impact in statement of profit and loss. This would have an impact on the fair value at the reporting dates This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2021				
Variable rate instruments	23.37	(23.37)	15.20	(15.20)
Cash flow sensitivity (net)				
31 March 2020				
Variable rate instruments	32.81	(32.81)	21.35	(21.35)
Cash flow sensitivity (net)				

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities declines as a result of changes in the level of equity indices and market price of individual stocks. The non–trading equity price risk exposure arises from equity securities classified at Fair Value. The equity price risk same is more applicable to securities held for the purpose of trading. As the Group focuses on long term investments and curent investments are kept low (investments held for tradng purposes), Group may not be exposed to significant equity price risk.

57 INTEREST IN OTHER ENTITIES

a) Interest in subsidiaries

i. The group's subsidiaries at 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	
Direct subsidiaries						
IFCI Venture Capital funds Ltd (IVCF)	India	98.59%	98.59%	1.41%	1.41%	Promoting enterpreneurship by providing instituional support
IFCI Infrastructure Development Ltd (IIDL)	India	100.00%	100.00%	0.00%	0.00%	Infrastructure and real estate sector
IFCI Factors Ltd (IFL)	India	99.90%	99.90%	0.10%	0.10%	Factoring services, allied products, general purpose loan
IFCI Financial Services Ltd (IFIN)	India	94.78%	94.78%	5.22%	5.22%	Merchant banking business
Stock Holding Corporation of India Ltd (SHCIL)	India	52.86%	52.86%	47.14%	47.14%	Custodian and depository participant
MPCON Ltd	India	79.72%	79.72%	20.28%	20.28%	Consultancy services
Step down subsidiaries						
Subsidiary of IFIN						
IFIN Commodities Limited - Wholly owned subsidiary of IFIN	India	94.78%	94.78%	5.22%	5.22%	Exchanged based Commodity Trading
IFIN Credit Limited - Wholly owned subsidiary of IFIN	India	94.78%	94.78%	5.22%	5.22%	No business activity
IFIN Securities Finance Limited - Wholly owned subsidiary of IFIN	India	94.78%	94.78%	5.22%	5.22%	Marging funding,loan against shares and property and promoter funding

Name of entity	Country of incorporation	Ownership held by the group		Ownership interest held by non-controlling interests		Principle activities
		31 March 2021	31 March 2020	31 March 2021	31 March 2020	
Subsidiary of IIDL						
IIDL Realtors Pvt. Limited - Wholly owned subsidiary of IIDL.	India	100.00%	100.00%	0.00%	0.00%	Real Estate
Subsidiary of SHCIL						
SHCIL Services Limited - wholly owned subsidiary of SHCIL	India	52.86%	52.86%	47.14%	47.14%	Broking Advisory Services
Stockholding Document Management Services Ltd- Wholly owned subsidiary of SHCIL	India	52.86%	52.86%	47.14%	47.14%	Physical Custody Services,digitization and sale of software, product and services.
Stockhoding Securities IFSC Ltd. - wholly owned subsidiary of SHCIL	India	52.86%	52.86%	47.14%	47.14%	Services Solutions to investors at IFSC, Gift City, Gandhinagar

ii. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	Stock Holding Corporation of India Ltd (Consolidated)		MPCON Ltd	
	As at 31 March 2021	As at 31 March 2020	**As at 31 March 2021**	As at 31 March 2020
Current Assets	**2,126.12)**	1,342.42	**7.57**	11.28
Current liabilities	**2,138.13**	1,325.20	**11.12**	16.09
Net current assets	**(12.01)**	(17.22)	**(3.55)**	(4.81)
Non current assets	**3,365.77**	2,766.73	**10.92**	11.43
Non current liabilities	**640.10**	512.94	**0.01**	0.04
Net non current assets	**2,725.67**	2,253.79	**10.91**	11.39
Net Assets	**2,713.65**	2,271.01	**7.36**	6.58

Summarised statement of profit and loss

Particulars	Stock Holding Corporation of India Ltd (Consolidated)		MPCON Ltd	
	For the year ended 31 March 2021	For the year ended 31 March 2020	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Revenue from operation	**452.38**	376.45	**70.94**	55.68
Profit for the year	**63.20**	15.44	**0.98**	0.31
Other Comprehensive income	**393.92**	(75.92)	**(0.03)**	(0.01)
Total Comprehensive income	**457.12**	(60.48)	**0.95**	0.30
Total Comprehensive income attributable to non controlling interest	**215.49**	(28.51)	**0.19**	0.06

b) Interest in associates and joint venture

i. Set out below are the associates and joint ventures of the group as at 31 March 2021 which, in the opinion of the directors, are material to the group.

Name of entity	Place of business	% of ownership	Relationship	Principle activities	Accounting	As at 31 March 2021		As at 31 March 2020	
						Carrying value	**Fair value (if quoted)**	Carrying value	Fair value (if quoted)
Management Development Institute	India	Nil	Associate	Training facilities for managerial development	Equity accounting	**Nil**	**Unquoted**	Nil	Unqouted
Institute of Leadership Document	India	Nil	Associate	Providing skill development	Equity accounting	**Nil**	**Unqouted**	Nil	Unqouted
IFCI Social Foundation	India	Nil	Associate	Trust under income tax act for CSR activities	Equity accounting	**Nil**	**Unquoted**	Nil	Unqouted

The tables below provide summarized financial information of associate companies of the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate companies and not the group's share of those amounts.

The summarised financial information for the below associates is not available for FY 2020-21. However, information for FY 2019-20 and FY 2018-19 are available with the management and has been represented below.

Particulars	Management Development Institute		Institute of Leadership Development		IFCI Social Foundation	
	As at 31 March 2020	As at 31 March 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Liabilities						
Corpus Fund	16.74	16.54	1.25	1.25	0.11	0.11
Surplus Fund	112.45	103.82	(5.92)	(5.30)	-	-
Earmarked Funds	287.60	256.60	-	-	-	-
General fund	-	-	-	-	2.92	3.27
Special fund u/s 11(2) of Income Tax	-	-	-	-	0.20	1.80
Campus and fixed assets fund	3.10	3.25	12.12	12.41	-	-
Gratuity Reserve Fund	11.77	9.96	-	-	-	-
Cumulative leave fund	16.38	13.82	-	-	-	-
Other funds	4.95	4.44	-	-	-	-
Current liabilities and provisions	54.90	28.35	0.94	1.00	0.02	0.01
	507.89	436.78	8.39	9.36	3.25	5.19
Assets						
Assets funded by grants from IFCI and other agencies	3.08	3.23	-	-	-	-
Assets other than those funded from grants	181.97	159.07	-	-	-	-
Investments	254.65	234.69	3.54	4.19	3.14	4.45
Non- Current Assets	-	-	3.38	3.09	-	-
Current assets, loans and advances	68.19	39.79	1.47	2.08	0.11	0.74
MDI-Murshidabad	-	-	-	-	-	-
	507.89	436.78	8.39	9.36	3.25	5.19

Statement of profit and loss

Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Revenue	160.00	157.89	1.93	3.75	1.80	5.60
Profit after tax	39.62	56.09	(0.63)	(0.01)	(0.35)	0.15
Other Comprehensive income	-	-	-	-	-	-
Total Comprehensive income	39.62	56.09	(0.63)	(0.01)	(0.35)	0.15
Dividends received	-	-	-	-	-	-

c) **List of associates / joint venture not consolidated**

Entity	Reason for non-consolidation
Associates	
Athena Chattisgarh Power Pvt. Ltd.	Investment classified as asset held for sale
Gati Infrastructure Bhasmey Power Pvt. Ltd.	Investment classified as asset held for sale
KITCO Ltd.	Investment classified as asset held for sale
Nagai Power Pvt. Ltd.	Investment classified as asset held for sale
Shiga Energy Private Ltd.	Investment classified as asset held for sale
Vadraj Cements Ltd.	Investment classified as asset held for sale
ABG Energy (Gujarat) Ltd.	Investment classified as asset held for sale
Joint ventures	
IFCI Sycamore Capital Advisors Pvt. Ltd.	Under voluntary liquidation

d) **Additional disclosure under Schedule III of Companies Act 2013.**

Particulars	Net Assets		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	% of Consolidated Net Assets	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)
Parent Company								
IFCI Ltd								
31-Mar-21	47.21%	2372.10	102.42%	(1,957.81)	5.32%	22.13	129.44%	(1,935.68)
31-Mar-20	64.92%	4,107.77	124.49%	(277.88)	34.18%	(39.65)	93.61%	(317.53)
Subsidiary Company (Indian)								
IFCI Venture Capital Funds Ltd.								
31-Mar-21	3.37%	169.57	-0.13%	2.47	0.03%	0.11	-0.17%	2.58
31-Mar-20	2.64%	166.99	-0.27%	0.60	0.11%	(0.12)	-0.14%	0.48
IFCI Factors Ltd								
31-Mar-21	2.31	116.22	0.51%	(9.80)	-0.04%	(0.17)	0.67%	(9.98)
31-Mar-20	1.99%	126.20	2.41%	(5.38)	0.30%	(0.35)	1.69%	(5.73)

Particulars	Net Assets		Share in Profit or Loss		Share in other comprehensive income		Share in total comprehensive income	
	% of Consolidated Net Assets	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)	% of Consolidated profit or loss	Amount (in crore)
MPCON Ltd								
31-Mar-21	0.15%	7.36	-0.05%	0.98	-0.01%	(0.03)	-0.06%	0.95
31-Mar-20	0.10%	6.58	-0.14%	0.31	0.01%	(0.01)	-0.09%	0.30
IFCI Infrastructure Development Ltd. (including step down subsidiary)								
31-Mar-21	10.05%	505.01	-0.27%	5.12	0.03%	0.11	-0.35%	5.23
31-Mar-20	8.14%	514.74	-1.53%	3.41	-0.04%	0.04	-1.02%	3.46
Stock Holding Corporation of India Ltd. (including step down subsidiary)								
31-Mar-21	54.01%	2,713.64	-3.31%	63.20	94.64%	393.92	-30.57%	457.12
31-Mar-20	35.89%	2,270.99	-6.92%	15.44	65.45%	(75.92)	17.83%	(60.49)
IFCI Financial Services Ltd. (including step down-subsidiary)								
31-Mar-21	1.32%	66.08	0.09%	(1.68)	0.03%	0.14	0.10%	(1.54)
31-Mar-20	1.07%	67.61	0.96%	(2.14)	0.00%	-	0.63%	(2.14)
Non-controlling interest								
31-Mar-21	25.61%	1,286.53	-1.57%	29.93	44.62%	185.70	-14.42%	215.63
31-Mar-20	17.04%	1,078.02	-3.24%	7.23	30.85%	(35.79)	8.42%	(28.56)
Consolidation adjustement								
31-Mar-21	-44.02%	2,212.02	2.30%	(43.99)	-44.62%	185.70	15.36%	(229.69)
31-Mar-20	-31.80%	(2,011.85)	-15.77%	35.20	-30.85%	35.79	-20.93%	71.00
Total								
31-Mar-21	100.00%	5,024.49	100.00%	(1,911.58)	100.00%	416.21	100.00%	(1,495.37)
31-Mar-20	100.00%	6,327.05	100.00%	(223.21)	100.00%	(116.01)	100.00%	(339.22)

57.1 The figures for the previous period have been regrouped/ rearranged whereever necessary to conform to the current period presentation

58 CAPITAL MANAGEMENT

The basic approach of capital adequacy framework is that, a financial institution should have sufficient capital to absorb shocks on account of any unexpected losses arising from the risks in its business.

As per RBI guidelines, IFCI as a Government owned NBFC-ND-SI is required to maintain a minimum capital to risk weighted asset ratio. Capital management entails optimal utilization of scarce capital to meet extant regulatory capital requirements. IFCI has put in place an appropriate Risk Appetite framework and computes its capital requirements and adequacy as per extant regulatory guidelines.

i. The Group maintains minimum capital to risk weighted asset ratio enity wise for all the entitie forming part of the group and accordingly manage the capital requirements among all the entities in the group.

ii. **Capital allocation**

The amount of capital allocated to each operation or activity is undertaken with the objective of minimisation of return on the risk adjusted capital. Allocation of capital is to various lines of business basis annual business plan drawn at the beginning of the year. Various consideration for allocating capital include synergies with existing operations and activities, availability of management and other resources, and benefit of the activity with the company's long term strategic objectives.

As per our report of even date attached

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

For **M.K. AGGARWAL & CO**
Chartered Accountants
ICAI Firm Registration No.: 01411N

MANOJ MITTAL
Managing Director &
Chief Executive Officer
DIN 01400076

SUNIL KUMAR BANSAL
Deputy Managing Director
DIN 06922373

Prof ARVIND SAHAY
Director
DIN 03218334

CA ATUL AGGARWAL
Partner
Membership No.: 099374

JHUMMI MANTRI
General Manager &
Chief Financial Officer

RUPA DEB
Company Secretary

Place : New Delhi
Date : 28 June 2021

OFFICES OF IFCI

As on 31st March, 2021

Registered Office
IFCI Limited

IFCI Tower, 61 Nehru Place, New Delhi-110019
Tel: +91-11-4179 2800, 4173 2000
Fax No.: +91-11-2648 8471, 2623 0201
Website : www.ifciltd.com
CIN: L74899DL1993GOI053677

REGIONAL OFFICES

CHENNAI

Continental Chambers
(2nd Floor), 142 M G Road
Nungambakkam
PIN-600 034
Tel: +91-44-2833 4110-11
Fax: +91-44-2833 4109

KOLKATA

Chatterjee International Center
(3rd Floor) 33-A,
Jawaharlal Nehru Road
PIN-700 071
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Fax: +91-33-2217 1618

HYDERABAD

Taramandal Complex
(8th Floor), 5-9-13 Saifabad
PIN-500 004
Tel: +91-40-2324 3505 / 06 / 07
Fax: +91-40-2324 1138

MUMBAI

Earnest House
(9th Floor), NCPA Marg
Nariman Point
PIN-400 021
Tel: +91-22-6129 3400

REGISTRAR & TRANSFER AGENTS

For Equity Shares & Family Bonds:
MCS Share Transfer Agent Ltd
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110 020
website: www.mcsregistrars.com
E-mail: helpdeskdelhi@mcsregistrars.com
admin@mcsregistrars.com
Tel: +91-11-4140 6149/50/51/52
Fax: +91-11-4170 9881

For Infrastructure Bonds (Series I & II):
Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi -110 062
Tel: +91-11-2996 1281-83
Fax: +91-11-2996 1284
E-mail: ifci@beetalfinancial.com

For Infrastructure Bonds (Series III, IV & V) & IFCI NCD (Tranche I & II)
KFin Technologies Private Limited
Corporate & Registered Office:
"KFin Technologies Private Limited",
Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
E-mail : einward.ris@kfintech.com
Phone : 040-67161589 / 1672 / 1678 Fax: +91-040-23001153
Toll Free No. 1800-309-4001
CIN NO.U67200TG2017PTC117649

For Subordinate Bonds (Series I & III) :
Link Intime India Pvt Ltd
C-101, 247 Park,
L.B.S Marg, Vikhroli West,
Mumbai - 400 083
Tel No.: +91 22 4918 6270
Fax No.: +91 22 4918 6060
Email: bonds.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE FOR - INFRASTRUCTURE BONDS SERIES I, II, SUBORDINATE BONDS, TAX FREE BONDS, OTHER REGULAR RETURN BONDS

Registered Address:
Axis Trustee Services Limited
Axis House,
Bombay Dyeing Mills Compound,
Pandhurang Budhkar Marg,
Worli, Mumbai - 400025

Communication Address:
Kind Attention: Chief Operating Officer
Address:
Ground Floor Axis House
Wadia International Centre
Pandurang Budhkar Marg
Worli Mumbai-400 025
Phone no. 022 6226 0050/54
Fax: 022-49186060
Toll Free No. 1800-1020-878
Email: debenturetrustee@axistrustee.in

Desk Office:
2nd Floor, 25-Pusa Road,
Near Karol Bagh Metro Station,
New Delhi-110005

DEBENTURE TRUSTEE FOR – INFRASTRUCTURE BONDS SERIES III, IV & V
IDBI Trusteeship Services Ltd
Regd. Office: Asian Building, Ground Floor.
17, R. Kamani Marg, Ballard Estate,
Mumbai-400 001
Tel: +91-22-4080 7000-01
Fax: +91-22-6631 1776
Website: www.idbitrustee.in
E-mail: itsl@idbitrustee.com

DEBENTURE TRUSTEE FOR – REGULAR BONDS SERIES NO. 47, 50 & 51
Centbank Financial Services Ltd
Regd. Office:
3rd Floor (East Wing)
Central Bank of India, MMO Building
55 M G Road, Mumbai - 400 001
Tel: +91-22-2261 6217
Fax: +91-22-2261 6208
Website: www.cfsl.in
E-mail: info@cfsl.in

If undelivered, please return to:

MCS Share Transfer Agent Ltd
F-65, Okhla Industrial Area
Phase-I
New Delhi - 110 020